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# SESSIONAL PAPERS

VOLUME 13

SECOND SESSION OF THE NINTH PARLIAMENT

OF THE

DOMINION OF CANADA

SESSION 1902



118255

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45. Orders of the Exchequer Court. Presented 19th February, 1902, by Hon. C. Fitzpatrick. *Not printed.*
- 45a. Rules of the Exchequer Court, pursuant to 52 Victoria, chapter 38, section 2. Presented 19th March, 1902, by Hon. H. G. Carroll. . . . . *Not printed.*
46. Ordinances passed by the Yukon council during the year 1901. Presented 19th February, 1902, by Hon. C. Fitzpatrick. . . . . *Not printed.*
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48. Copy of a report of the committee of the honourable the privy council, approved by his excellency on the 23rd January, 1902, relative to a proposed increase of the capital stock of the Canadian Pacific Railway Company, by twenty millions of dollars and correspondence relating thereto. Presented 19th February, 1902, by Sir Wilfrid Laurier. . . . . *Printed for sessional papers.*
49. Copy of a report of the committee of the honourable the privy council, approved by his excellency on the 31st May, 1901, relating to a contract with the American Bank Note Company and correspondence relating thereto. Presented 20th February, 1902, by Hon. W. S. Fielding. . . . . *Printed for sessional papers.*
50. Annual return under chapter 131 (R.S.C), intitled : "An Act respecting Trade Unions." Presented 21st February, 1902, by Hon. C. Fitzpatrick. . . . . *Not printed.*
51. Return to an order of the House of Commons, dated 26th February, 1902, for a copy of the correspondence relating to an agreement made between the government of Canada and the Marconi's Wireless Telegraph Company, Limited. Presented 26th February, 1902, by Sir Wilfrid Laurier. . . . . *Not printed.*
- 51a. Memorandum of agreement made the seventeenth day of March, 1902, between Marconi's Wireless Telegraph Company, Limited, and the Marconi International Marine Communication Company, Limited, and His Majesty King Edward Seventh, represented herein by the Right Honourable Sir Wilfrid Laurier, G.C.M.G., President of the King's Privy Council for Canada. Presented 15th April, 1902, by Sir Wilfrid Laurier. . . . . *Printed for sessional papers.*
52. Report of the Commissioner, Dominion Police Force, for the year 1901. Presented 26th February, 1902, by Hon. C. Fitzpatrick. . . . . *Not printed.*
53. Report of Commissioner and other documents in connection with the Royal Commission in re the alleged combination of paper manufacturers and dealers. Presented 21st April, 1902, by Hon. W. S. Fielding. . . . . *Printed for both distribution and sessional papers.*
54. Report of the Royal Commission on Chinese and Japanese Immigration. Part I.—Chinese Immigration. Presented 27th February, 1902, by Sir Wilfrid Laurier. Part II.—Japanese Immigration, together with all the evidence taken before the said Commission. Presented 14th April, 1902, by Sir Wilfrid Laurier. . . . . *Printed for both distribution and sessional papers.*

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56. Return to an order of the House of Commons, dated 19th February, 1902, showing the names and number of men employed on the 200 acres set apart at the Central Experimental Farm, Ottawa, as a farm proper to be handled as a farm, that is, as any farmer's farm might be handled; mentioned in the evidence of J. H. Grisdale, Esq., given Thursday, April 11th, 1901, at the morning session of the select standing committee on agriculture and colonization. The number of employees and the wages paid to each employee. The total crop of various kinds grown on said 200 acres, and the amount said total crop was sold for. Presented 4th March, 1902.—*Mr. Wilson*. . . . . *Not printed.*
57. Supplementary return to an order of the House of Commons, dated 18th February, 1901, for copies of all correspondence, telegrams, letters, notes and memoranda exchanged between the Canadian commissioner at the Paris exhibition, or any member of the Canadian commission, and Lord Strathcona or the royal commission or the colonial secretary, in relation to the representation of Canada at the exhibition. Presented 4th March, 1902.—*Mr. Bourassa*. . . . . *Not printed.*
- 57*a*. Report of the Canadian Commission at the Paris exhibition. Presented 22nd April, 1902, by Hon. S. A. Fisher. . . . . *Not printed.*
58. Return to an order of the House of Commons, dated 19th February, 1902, for correspondence between the department of the interior or the minister of the interior, and Mr. C. R. Devlin, with reference to a letter that appeared in *United Canada* on 11th May, 1901, and a letter that appeared in the *Montreal Herald* on the 18th May, 1901; in both of said letters Mr. C. R. Devlin made certain statements regarding members of this house. Presented 6th March, 1902.—*Mr. Wilson*. . . . . *Not printed.*
59. Return to an order of the House of Commons, dated 19th February, 1902, showing: 1. The names of all employees in the post office at Belleville, Ontario, on June 30th, 1896, together with the age of each, date of entry in the service, and the salary of each on the said date. 2. The number of employees dismissed from the Belleville post office since June 30th, 1896, with cause and date of dismissal. 3. The number of employees superannuated, the date of their superannuation, reason for their superannuation, how much superannuation allowance has been allowed to each; giving the names of all said employees so superannuated who have asked to be superannuated. 4. How many employees were employed in the Belleville post office on 1st January, 1902; what were their names and the age and salary of each employee on said date, and date of appointment. Presented 7th March, 1902.—*Mr. Wilson*. . . . . *Not printed.*
- 59*a*. Return to an order of the House of Commons, dated 10th March, 1902, for a list of the names of all permanent and temporary officials employed in the Winnipeg post office since the 1st of July, 1896; date of appointment, length of service, and salary up to the 1st of January, 1902. Presented 3rd April, 1902.—*Mr. La Rivière*. . . . . *Not printed.*
- 59*b*. Return to an order of the House of Commons, dated 28th April, 1902, of copies of all tenders received by the post office department in June, 1901, for carrying mail between Hamilton and Guelph. Presented 17th May, 1902.—*Mr. Smith (Wentworth)*. . . . . *Not printed.*
- 59*c*. Return to an order of the House of Commons, dated 14th April, 1902, for copies of all petitions, correspondence and any and all other documents addressed by any person or persons to the honourable the postmaster general upon which he or the department acted in dismissing, or which led to the dismissal of David Clinton, lately postmaster at Wellington, Ontario. Presented 9th May, 1902.—*Mr. Atcorn*. . . . . *Not printed.*
- 59*d*. Return to an order of the House of Commons, dated 28th April, 1902, for a copy of the petition sent to the government asking for the dismissal of Mr. H. Therien, postmaster at Grandes Piles, in the province of Quebec; and copies of all correspondence between the government and all persons interested in the subject of such dismissal. Presented 14th May, 1902.—*Mr. Ball*. . . . . *Not printed.*
- 59*e*. Return to an order of the House of Commons, dated 9th April, 1902, for copies of all correspondence, petitions, affidavits and documents relating to the dismissal of Alphonse Thomas as postmaster at La Prairie, P.Q. Presented 14th May, 1902.—*Mr. Monk*. . . . . *Not printed.*
60. Return to an order of the House of Commons, dated 27th February, 1902, for copies of all letters, telegrams and other correspondence between the department of labour and the Canadian Pacific Railway, Mr. John Wilson and other parties, in respect of alleged violations of the Alien Labour Law, between June 1st and September 1st, 1901. Also between officers of the immigration department and the Canadian Pacific Railway. Presented 7th March, 1902.—*Mr. Pattee*. . . . . *Not printed.*

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62. Report on the trend of farm land values as indicated by the selling price. Presented 11th March, 1902, by Hon. S. A. Fisher.....*Not printed.*
63. Return to an order of the House of Commons, dated 27th February, 1902, showing: 1. Whether the government or any member thereof, by letter or otherwise, gave any public or private assurance that in the selection of officers for the Canadian South African constabulary, which left for South Africa, last year, preference would be given to those Canadian officers who have served in South Africa and to other officers of the Canadian militia. 2. What persons, officers or others, applied for commissions in said constabulary. What is the military record of each, either in Canada, South Africa or elsewhere. 3. (a). What officers were selected and appointed; (b). What is the military record of each. 4. Who of those selected as officers had never before been officers. 5. Whether there were enough applications from officers of the Canadian militia to officer the constabulary, and the reason for their being passed over, and men without qualification, if there were any such, selected. 6. How many commissioned officers of the Canadian militia were enlisted in the first and second contingents, in the Royal Canadian Regiment, the Canadian Mounted Infantry, the Royal Canadian Dragoons, and the Canadian Artillery, as (a.) non-commissioned officers and (b.) as men. 7. How many non-commissioned officers and men of the permanent corps were enlisted in the corps named in question. How many of these were non-commissioned officers in South Africa. (c.) Why were the commissioned officers enlisted in the corps as privates, not given the non-commissions. Presented 11th March, 1902.—*Mr. Monk*.....*Not printed.*
64. Return to an address of the House of Commons, dated 19th February, 1902, for a copy of all papers and correspondence relating to the coronation of his majesty the king; the imperial conference which is to be held in London, and the appointment of Canadian delegates to the same. Presented 11th March, 1902.—*Mr. Bourassa*.....*Printed for sessional papers.*
65. Return to an address of the House of Commons, dated 19th February, 1902, for: 1. Copies of all applications for any portion of the ground covered by the Matson concession (so-called), or lease No. 9, in the Yukon district. 2. Copies of all applications for any portion of the ground covered by the Doyle concession (so-called), in the Yukon district. 3. Copies of all applications for any portion of the ground covered by the Bronson & Ray concession, in the Yukon district. 4. A memorandum showing the date on which the application in the Bronson & Ray concession was granted. 5. Copy of the application for all lay-overs in all these cases. 6. Copies of orders in council or other authority under which the minister of the interior granted any lay-over in these cases; and copy of the material, reports or other evidence upon which such lay-overs were granted. 7. A description of the Boyle concession and a map of same. 8. Copy of the application for Boyle concession. 9. The exact terms of the application in the case of the Milne concession. 10. The dates on which this application was made and granted. 11. Map showing ground covered. 12. The date when the application for the Slavin & Gates concession was made and filed. 13. Copy of Green's original map, with copy of field notes attached in the case of the Slavin & Gates concession. 14. Copy of telegram from the deputy minister of interior to E. C. Senkler as to the boundaries of this concession, dated on or about the 5th June, 1901. Presented 12th March, 1902.—*Mr. Taylor* .... *Not printed.*
66. Return to an order of the House of Commons, dated 20th February, 1902, for a statement in detail showing the quantity of vegetables imported from the United States and entered at the ports of Montreal and Toronto during the years 1900 and 1901, respectively, as well as of the amount of duties collected by the government of Canada during the said two years at each one of the said ports. Presented 14th March, 1902.—*Mr. Léonard*.....*Not printed.*
- 66a. Return to an order of the House of Commons, dated 20th February, 1902, for copies of all petitions, resolutions, letters, etc., addressed to the government in relation to an increase or a readjustment of the duties on vegetables, and of all replies sent by the government to said resolutions, petitions and letters. Presented 24th March, 1902.—*Mr. Léonard*.....*Not printed.*



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67. Return to an address of the House of Commons, dated 19th February, 1902, for a copy of all papers and correspondence relating to the disallowance of chapters 11 and 14 of the Statutes of 1900, province of British Columbia, viz.: "An Act to regulate immigration into British Columbia," and "An Act relating to the employment on works carried on under franchises granted by Private Acts." Presented 17th March, 1902.—*Mr. Bourassa*..... *Not printed.*
68. Return to an order of the House of Commons, dated 19th February, 1902, showing: 1. The amount of money spent each year from June 30th, 1891, to June 30th, 1901, on immigration. 2. The number of immigrants reported each year to have settled each year in the Dominion of Canada during the ten (10) years from 1891 to 1901, and the total for the ten years. 3. The number of immigrant agents employed by the Dominion government each year in Great Britain and Ireland from 1891 to 1901, and the total amount paid each year to the said agents, and the amount spent each year for printing and other expenses by the said agents. 4. The number of immigrant agents employed by the Dominion government each year in the continent of Europe from 1891 to 1901, and the total amount paid each year to the said agents, and the amount spent each year for printing and other expenses by the said agents. 5. The number of immigrant agents employed by the Dominion government each year in the United States of America from 1891 to 1901; and the total amount paid each year to the said agents; and amounts spent each year for printing and other expenses by the said agents; and by the government of the Dominion of Canada. Presented 18th March, 1902.—*Mr. Wilson*..... *Printed for sessional papers.*
69. Statement for parliament relative to fishing bounty payments for the year 1900-1901, required under section 4, of chapter 96, of the Revised Statutes of Canada, intituled: "An Act to encourage the development of the sea fisheries and the building of fishing vessels." Presented (Senate) 19th March, 1902, by Hon. R. W. Scott..... *Not printed.*
70. Return of all lands sold by the Canadian Pacific Railway Company, from the 1st October, 1900, to the 1st October, 1901. Presented 21st March, 1902, by Hon. W. S. Fielding..... *Not printed.*
- 70*a*. Return (in so far as the department of the interior is concerned) of copies of all orders in council, plans, papers and correspondence which are required to be presented to the House of Commons, under a resolution passed on 20th February, 1882, since the date of the last return under such resolution. Presented 21st March, 1902, by Hon. W. S. Fielding..... *Not printed.*
71. Return to an address of the House of Commons, dated 3rd March, 1902, for copies for all applications for water powers and other similar rights on or connected with the Soulanges canal, and all correspondence with respect thereto, and all reports, letters and communications of or from engineers or other experts respecting the same. Also all leases granted to any person, firm or corporation of water powers or other similar rights on or connected with the above named canal. Presented 20th March, 1902.—*Mr. Bennett*..... *Not printed.*
72. Return to an order of the House of Commons, dated 26th February, 1902, showing amount of the rebate paid on agricultural implements exported from Canada for the fiscal year ending 30th June, 1901, specifying amount paid to each firm. Presented 20th March, 1902.—*Mr. Henderson*. *Not printed.*
73. Return to an order of the House of Commons, dated 6th March, 1902, showing: 1. The amount of refined sugar imported into Canada (*a*) from the first of January to 31st December, 1900; (*b*) from the first of January to the 31st of December, 1901; 2. The amount of raw sugar imported within same dates, each year separate, and the name of the country from which it has been imported. Presented 20th March, 1902.—*Mr. Madore*..... *Not printed.*
74. Return to an order of the House of Commons, dated 10th March, 1902, for a tracing showing the principal railway lines in operation in New Brunswick, and showing the railway lines, or portions of such lines, over which postal cars are run. Presented 24th March, 1902.—*Mr. Costigan*. *Not printed.*
75. Return of orders in council, which have been published in the *Canada Gazette* and in the *British Columbia Gazette*, between 1st January and 31st December, 1901, in accordance with the provisions of subsection (*d*) of section 38 of the regulations for the survey, administration, disposal and management of Dominion lands within the 40-mile railway belt in the province of British Columbia. Presented 21st March, 1902, by Hon. W. S. Fielding..... *Not printed.*

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76. Return of orders in council which have been published in the *Canada Gazette* between 1st January and 31st December, 1901, in accordance with the provisions of section 52 of the North-west Irrigation Act, chapter 35 of 61 Victoria. Presented 21st March, 1902, by Hon. W. S. Fielding.—*Not printed.*
77. Return to an address of the House of Commons, dated 19th February, 1902, for copies of all letters, telegrams and other correspondence between the governments of Canada, Australia and New Zealand or any member thereof, respecting trade transportation, cable and other subjects of intercolonial concern. Presented 26th March, 1902.—*Mr. Campbell* . . . . . *Printed for sessional papers.*
78. Return to an order of the House of Commons, dated 10th March, 1902, for list of the names of all permanent and temporary officials of the several branches of the department of the interior, date of appointment, and their salaries, on the 1st July, 1896; also a similar list on the 1st July, 1901. Presented 26th March, 1902.—*Mr. LaRivière* . . . . . *Not printed.*
79. Return to an order of the House of Commons, dated 21st February, 1901, of all papers, reports and other data relative to the lowering of the waters of Lake Simcoe, with a view towards reclaiming certain flooded lands. Presented 26th March, 1902.—*Mr. McLeod* . . . . . *Not printed.*
80. Return to an address of the House of Commons, dated 27th February, 1902, for a copy of the report from the judicial committee of the privy council, dated the 8th day of December, 1901, in the matter of an appeal from the court of king's bench for the province of Quebec (appeal side) between the Canadian Pacific Railway Company, appellant, and Adrien Roy, respondent. Presented 7th April, 1902.—*Mr. Leduc* . . . . . *Not printed.*
81. Orders in council with respect to the application made by Messrs. Ewing, Treadgold and Barwick, to divert water for mining purposes. Presented 8th April, 1902, by Hon. C. Sifton.  
*Printed for both distribution and sessional papers.*
- 81*a*. Partial return to an address of the House of Commons, dated 9th April, 1902: 1. For copies of all orders in council, petitions, applications, reports, telegrams, correspondence, grants, contracts, agreements, documents, and communications in writing, relating to or concerning the grant to or concession to A. N. C. Treadgold and others, or to the Hydraulic Mining Syndicate, either separately or associated with A. N. C. Treadgold, of any claims, rights, and privileges on Bonanza, Bear and Hunker Creeks or their tributaries, or elsewhere in the Yukon territory. 2. A description and plan showing the situation, location, area, and other particulars of all the claims, rights, and privileges so granted or conceded to the said A. N. C. Treadgold and others, or to the said Hydraulic Mining Syndicate, as aforesaid. Presented 23rd April, 1902.—*Mr. Borden (Halifax)*.  
*Printed for both distribution and sessional papers.*
- 81*b*. Return to an order of the House of Commons, dated 9th April, 1902, indicating: 1. The names of all grantees of permits to cut timber in the Yukon, to whom permits, licenses or leases have been issued since the 1st January, 1899. 2. The location of such grants. 3. The annual amount payable by the grantee, licensee or lesser. 4. The price or consideration of the grant. 5. The name in each case of the present holder of grant or lease, if transferred. 6. Whether each and every grant was publicly advertised for sale by auction. Presented 29th April, 1902.—*Mr. Monk*. . . . . *Not printed.*
82. Return showing the reductions and remissions under section 141 as added to the Indian Act by section 8, chapter 35, 58-59 Victoria, during the fiscal year ended 30th June, 1901. Presented (Senate) 8th April, 1902, by Hon. R. W. Scott. . . . . *Not printed.*
83. Return to an address of the Senate, dated 20th February, 1902, for copies of all orders in council, documents, memoranda, or other papers, relating to the transfer, from the federal to the provincial control, of public lands allotted for education in Manitoba, or relating to the payment by this government to the Manitoba government of any money—whether it be on the capital or on the interest—derived from the sales of such lands; also copies of all correspondence between the government or any member thereof, and the government of Manitoba or any member thereof, or any other persons, up to this date, in connection with the above matters. Presented (Senate) 9th April, 1902.—*Hon. Mr. Bernier* . . . . . *Printed for both distribution and sessional papers.*



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- 83*a*. Return to an address of the House of Commons, dated 19th February, 1902, for a copy of all correspondence, petitions, orders in council, and any and all documents in connection with the demands of the provincial legislature, with regard to the school lands in Manitoba; moneys derived from sales thereof, together with interest accrued thereon. Presented 25th April, 1902.—*Mr. LaRivière.*  
*Incorporated with 83.*
84. Return to an address of the House of Commons, dated 9th April, 1902, for copies of all correspondence, papers, letters, telegrams, etc., between the department of justice and the authorities of the St. Vincent de Paul Penitentiary, relating to the leave granted to the present warden, as well as that which passed respecting the superannuation of the said warden. Presented 21st April, 1902.—*Mr. Leonard.*.....*Not printed.*
- 84*a*. Return to an order of the House of Commons, dated 9th April, 1902, for copies of all correspondence, letters, claims, etc., addressed to the government in regard to the indemnity of Trefle Nantel, a guard at the St. Vincent de Paul Penitentiary, who died on or about the 12th September, 1900; as well as all documents relating to that matter. Presented 21st April, 1902.—*Mr. Leonard.*  
*Not printed.*
85. Return to an order of the House of Commons, dated 9th April, 1902, for a copy of the report of Inspector McRae of the Indian department relating to the investigation held by him respecting the complaint by the Restigouche Indians against Indian Agent Peters, together with all correspondence and documents in connection therewith. Presented 21st April, 1902.—*Mr. Fowler.*.....*Not printed.*
86. Report of the Commissioner for Canada at the Pan-American exhibition. Presented 22nd April, 1902, by *Hon. S. A. Fisher.*.....*Not printed.*
87. Report of the Canadian Commissioner at the Glasgow exhibition. Presented 22nd April, 1902, by *Hon. S. A. Fisher.*.....*Not printed.*
88. Return to an order of the House of Commons, dated 13th March, 1902, showing:—1. The number of timber limits, and where located, that have been disposed of by the government since July, 1896, in the province of Manitoba and North-west Territories. 2. The names of the purchasers in each case, and price paid for each limit. 3. Copies of tenders for each limit, and names of newspapers in which advertisements appeared. Presented 23rd April, 1902.—*Mr. Roche (Marquette).*  
*Not printed.*
89. Return to an order of the House of Commons, dated 9th April, 1902, for any communications, reports, or other documents received by the government, or any member or department thereof, from Colonel Taylor, of Pittsburg, U.S.A., with reference to the deposits of coal and coal mining in South British Columbia, particularly the Crow's Nest Pass coal fields. Presented 25th April, 1902.—*Mr. Bennett.*.....*Not printed.*
90. Return to an order of the House of Commons, dated 9th April, 1902, for copy of petition dated on or about November 29th, 1901, from the president of the Quebec Trades and Labour Council to the department of labour, and of all documents connected with said petition or mentioned therein, or correspondence ensuing therefrom in reference to the arbitration controversy or conflict between the Shoe Workers' Union of Quebec city and Mgr. L. N. Begin, Archbishop of Quebec. Presented 28th April, 1902.—*Mr. Puttee.*.....*Not Printed.*
- 90*a*. Return to an order of the House of Commons, dated 9th April, 1902, for copies of all letters, telegrams and other correspondence between the department of labour and the officers of the Rossland Miners' Union and other persons, in reference to the alleged violations of the Alien Labour Act in connection with the Rossland miners' strike. Presented 9th May, 1902. *Mr. Smith (Vancouver).*.....*Not printed.*
91. Return to an address of the House of Commons, dated 14th April, 1902, for copies of all memorials, petitions or protests received respecting the erection of a monument to General Montgomery at Quebec, with dates; also copies of replies sent thereto. Presented 29th April, 1902.—*Mr. Clarke.*  
*Not printed.*
92. Return to an address of the House of Commons, dated 9th April, 1902, for a statement of all moneys paid by the Dominion government to the province of Ontario during the calendar years 1900 and 1901, respectively; stating in each case how much of such moneys so paid was on account of subsidy, allowance for government, and interest, respectively. Also copies of all telegrams, letters, or correspondence of any kind in any way relating to or connected with the transmission of such moneys. Presented 30th April, 1902.—*Mr. Henderson.*.....*Not printed.*

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93. Return to an order of the House of Commons, dated 26th February, 1902, showing (1st) the number of commutations of sentences that have been granted through the department of justice to prisoners convicted of arson or incendiarism during the years 1899, 1900 and 1901, respectively; (2nd) the places where the crimes were committed; (3rd) the sentences imposed. Presented 1st May, 1902.—*Mr. Monk*.....*Not printed.*
94. Return to an address of the Senate, dated 9th April, 1902, for a copy of the orders in council appointing: 1. The Honourable Mr. Wurtelle, one of the judges of the court of appeal for the province of Quebec, chairman of the commission for the revision of the statutes of the Dominion of Canada. 2. The Honourable Justice François Langelier, one of the judges of the superior court of the province of Quebec, a judge of the court of appeal of the same province, in the room and place of the said Honourable Judge Wurtelle. 3. Cancelling the aforesaid appointments; together with a copy of all correspondence exchanged on the subject of these appointments and the cancellation thereof. Presented (Senate) 2nd May, 1902.—*Hon. Mr. Landry*.....*Not printed.*
95. Return to an order of the House of Commons, dated 14th April, 1902, showing: 1. The number of seine licenses issued for the province of British Columbia for the year 1901. 2. To whom the said licenses were issued. 3. The number operated by those to whom they were issued, and by whom. 4. By whom those were operated which were not used by the parties to whom they were issued. Presented 5th May, 1902.—*Mr. Earle*.....*Not printed.*
96. Return to an address of the House of Commons, dated 19th February, 1902, for a copy of all papers and correspondence exchanged between his excellency the governor general, the Canadian government, or any of its members or departments, the officer commanding the Canadian militia, and the British authorities, in relation to the South African war, its conduct and its settlement; and the sending or recruiting of Canadian troops to South Africa,—for the three last years. Presented 7th May, 1902.—*Mr. Bourassa*.....*Not printed.*
97. Return to an order of the House of Commons, dated 3rd March, 1902, for copies of all contracts made during two years past between the government of Canada and all steamship companies with whom it is agreed that a subsidy, bonus or grant of any kind shall be given by the government of Canada for services to be rendered in connection with transatlantic, transpacific or West Indian business. Presented 9th May, 1902.—*Mr. Smith (Wentworth)*.....*Not printed.*
98. Copy of the finding of the judge of the exchequer court of Canada, in the matter between William Mackenzie and Donald D. Mann, claimants, and His Majesty the King, defendant. Presented 9th May, 1902, by Hon. C. Fitzpatrick.....*Not printed.*
99. Return to an order of the House of Commons, dated 9th April, 1902, showing what licenses, during the year 1900, were issued, entitling the persons named therein to fish for oysters on the beds planted by the government in the harbour of Shediac. And also showing to whom such licenses were issued, and on what dates they were respectively issued, and by whose authority they were issued in each instance, and whether such licenses, or any, and which of them were cancelled; and if so, how many, and on what date, and for what reason, such licenses were cancelled; and what quantity of oysters was secured under such licenses during the period they were in force. Presented 9th May, 1902.—*Mr. Borden (Halifax)*.....*Not printed.*
100. Return to an order of the House of Commons, dated 9th April, 1902, for a statement showing: 1. Into how many classes the employees of the Intercolonial Railway are divided. 2. The name, residence and the salary of each of the employees of the first class. 3. The name, residence and salary of each of those of the second class. 4. The number of those of the third class, and the total amount of the yearly salary paid them. Presented 10th May, 1902.—*Mr. Léonard*.....*Not printed.*
101. Return to an address of the Senate, dated 23rd April, 1902, of all correspondence which has taken place within the last two years between the government of Canada or any department or officer thereof, and any steamship company or agent of such company, engaged in the transportation of the produce of Canada from any port in Canada to Europe, regarding the ventilation of space on steamships used for storage during transportation of perishable products such as apples and cheese; also copies of all clauses in contracts with steamship companies relating to the ventilation of the holds or spaces between the decks of steamers employed as aforesaid; also a statement giving the names of all steamships and the owners thereof which have been equipped with means of generating cold air and distributing the same throughout their holds and between decks, in terms of the appropriation made for such purpose during last session of parliament, giving the cost to the government in the

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case of each steamer; also a statement showing the daily minimum and maximum temperatures maintained during each voyage in the holds or between the decks of steamers equipped in terms of the said parliamentary appropriation of last session; also a statement showing the comparative results in the transportation of apples between steamers equipped as above described and steamers without any special means of ventilation; and also a statement giving the names and owners of steamers which it is proposed to equip as aforesaid, for the approaching season, and giving the port of departure from Canada of such steamers as well as of those already equipped as aforesaid. Presented (Senate) 13th May, 1902.—*Hon. Mr. Ferguson* . . . . . *Not printed.*

**102.** Return to an order of the House of Commons, dated 15th May, 1902, for copies of all papers relating to preferential trade. Presented 15th May, 1902.—*Mr. Belcourt* . . . . . *Not printed.*









REPORT  
OF THE  
DEPARTMENT OF LABOUR  
FOR THE  
YEAR ENDED JUNE 30  
1901

*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA

PRINTED BY S. E. DAWSON, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

[No. 36-1902]

1902



See also Numerical List, page 3.

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*To His Excellency the Right Honourable Sir Gilbert John Elliot, Earl of Minto and Viscount Melgund of Melgund, County of Forfar, in the Peerage of the United Kingdom, Baron Minto of Minto, County of Roxburgh, in the Peerage of Great Britain, Baronet of Nova Scotia, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, &c., &c., Governor General of Canada.*

MY LORD:

I have the honour to forward to Your Excellency the accompanying Report of the Department of Labour of the Dominion of Canada, for the year ended June 30, 1901, which is respectfully submitted.

I have the honour to be,

MY LORD,

Your Excellency's most obedient servant,

W. MULOCK,

*Minister of Labour.*

DEPARTMENT OF LABOUR,

OTTAWA, October 15, 1901.





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ANNUAL REPORT  
OF THE  
DEPARTMENT OF LABOUR  
FOR THE  
FOR YEAR ENDED JUNE 30  
1901

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DEPARTMENT OF LABOUR,

OTTAWA, October 15, 1901.

To the Honourable WILLIAM MULOCK,  
Minister of Labour.

SIR,—I have the honour to submit a report upon the general work of the Department of Labour, from its establishment in July, 1900, for the balance of the fiscal year ending June 30, 1901.

**Organization of the Department.**

The department has been established under the authority of section 10 of the Conciliation Act, 1900, which received the Royal Assent on July 18 of that year. The section of the Act relating to the department is as follows :—

With a view to the dissemination of accurate statistical and other information relating to the conditions of labour, the Minister shall establish and have charge of a Department of Labour, which shall collect, digest and publish in suitable form statistical and other information relating to the conditions of labour, shall institute and conduct inquiries into important industrial questions upon which adequate information may not at present be available, and issue at least once in every month a publication to be known as the *Labour Gazette*, which shall contain information regarding conditions of the labour market and kindred subjects, and shall be distributed or procurable in accordance with terms and conditions in that behalf prescribed by the Minister.

The work of organizing the department was commenced almost immediately after the passing of the Act. Suitable office accommodation was secured in the Molson's Bank buildings, in close proximity to the parliament buildings and the offices of the other government departments, there being no available accommodation to be had in any of the departmental blocks. Necessary appointments were made, and by September 15, 1900, the first number of the *Labour Gazette*, the journal of the

Department of Labour, appeared. Since that date, the *Labour Gazette* has been published monthly, and as much of the work of the department has found expression in its pages, volume 1, which comprises the ten numbers published during the year ending June 30, 1901, is submitted herewith as a supplement to this report.

### Work of the Department.

For purposes of presentation, as well as to admit of more accurate description, the work of the department may best be considered under the following headings, which serve to indicate the nature of its operations :—

- I.—The preparation and publication of the *Labour Gazette*.
- II.—The settlement of industrial disputes under the Conciliation Act, 1900.
- III.—The carrying out of the resolution of the House of Commons of March 1900, to secure to those employed on public work the payment of fair wages, and the performance of the work under proper conditions.
- IV.—The administration of the Acts to restrict the importation and employment of aliens.
- V.—The correspondence and other departmental work.
- VI.—The revenue and expenditure.

### I. THE LABOUR GAZETTE.

In its relation to the work of the department, the *Labour Gazette* may be said to serve a two-fold purpose : in its character as a monthly publication, it supplies the latest information in reference to the general condition of the labour market in all parts of Canada, and conditions obtaining in particular trades, reviews the more important industrial events, and presents reliable accounts of subjects of current interest in matters of concern to labour ; it also presents in serial form special articles of a statistical and descriptive nature, and thereby obviates the necessity of publishing separately special reports or other blue-books, comprising within the pages of a single volume the information thus presented in a series.

### Reports of Local Correspondents.

To assist in the efficient carrying out of the first of these purposes, correspondents have been appointed in most of the cities of the Dominion. It is the duty of these correspondents to send a monthly report to the department on the condition of the labour market in their respective cities and districts ; to supply information in regard to particular trades, the more important industrial events, and other local information of interest to labour generally. It is also their duty to keep the department informed of the commencement and progress of industrial disputes which may arise within their jurisdiction ; to fill out forms with statistical and descriptive information in reference to economic conditions in their respective localities, as required by the department, and to discharge such other duties as may, from time to time, be required of them in connection with its work. The reports of correspondents, when received, are edited, and so presented as to preserve, as far as possible, a similarity of form and method from month to month. They are also made the basis of a résumé of the general condition of the labour market in the Dominion, though in

## SESSIONAL PAPER No. 36

the preparation of this summary the department also draws upon information which it has gathered from other sources.

At the end of the fiscal year 1900-1901, there were twenty-six correspondents resident in the following cities :—Halifax, N.S., St. John, N.B., Quebec, Que., Sherbrooke, Que., St. Hyacinthe, Que., Montreal, Que., Hull, Que., Ottawa, Ont., Kingston, Ont., Belleville, Ont., Toronto, Ont., Hamilton, Ont., Brantford, Ont., Guelph, Ont., Stratford, Ont., London, Ont., St. Thomas, Ont., Chatham, Ont., Windsor, Ont., Winnipeg, Man., Brandon, Man., Vancouver, B.C., New Westminster, B.C., Victoria, B.C., and Nanaimo, B.C. Their reports appear in the volume of the *Labour Gazette*.

Apart from the local interest which these reports may be expected to have, it will readily be seen that they contain information of the most useful sort, not only to members of the particular trades mentioned, but also to employers and employed generally. Opportunities of employment are brought to the notice of persons seeking employment ; and employers and employed alike are informed of the prevailing rates of remuneration and hours of labour, as well as other economic conditions obtaining in the trades and industries of their own and other localities. It is, therefore, not improbable that a more general equilibrium in the supply and demand of labour, with a consequent greater stability in the labour market, as well as a better understanding of its exact conditions may be thus brought about. It is also to be noted that, apart from its immediate purpose, the information contained in these reports when extended over considerable periods of time, will aid in determining the industrial growth of the country and the conditions of its industrial classes.

### Strikes and Lock-outs.

In the *Labour Gazette* will also be found a monthly review of trade disputes in all parts of the country, so far as it has been possible for the department to obtain information in regard to the same. For the sake of clearer and more graphic representation, the plan has been adopted of presenting these disputes from month to month in tabular form, classifying the information under particular heads, so that its significance may be readily grasped. The first of these tables appeared in the November number of the *Gazette*, and, since that time, other tables have followed without intermission. In addition, however, to the tabular statements of strikes and lock-outs, a descriptive account of the more important disputes has been given, and where the interest in a dispute might be regarded as general, it has been dealt with in a special article.

Whenever through its correspondents, the press, or otherwise, the department learns of a strike or lock-out in any locality, a communication is immediately addressed to the representatives of each of the parties to the dispute, with a request for an authoritative statement from them of the causes, results, and other particulars in reference to same. Blank forms setting forth the main points on which information is sought and return envelopes are supplied to the parties, and the returns received constitute the main source of information upon which the department's official record of the trade disputes of the month is based.

1-2 EDWARD VII., A. 1902

The following is a copy of the communication sent by the department to representatives of the parties to an industrial dispute, and of the blank forms which accompany this communication :—

Reference No.....

DEPARTMENT OF LABOUR, CANADA.

THE LABOUR GAZETTE.

Ottawa,.....190..

SIR,

The *Labour Gazette* of the Department of Labour publishes, among other matters of importance to employers and workmen, a monthly record of trade disputes in Canada, and in order that its account may be as accurate and impartial as possible, request is made of interested parties, or their representatives, for a statement of the facts in regard to the matter in dispute in so far as these are to be ascertained.

The department has been informed of a dispute in.....  
and that the matter is one of concern to.....

In accordance with the custom of the department, I inclose herewith two blank forms such as are sent to parties interested in trade disputes, and request that you will have the kindness to fill up one of these blanks immediately, in so far as you are able to supply the information in regard to the points indicated, together with such additional information as may seem to you desirable, and return it at your earliest possible convenience to this department.

As soon as the dispute is terminated, please fill up and return the second blank form.

I am, Sir,

Your obedient servant,

W. L. MACKENZIE KING,  
*Deputy Minister of Labour.*

Reference No.....

THE DEPARTMENT OF LABOUR, CANADA.

TRADE DISPUTES.

Locality ....  
Trade or industry ....  
Firms or establishments involved.....  
.....  
Union or unions (if any) involved  
.....  
\*Cause or object of dispute  
.....

	Directly.	Indirectly.†
Number of firms or establishments affected.....		
Approximate number of employees affected :—		
Males, 21 years or over.....		
"    under 21 years ....		
Females, 21 years or over .....		
"    under 21 years .....		
Total.....		



## SESSIONAL PAPER No. 36

Date of commencement .....  
 Date of termination.....  
 \*Result.....  
 .....  
 \*Remarks .....  
 .....

.....  
*Signature of person supplying above  
 information.*

\*Continue on next page if necessary.

† 'Indirectly' refers to those thrown out of work at the establishments where the dispute occurred, but not themselves on strike or locked out.

It is a pleasure to record that the communications sent to parties to industrial disputes have, for the most part, received prompt attention, and elicited full replies from a large percentage of both employers and employees.

Where a difference, either as to cause or result, or other features, exists between the statements received from the two parties, this difference is noted in the official record given, in order that each party, so far as possible, may present to the public its own statement of its case. The tables are compiled from these returns and other sources, and so arranged as to give, by continuing the account from month to month, the trade disputes in chronological order for the year.

Apart from the immediate value of this statistical and descriptive record, as reflecting existing relations between employers and employed throughout the Dominion, and the consequent quiet or unrest of the labour world, the monthly account serves to draw attention in one locality to conditions in other localities of immediate concern to employers or employees, and at the same time to focus public attention on a matter which, owing to the close relationship and inter-dependence of individual trades and industries, may be regarded as of concern to the general public. In all countries where the industrial changes of the past century characteristic of the western world have made their way, and the machine régime has succeeded the tool régime in the economy of industry, the subject of trade disputes has been attracting the attention of economists and legislators alike. Being symptomatic of difficulties consequent upon the new order of industry, strikes and lock-outs are attracting attention everywhere, and many remedies are being proposed and attempted to remove these features of industrial strife. It is clear, however, that to be effective, such measures must have a direct bearing upon the exact nature of the adverse conditions which they are intended to meet, and a knowledge of such can only be satisfactorily had by a careful investigation of individual cases and a careful classification of their characteristics over a period of time. In compiling each month a list of the trade disputes in Canada and tabulating in some detail their more prominent features, the department has in view the larger work of furnishing satisfactory data for enlightened action in regard to this feature of the industrial situation. Whether the causes of industrial disputes are in their nature such as might be removed through legislative action of a particular kind, or, in their results, such as, on the whole, demand legislative enactment, regard being had to the possible embarrassments it might also bring, can only be known after an adequate classification of the actual differences arising in this country is made, and its significance rightly understood.



It is with a view of serving intelligently this larger purpose that the greatest possible care has been taken in gaining accurate information as to the cause of the industrial disputes, the numbers affected, the loss of time experienced in consequence of them, and the results which have ensued. These tables, taken along with other information supplied by the *Gazette*, also serve to indicate the trend of certain of the movements current in labour circles, and the degree of success or failure attending them. From assurances received from both employers and employees, there is every reason to believe that the plan adopted by the department of communicating immediately with both parties to a dispute, and of publishing an official record of disputes, has had a real influence in deterring parties from hasty action preliminary to an open strike, and of helping to bring to a termination in some cases, either through a desire to avoid publicity or anxiety to escape the censure of public opinion, disputes which have already commenced.

### Reports of Departments and Bureaus.

In the second number of the *Gazette* was commenced a review of reports on industrial and labour questions. In this, as in other countries, public bodies are devoting considerable attention to the work of research along these lines, but much of the information gathered, whilst it is of the highest importance in supplementing the knowledge of existing conditions and influences, is lost to the public in consequence of the publication not being generally known, or because the part which is of special interest is submerged in the larger review. Not only do the departments of the Federal Government, in the course of their work, gather a vast quantity of material which has a direct bearing upon the economic, and, in particular, the industrial conditions of the country, but the departments of the several provincial governments are continually presenting reports, which, either in their entirety or in part, have to do with the status and well-being of the industrial classes in these provinces, and the progressive development of the provinces themselves. Moreover, the departments of the federal and state governments of other countries produce from month to month a vast amount of material relating to industrial conditions and experiences, which has a very direct bearing upon conditions in this country. Even to interested parties many of these publications remain entirely unknown, and the usefulness of much of the work undertaken in this country and abroad is consequently lost. The department has endeavoured to minimize this loss and to eradicate it where possible, by publishing reviews of such of these reports as may come to hand. They are necessarily brief reviews, because of the limitation of available space in the *Gazette*, but they are at least sufficient to attract attention to the nature of investigations being made and results obtained. During the year communication has been had with practically all of the public departments in English-speaking countries, and of the departments of the governments of Europe, which from time to time issue such publications: and, by arranging for an interchange of publications, this department has succeeded in securing for itself copies of their reports as they appear. These reports, both domestic and foreign, are reviewed upon receipt and subsequently catalogued among the documents relating to labour, which are being collected by the department for its library of indus-

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trial literature. They are thus available as works of reference, but in the meantime their existence and the nature of their contents have been made known through the columns of the *Gazette*.

**Legal Decisions Affecting Labour.**

Another feature of the monthly issues of the *Gazette* has been a review of legal decisions affecting labour. This feature was introduced in the first number of the *Gazette*, and has been continued in all subsequent issues. An attempt has been made to bring together in one place all the decisions affecting employers and employed rendered in Canadian courts, and important decisions of the English courts, that both classes and those interested in industry generally, may be acquainted with the nature of the existing law and their rights and obligations thereunder. An effort is made to have this feature of the *Gazette* of current interest, by publishing, as soon as the official records are available, the report of the decisions given.

As a greater knowledge and better understanding of the law may rightly be presumed to secure to individuals the justice which it is intended to accord them, it is not unreasonable to expect that the publication of these decisions from month to month has a wholesome influence in acquainting both employers and employed with a fuller understanding of their respective rights and duties, and of the interpretation which the courts put upon these. Inasmuch as many of the decisions rendered are based on provincial law, and legislation of the several provinces presents differences as well as similarities, the investment of capital being as general as it is in all parts of the country, and the movement of labour from one part to another being more or less continuous, the importance of acquainting both investors and workingmen with the exact situation in all parts is, in this connection, not to be overestimated.

**Subjects of Current Interest.**

As illustrative of subjects of current interest which have been dealt with in the *Labour Gazette* during the past year, the following may be mentioned :—

Rates of Wages in Canada.

Farm Labour in Ontario.

Workingmen's Savings.

The Trades and Labour Congress of Canada.

Commission on Chinese and Japanese Immigration.

Settlement of Machinists' Strike on C.P.R.

Conciliation and Arbitration in Printing Trades.

Schedules of Cost of Living in Canada.

The Labour Difficulties at Valleyfield, Que.

Lock-out in the Boot and Shoe Industry, Quebec.

Trades Unions as Friendly Societies.

Conciliatory Measures as a Means of preventing Strikes.

Immigration into Canada in 1900.

Voluntary Conciliation and Arbitration.  
The Toronto Printers' Agreement.  
Opportunities Offered Settlers in Canada.  
Fair Wages on Public Contract Work.  
British Columbia Mining Disaster.  
Labour Legislation, 1901.  
Quebec Trade Disputes Act.  
Association of Officials of Bureaus of Labour Statistics of America.  
Nova Scotia Factories Act of 1901.  
Manitoba Legislation Affecting Labour, 1901.  
Legislation of Dominion Parliament Affecting Labour, 1901.

In regard to the second purpose of the *Labour Gazette*, that, namely, of publishing from month to month in serial form articles which taken together might conveniently, and in accordance with the conventional method, be dealt with in separate reports, special mention should be made of the statistical tables of rates of wages and other conditions in individual trades in Canada, and the articles on the Industries of Canada, and Labour Legislation in Canada, the preparation of which has constituted a main part of the work of the department.

### Statistical Tables of Rates of Wages, etc.

It has been the custom of bureaus and departments of labour in other countries to prepare special reports on the rates of wages prevailing in individual trades. The preparation of these reports occupies, not infrequently, one or several years, so that between the time at which the information is obtained and the time at which it is given to the public, a considerable interval elapses. Accurate information on the current rates of wages prevailing in individual trades and occupations being as important as any statistical information which it is possible for a department of labour to collect, the Canadian department commenced this work shortly after its establishment. Instead, however, of retaining any of the information until the whole was completed, it was thought that the *Labour Gazette* afforded a more satisfactory medium for its publication than a separate report. The *Gazette* offered this advantage, that the statistics could be made available almost immediately after being secured, and their usefulness enhanced from the fact that being presented by instalments with reference to particular trades, their existence to members of these trades was the more readily disclosed.

The series of statistical tables of the rates of wages and other conditions was commenced in the January number of the *Gazette*, with tables of wages and hours in the printing trade. These tables were followed by others in subsequent numbers of the *Gazette* dealing with wages and hours in the cigarmaking trade, in the several branches of the metal trades, and in some of the branches of the building trades, it being the intention to continue the series for the balance of those trades included within the building trades group, and statistics as to other trades, in the numbers of the *Gazette* to be issued during the next and succeeding fiscal years.

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The work of preparation of these tables has been very considerable, great care having been taken to obtain information from as many sources as possible, and to verify the returns received. Blank forms of schedules have been prepared in advance, and have been mailed to persons in all parts of Canada interested in the particular trade to which they related. These have been accompanied by a circular letter stating that the information was desired for publication, and was being sought in pursuance of section 10 of the Conciliation Act, which makes it the duty of the department to collect and publish, in suitable form, statistical and other information relating to conditions of labour. These blank forms and communications have been sent to employers, to employees, to secretaries of the interested trade unions, and to the official correspondents of the *Labour Gazette*. The number of communications sent has depended in each case upon the extent of the trade, and the sources available to the department for obtaining information as to the parties to whom such communications might be addressed. In the case of the building trades, for example, communications and blank schedules were sent to about 3,000 contractors in all parts of Canada, to the secretaries of unions belonging to the building trades, and to the correspondents of the *Labour Gazette*. The following is a copy of the communications thus addressed and of the blank schedule forms which they contained. It will serve to indicate the method adopted by the department in gathering information for each of the several trades :—

## DEPARTMENT OF LABOUR, CANADA.

Ottawa, April 25, 1901.

SIR,—

The Department of Labour is desirous of obtaining a complete and correct record of the rates of wages and hours of employment prevailing in the different trades in Canada, for publication in the *Labour Gazette*, which is issued monthly.

These statistics are collected and published by the department in pursuance of section 10, chap. 24, 63-64 Victoria (An Act to aid in the prevention and settlement of trade disputes and to provide for the publication of statistical and industrial information, assented to July 18, 1900), which provides that the Department of Labour shall collect, digest and publish in suitable form, statistical and other information relating to the conditions of labour.

It is intended to deal with the rates of wages and hours of employment in the building trades in consecutive numbers of the *Labour Gazette*, and in order that the value of these statistics may be as great as possible, the department would be glad if you would kindly fill in on the inclosed schedule information in regard to the classes of labour mentioned in so far as they relate to the branch or branches of the building trades with which you are concerned.

The rates of wages and hours stated should be those current in your locality during the first week in May, 1901.

It would assist the department in making its information more complete, if you would, under the heading of 'Remarks,' state whether or not the current rates are also the rates demanded by the union, and, if not, if you would give on the back of the page the union rate, and state to what extent it prevails in the locality.

As it is the intention to compile tables from the information herein requested for the numbers of the *Labour Gazette* about to be issued, the department would be very grateful if you would have the kindness to return the inclosed form as soon after the first of May as possible.

I inclose herewith an envelope to be used in returning the schedule to the department and desire to inform you that no postage is required on replies sent in by you.

I have to add that any information you may be good enough to furnish will be used for statistical purposes only, and will not be published under your name.

I am, Sir,

Your obedient servant,

W. L. MACKENZIE KING,  
Deputy Minister of Labour.



1-2 EDWARD VII., A. 1902

Statistical Tables.

Series B, No. 4.

DEPARTMENT OF LABOUR, CANADA.

Rates of Wages and Hours of Labour in the Building Trades.

Locality.....

CLASSES OF LABOUR.	WAGES.		HOURS.			Rate paid for over-time.	Average duration of working season in months.*
	Per hour.	Average per week.	Per 5 days of week.	Per day. (Satur- days).	Average per week.		
	c.	\$ c.					
Bricklayers .....							
Masons .....							
Builders' labourers ..							
Scaffolders .....							
Ordinary labourers ..							
Excavators .....							
Quarrymen .....							
Derrick men .....							
Powder men .....							
Stone drillers .....							
Stone cutters .....							
Teamsters, one horse.							
"                    "							
and cart.. . . . .							
Teamsters, two horses							
"                    "							
and wagon .. . . .							
Carpenters .. . . .							
"          helpers.. .							
Shinglers .. . . .							
Joiners .. . . .							
Stair builders.. . . .							
Lathers .. . . .							
Plasterers .. . . .							
Painters.. . . .							
Glaziers .. . . .							
Steamfitters.. . . .							
Plumbers .. . . .							
Gasfitters .. . . .							
Slate roofers.. . . .							
"          helpers ..							
Metal roofers .. . . .							
"          helpers ..							
Felt and gravel roofers							
"                    "							
helpers.. . . .							
Galvanized iron work- ers .. . . .							
Tinsmiths .. . . .							
Electricians .. . . .							
Steel workers.. . . .							
Coppersmiths .. . . .							
"          helpers..							
Bell hangers .. . . .							

\*Remarks :

Date,.....190..

Signature,.....

Address,.....

\*Please fill in further particulars on back of page if necessary.

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It is gratifying to report that the number of returns received in reply to the communications sent out has been large, and has shown a steady proportional increase as the work of the department has become better known. Employers have responded freely, and the secretaries of labour organizations as well, and it is deserving of note that, where returns have been received from separate sources in any one locality, they have, for the most part, given identical figures as to the general average of the rates current. Where returns have shown variations, these have been indicated in the tables prepared. After the returns have been sent in, their receipt have been acknowledged, and the information which they contained compiled by the department in statistical tables, and carefully classified according to its nature and the locality to which it relates. It has then subsequently appeared in printed form in the monthly issues of the *Gazette*.

Statistical tables on the rates of wages in individual trades appearing in separate form have been supplemented by other tables on rates of wages, hours of employment, and other conditions relating to the classes of labour employed in particular industries, and have appeared as part of the series of articles on the industries of Canada. The information in regard to these has been acquired and compiled in the same manner. During the fiscal year, tables on the rates of wages and other conditions have appeared for the coal, lumber, iron, copper, nickel, fishing and agricultural industries. Important statistical tables have also been prepared by the department on the cost of living in different part of the Dominion. These include the current prices paid for articles of general domestic consumption, the rates paid for board and lodging, the rents of houses, &c. It is the intention of the department to devise, during the year, a plan whereby the statistical tables of cost of living may embrace a larger number of localities, and appear at more frequent intervals, and whereby also the number of items, concerning which information is given, may be materially increased.

It is hardly necessary to emphasize the usefulness of this branch of the work of the department. To employers and employees alike, exact statistical information on current wages and prices in different localities is of the most immediate concern. As a preliminary essential to ascertaining the standard of comfort of the industrial classes in any locality, an understanding of the relation between receipts and expenditures is necessary, and one step towards this understanding is obtained by the knowledge of the possible limits on either side, as evidenced by the prevailing rates of wages and prices in the localities in question. Such information is also of the greatest importance to persons desiring to learn the economic conditions of the country, and it is a source of satisfaction to be able to state that, from the nature of some of the correspondence, both home and foreign, it is apparent that this part of the department's work is supplying a long-felt need by furnishing to persons interested in their own industrial welfare, or that of others, intelligence in regard to some of the main facts governing the economic status of the industrial classes in all parts of the Dominion.

### The Industries of Canada.

In the series of articles on the industries of Canada, what may be called the primary industries have been dealt with, namely, those which have to do with the produce of the mines, forests, fisheries and the farm. In each article an effort has been made to show the relative importance of the industry or group of industries to the industrial life of the Dominion, and to direct attention to the facts and conditions of most concern to capital and labour.

In the preparation of these articles, the department has secured its information mainly from four sources, viz. : (a) official and semi-official reports or records, and opinions of experts ; (b) employers in the industry ; (c) employees in the industry, or representatives of such employees where organization existed ; and (d) correspondents of the *Labour Gazette*, or representative men in the district in which the industry is carried on.

The general plan of collecting statistical information by means of schedules sent out by the department to interested parties has been adopted throughout. As illustrative of the character of the information requested, and the method employed in securing the same, the following blank forms of schedules sent to interested parties for the purpose of obtaining information for the article on the lumbering industry may be given. These schedules were sent to lumbering firms in all parts of the Dominion, with the request that they be filled out with particulars based upon the experience of the firms addressed ; to workmen engaged in the industry for such information as they were in a position to supply ; and to the correspondents of the *Labour Gazette* for particulars as to the industry in their respective localities :—



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Reference No. A. 16.

(Schedule 1.)

DEPARTMENT OF LABOUR, CANADA.

## THE LUMBERING INDUSTRY.

District .....

Date .....

Approximate number of men employed :—

(1) In the mills .....

(2) In the woods .....

(3) In river driving .....

Approximate number of men employed by an average lumber company in the district .....

Wages :—

Of mill hands—

(a) Sawyers .....

(b) Setters .....

(c) Filers .....

(d) Edgers and trimmers .....

(e) Book-keepers .....

(f) Foremen .....

(g) Sorters .....

(h) Yardsmen .....

(i) Inspectors .....

(j) Engineers .....

(k) Other employees in mills (specify classes where possible).....

In the woods—

(a) Foremen .....

(b) Logcutters .....

(c) Teamsters .....

(d) Roadmakers and shanty hands .....

(e) Cooks .....

On river drives—

(a) Tug hands .....

(b) River drivers .....

(Give details where possible.)

Hours of Labour :—

(1) In the mills .....

(2) In the woods .....

(3) On the river drives .....

Nature of food supply in camps (give data as to what diet consists of).....

Possibilities of saving .....

Part of year during which men of each class are employed, and opportunity for their employment in other occupations in the interval :.....

Demand for labour (state class in each case) :.....

Conditions generally : .....

Signature.

(Schedule 2.)

MARKET PRICES FOR LUMBER.

District .....

Date .....

KIND OF WOOD.	IN THE MILL YARD, PER 1,000 FEET.		DELIVERED (STATE NAME OF MARKET) PER 1,000 FEET.		Remarks <i>re</i> tendency of Market and Movement of Prices.
	1st Quality.	Culls.	1st Quality.	Culls.	
Pine (white) .....					
Pine (Red).....					
Ash .....					
Birch.....					
Maple .....					
Oak .....					
Butternut.....					
Cherry.....					
Spruce.....					
Hemlock.....					
Cedar, .....					
Other woods .....					

(Schedule 3.)

### PRICES IN PAST FIVE YEARS.

District . . . . .

Date .....

Market for which quotations below are made.....

[illegible]

(Schedule 4.)

WAGES IN THE PAST FIVE YEARS.

District .....

Date .....

AVERAGE WAGES PER MONTH WITHOUT BOARD.

	1895.	1896.	1897.	1898.	1899.	1900.
Mill hands.....						
Sawyers .....						
Edgers.....						
Setters.....						
Filers.....						
Book-keepers.....						
Foremen.....						
Yardsmen.....						
Inspectors .....						
Engineers .....						

AVERAGE WAGES PER MONTH WITH BOARD.

	1895.	1896.	1897.	1898.	1899.	1900.
In the Woods—						
Foremen .....						
Logcutters.....						
Teamsters.....						
Roadmakers and Shanty men.....						
Cooks.....						
On the Drive—						
Tug hands.....						
River drivers.....						

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(Schedule 5.)

## COST TO COMPANY FOR FOOD, &amp;c., TO BOARD A CAMP OF SIXTY MEN IN PAST FIVE YEARS.

District .....

Date .....

Year.	Average cost per Month	What daily diet consists of.
1895.....		
1896.....		
1897.....		
1898.....		
1899.....		
1900.....		

(Schedule 6.)

## PRICES OF SOME ARTICLES OF FOOD LAID DOWN AT CAMP.

Year.	Pork per 100 Lbs.	Beans per Bush.	Flour. per 100 Lbs	Sugar per 100 Lbs.	Tea per Lb.	Raisins per Lb.
1895.....						
1896.....						
1897.....						
1898.....						
1899.....						
1900.....						

The number of schedules sent out, and the nature of the questions asked, varied considerably in the different industries involved. Thus, in the iron, coal and copper, mining industries, the number of companies concerned being relatively small, the number of schedules sent out was limited. In the case of the lumber industry the number was larger, whilst in the fishing and agricultural industries, several thousand schedules were mailed. In the preparation of the article on the fishing industry, schedules were sent, in regard to the deep sea fisheries, to the proprietors of the fishing vessels in the Maritime Provinces, to fishermen employed on the vessels, and to the proprietors and employers of fish caneries. A separate set of questions, in keeping with the different conditions, were asked of the fishermen engaged in the inland fisheries of the Dominion, and the data supplied checked by reports from fishery overseers and others. In the case of the articles on the agricultural industries, particulars were received from a number of responsible persons in each county of the several provinces in the Dominion, this information being further checked by reports from official and semi-official sources.

The following brief reviews may serve to indicate the scope of the individual articles, and their significance as sources of authoritative information, in regard to many of the most essential features of the economic and industrial position of the Dominion.

### The Coal Mining Industry.

In the article on the coal mining industry in Canada, dealt with in the November number of the *Gazette*, an account is given of the place occupied by coal mining among the mineral producing enterprises of the Dominion, also a short historical sketch of the growth of the industry, and an account of the area and distribution of coal-beds, and the total production of coal in the different provinces for a number of years past. The markets for Canadian coal are taken up, attention being given to the consumption of Canadian coal in Canada, the markets for Eastern and Western coal respectively, and the price movement of Canadian coal in recent years. The industry is then considered from the standpoint of the wage-earner, information being given concerning the number of men employed in the different coal mines of the Dominion above and below ground, and the usual groups of such men in the division of labour. The nature of the work done and the hours of employment, as well as the wages paid to men in the several classes, are set forth, as they existed at the time, in the different mines which were being worked throughout the Dominion. An account is also given of the nature of the mines in respect of which the information is furnished.

The information contained in the article is based upon reports prepared by the Geological Survey of Canada, reports of the departments in the several provinces having control of mining, the trade reports issued from time to time by the Dominion, and the different provinces, and reports made to the department by proprietors of mines and the officers or members of the miners' organizations in the several mines.

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### The Lumbering Industry.

In the December number of the *Gazette* the lumbering industry in Canada is dealt with, attention being given to the extent and distribution of Canada's forest areas, the regulations governing lumbering in the different provinces, such as those relating to the tenure of timber berths, the amount and nature of the timber cut annually, the markets for Canadian lumber at home and abroad, the conditions affecting and the movement of prices for a number of years past, the organization of lumbermen, current lumber prices and trade prospects, lumbering methods in the different provinces and conditions affecting workmen. Under this latter heading the extent and nature of employment of the various classes of men employed in the mills, in the woods and on the drives, are reviewed, reference being also made to the nature of employment between seasons in cases where men are not employed steadily throughout the year. The wages at the time prevailing, as well as the rates for a number of years past, are set forth for the various classes of men in the several lumbering districts of the Dominion, a brief review being added of the then existing demand for labour and of the standard of living in various lumber camps.

The information, so far as it relates to the forest areas, the government and other regulations governing lumbering, and the amount and value of the cut, was based upon the official records of the Dominion and provincial authorities interested and upon works on forestry; that relating to market conditions, upon reports received from a large number of lumbermen throughout the Dominion, as already referred to, and upon particulars set forth from time to time in the various trade journals of Canada, the United States and Great Britain. In so far as the conditions affecting, and the relations between, employers and employees were concerned, information was also received direct from the lumbermen engaged in the industry in all parts of the Dominion, the information being checked by interviews with particular lumbermen and employees in the different groups of labour employed.

### The Iron Industry.

In the January number of the *Gazette*, the iron industry in Canada is dealt with, in so far as it relates to the mining of the iron ore, and the working of the ore into pig-iron or steel for manufacturing and other purposes. The article is prefaced by a brief review of the development of the industry in Canada. An account is given of the extent and distribution of iron deposits in the different provinces where iron has been mined, and of the home and foreign markets which receive the Canadian product. Attention is given to the production of iron and steel, and reference made to the locations and capacity of the different plants in operation. The movements of prices are referred to in connection with the recent stimulus which has been given to the production of iron and steel in the Dominion. The article concludes with an account of the wages paid, the then demand for labour at the mines, and the different plants operating in the Dominion.

The information disclosed is based upon official records of the Geological Survey, the reports of the Bureaus of Mines in the several provinces affected, reports pub-



lished in the trade journals, and particulars furnished to the department by the proprietors of mines and smelters and representatives of the workmen employed therein.

### **The Copper and Nickel Industries.**

In the February number of the *Gazette*, the copper and nickel industries are similarly dealt with, attention being paid to the extent and distribution of the copper and nickel ores, the development and extent of their exploitation, the markets for the product, the wages paid, and the demand for labour at the mines and smelters. The information in this case is drawn from sources similar to those referred to above in the case of the iron industry.

### **The Fishing Industry.**

The fishing industry of Canada is dealt with in two articles in the March and April numbers of the *Gazette*, the first article containing a general review of the extent and distribution of the fisheries, the export trade, the distribution of employment and the development of the industry in the different provinces, together with a more particular account of the nature and extent of the sea fisheries. Under this latter heading is set forth an account of the number of men and vessels engaged in the industry, the value of fishing capital invested, the quantity and value of the various kinds of fish taken, the number of canneries, and the number of persons employed therein in the several provinces. The industry is next considered from the standpoint of those who make their living by following it, particular attention being given to the duration of the fishing season, the nature of employment between seasons, the amount of earnings of fishermen, the methods of wages payments, the amount of wages paid, and the conditions generally affecting fishermen, incidental reference being made to some of the recent changes in the industry.

The article in the April number deals with the inland fisheries, and sets forth similar information with regard to conditions obtaining among the fishermen engaged upon the inland waters of the Dominion.

The information, so far as it relates to the amount and value of the fish taken, is based upon the official records in the Department of Marine and Fisheries at Ottawa, and the departments in the various provinces. The particulars regarding the conditions of employment are based upon a large number of returns made to the Department of Labour by owners of fishing boats and proprietors of canneries, and by fishermen actually engaged in the trade and employees in the canneries, the information being supplemented by reports received from inspectors of fisheries in different parts of the Dominion.

### **The Agricultural Industry.**

In the May number of the *Gazette* appears the first of a series of articles bearing upon the agricultural industry in Canada, an account being given of the extent and

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distribution of the areas under cultivation, the crops raised, the value of the stock upon the farms, and the export trade in farm products in and from the different provinces. Particular reference is made to the acreage under each crop, the yield per acre, and the market value per acre. The number and value of horses, cattle, sheep, hogs and poultry, a review of recent price tendencies of farm products, and the changes which have taken place in farm values and rentals are set forth, the article concluding with a review of the organizations among the farmers in the different provinces.

The information in this article is drawn from the reports of the Departments of Agriculture of the Dominion and of the several provinces, reports of bureaus of industry and information supplied by government officers, and officers of farmers' associations throughout the Dominion.

In the June number the review of the agricultural industry in Canada is continued in a special article referring particularly to the wages of employees on farms. Attention is drawn to the condition of demand and supply of farm help in the various agricultural districts throughout the Dominion, the employment between seasons, and the reasons assigned for the scarcity of farm help where such scarcity exists. The wages paid to farm hands are set forth, both with regard to men, boys and women employed throughout the year, engaged by the season of seven or eight months, for one and three months of the busy season, and by the day, in the case of shorter engagements.

The information supplied in the article is based upon reports made to the department by the presidents and secretaries of farmers' societies, and by prominent representative farmers in all parts of the Dominion.\*

### Labour Legislation in Canada.

An important part of the work of the department has been the preparation of a series of articles on labour legislation in Canada. Prior to the commencement of this work, there had not been any compilation or classification of the legislation of the several provinces, or the Dominion, in so far as this legislation had a bearing upon labour conditions. Such legislation having for the most part been enacted by the several provinces, and presenting, as a consequence, considerable variations according to the part of the Dominion to which it relates, the need for a compilation and classification of existing laws has been the more keenly felt for some time past.

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\*The series of articles dealing with the agricultural industry in Canada is continued in the July number of the *Labour Gazette* (vol. 2, No. 1), in a special article dealing with the dairying industry, in which reference is made to the development of the industry, the markets for the product, the distribution of the butter and cheese factories of the Dominion, their output, their experience financially, the nature of operation (whether co-operative or otherwise), and the remuneration paid to the man or men in charge of the factory. The information is largely based upon returns received from reports of dairying associations throughout the Dominion, and returns made to the Department of Labour by proprietors of cheese and butter factories and secretaries of cheese boards throughout the Dominion.

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The many requests received by the department, both from at home and abroad, for information as to the nature and substance of existing labour legislation, has confirmed the wisdom of the plan adopted at the outset of preparing, in topical form, a series of articles which would, in addition to supplying exact information, serve as a basis of comparison of existing enactments in the several provinces. Moreover, the course pursued in publishing the material collected in a series of articles, rather than in the form of a single volume, as has been the practice in most countries where a compilation of existing legislation has been made, has had the advantage of placing at the disposal of the department a more ready means of replying to communications or requests for information relative to any particular branch of labour legislation, and has permitted of a more detailed and methodically arranged treatment throughout. This topical method has been followed in accordance with a general plan whereby each department of legislation affecting labour is dealt with in such a manner as to show the relative position of labour under the law, in the several provinces, in regard to any point of legislative enactment in any of the provinces. For example, in the review of the Factory Acts in the different provinces, where such Acts exist, the legislation in these provinces is given under specific headings, e.g., prohibition and restriction regarding employment, keeping of registers, sanitary regulations, factory inspection, &c. In each case a statement of the law is brought up to the time of publication, the most recent amendments being incorporated, and in all cases copious references to the sections of the Acts are made in foot notes. The series will be continued in subsequent numbers of the *Gazette* until the entire field of labour legislation in Canada is covered.

The following brief review of the articles which have already appeared in the *Labour Gazette* serves to indicate their scope, and the method of treatment adopted:—

Existing legislation is classified according to its nature in several groups, and each group is treated in a series of separate articles. The Acts comprised in the first group of legislation dealt with have to do with measures enacted for the protection of certain classes of employees. The articles dealing with this group were commenced in the November number, where an article appeared on *The Legislation in Canada for the Protection of Persons Employed in Factories*. This article, which was concluded in the December number, contains an analysis of the provisions of the different factory Acts dealing with the scope of the Acts; the prohibitions and restrictions respecting employment, such as the provisions declaring who may be employed and the hours of labour permitted; regulations regarding the keeping of registers and posting of notices; sub-letting of work done out of factories; sanitary regulations; protection against bodily injury by the guarding of dangerous places; protection against fire and the providing of fire escapes; provisions in cases of accidents, and other duties of employers. The machinery provided in the several Acts for the enforcement of the law is also set forth, particular attention being given to the nature of the appointment and duties of inspectors, the penalties laid down in the Acts for infringement, and the procedure to be observed in prosecutions.

In the January and February numbers articles appeared on *The Legislation in Canada for the Protection of Employees in Shops and Stores*. The method already

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outlined for the analysis and grouping of the provisions of the various Acts is followed. The scope of the Acts is indicated, and the provisions are given in so far as they relate to the hours of labour of those permitted to work in shops and stores, the providing of seats for the female employees, the keeping of registers and posting of notices, the sanitary condition of the shops and stores, the provisions governing clothing manufactured outside, the enforcement of the Acts, the punishing of offenders, by-laws regarding the closing of shops, and the operation of bake-shops.

In the February number of the *Gazette* appeared the first of three articles, published in successive numbers, setting forth *The Legislation in Canada for the Protection of Employees in Mines*. In these articles the provisions affecting miners in coal mines and metalliferous mines are grouped severally under the various headings which indicate the scope of the Acts; who may or may not be employed in or about mines; restrictions regarding employment where employment is allowed, such, for example, as those relating to the hours of labour, keeping of registers and the posting of notices, and the requirements of the law regarding the payment or stoppage of wages. The provisions made for the internal arrangements of mines are dealt with, particular attention being given to the regulations regarding shafts, outlets, means of ingress and egress, sanitation and ventilation, the providing of dressing rooms, the guarding of dangerous places, as in the fencing of shafts, strengthening roofs and sides of mines, the providing of refuges and tram-roads, water and bore holes, the fencing of machinery, the arrangement of signals, materials or apparatus used, such as safety lamps, chains, cages, brakes, indicators, gauges and safety valves, and the use of explosives underground in different kinds of mines. The series was concluded in an article dealing with the provisions made for the enforcement of the law. These include such matters as the appointment, qualification, powers, duties and removal of inspectors, managers and foremen and representatives of workmen, such as workmen inspectors and check weighers who are given certain powers under the Acts; the regular inspection of mines, the offences prohibited and penalties prescribed under the law.

This series of articles on legislation in general was temporarily interrupted to admit of the publication of a supplementary series dealing with *The Legislation of the Dominion and the Several Provinces Affecting Labour Passed during the Sessions of 1901*. The articles under this latter heading appeared in the April, May and June numbers, and included reviews of the Quebec Trade Disputes Act, 1901; the Nova Scotia Factories Act, 1901; and the legislation of the Dominion parliament and of the legislatures of the provinces of Quebec, Ontario and Manitoba.\*

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\*The publication of articles on labour legislation in Canada is continued in the second volume of the *Labour Gazette*, the July number (vol. 2, No. 1), and subsequent numbers, which contain a review of the British Columbia legislation affecting labour passed in 1901. *Legislation for the protection of employees on railways, and legislation for the protection of employees on ships*, are subjects of subsequent articles. References are also made from time to time to labour legislation in other countries.



### The Policy of the Gazette.

In order to indicate the attitude taken by the department towards the subjects dealt with in the columns of the *Gazette* during the past year, as well as to illustrate its attitude in general towards all the matter of its publication, and the purposes actuating its preparation, it may be well to repeat here the policy outlined in the first article of the initial number :

The *Gazette* will not be concerned with mere questions of opinion, nor will it be the medium for the expression of individual views. It is an official publication, and as such will seek to record only such statements of fact, and such collections of statistics, as are believed to be trustworthy. In the selection and publication of these, care will be taken to have the information as complete and impartial as possible, and so to arrange it that, while furnishing from month to month facts and figures of current interest, these may at intervals be classified and compiled in such a manner as to show, over periods of time, the trend and development of the subjects dealt with. The work thus undertaken will, it is hoped, establish a basis for the formation of sound opinions, and for the drawing of correct deductions, but these, in themselves, are tasks that lie beyond the scope and purpose of the *Gazette*, and are ends it will seek to serve, not to meet.

There has been an endeavour to adhere faithfully to this policy throughout.

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## II. CONCILIATION AND ARBITRATION.

The Conciliation Act, 1900, besides making provision for the establishment of a Department of Labour, and the publication of a *Labour Gazette*, had for its object the prevention and settlement of trade disputes by some form of voluntary conciliation. The Act in this regard contemplated the active friendly intervention by the Department of Labour, under certain circumstances, in the adjustment of industrial disputes, and the extension of the principle of conciliation and arbitration through voluntary action by the parties themselves. The experience of the department, and the success which has attended the efforts in the direction of voluntary conciliation and arbitration by parties themselves, have shown the wisdom of this legislation. The administration of the Act has been directly under the department, three courses of action being open for the purpose of meeting apprehended or existing difficulties, any one or all of which may be exercised according to the discretion of the Minister, subject to certain limitations :

(a) The Minister may take certain action in the way of inquiry, or arrange a conference without application from any of the parties to a dispute.

(b) He may appoint a conciliator on the application of either party.

(c) He may appoint an arbitrator on the application of both parties.

Provision is also made for the appointment, under certain conditions, of a commissioner or commissioners to hold an inquiry under oath, where, for the better settlement of a dispute, such course is deemed advisable.

### The Nature of Intervention Under the Act.

In the administration of the Act during the past year, the action of the department has been in accordance with the second of the courses mentioned. The department has proceeded on the assumption that an opportunity being afforded for either party to a dispute to make application for its friendly intervention to aid in effecting a settlement, it would be inexpedient for the department itself to take the initiative. Accordingly, intervention under the provisions of the Act has only taken place where application was first had from one of the parties to a dispute, or from some responsible individual or body on its behalf. In all cases, however, where application was made in a regular manner, a conciliator was immediately sent to interview the parties to the dispute and to arrange a settlement where possible. It is gratifying to report that, in every case where the conciliator was sent by the government, his authority was recognized by employers and employees alike, and that each of the parties to the dispute expressed a willingness to avail itself of the good offices of the department to bring about an adjustment of the existing difficulties. This willingness, moreover, of each of the parties to a dispute to confer with the

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conciliator in reference to the differences, made it possible for a speedy settlement to be arrived at, and greatly facilitated the settlement which was actually obtained. It is to be noted in this connection, however, that the power of the conciliator, though the acceptance of his services be voluntary, is not as dependent upon the willingness of each of the parties to avail itself of his good offices as may at first appear. The strength of his position, as the experience of the past year has shown, lies in the provision made by another clause of the Act, that the conciliator must present to the Minister of Labour a report of his proceedings, which report, as contemplated, though not expressed, in the Act, is published in the *Labour Gazette*, the official journal of the department. The knowledge by each of the parties to a dispute, that its case, in so far as the position can be learned by the conciliator, must appear in an official record of the government, which serves as a focus of public opinion, has a tendency to cause each party to submit a fair statement of its case at the outset, and to refrain from any delay in granting reasonable concessions, or from holding out for excessive demands, once this statement has been made and an effort towards a settlement is under way.

The following table indicates the number and nature of the disputes in regard to which the friendly intervention of the department has been sought under the Conciliation Act, together with the result of the settlement effected in each case :—



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DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I. A. R.—No. 1.

TABLE showing intervention of Department of Labour in the Settlement of Industrial Disputes, under Conciliation Act, 1900, during the year ending June 30, 1901.

Locality.	Establishments affected.	Cause of Dispute.	Numbers affected.	Date of commencement of strike or lock-out.	Date at which intervention of department requested.	Date of settlement effected under Conciliation Act.	Nature of Settlement.
Valleyfield, Que....	Cotton mills, Montreal Cotton Co.	Presence of militia.....	3,000	Oct. 25, 1900	Oct. 27, 1900	Oct. 29, 1900	Troops withdrawn and agreement to reinstate strikers.
Oshawa, Ont.....	Iron works, Ontario Malleable Iron Co.	Refusal of 43 employees to assist in shifting and dumping moulds in addition to work of coremaking, because of alleged menace to health.	300	Dec. 5, 1900	Dec. 8, 1900	Dec. 12, 1900	Agreement removing objectionable conditions.
Dundas, Ont....	Canada Tool Works, John Bertram & Sons.	Demand for increase in rate of wages, and limitation of number of apprentices.	55	Oct. 8, 1900	Jan. 22, 1901	Jan. 24, 1901	Agreement as to wages and apprentices satisfactory to both parties. Terms not to be made public.
Grand'Mère, Que....	Paper mills, Laurentide Pulp Co.	Refusal of employees to accept new scale of wages and objection to manner in which notification was given.	800	Apr. 15, 1901	Apr. 17, 1901	Apr. 19, 1901	New scale of wages accepted by employees, employers agreeing to semi-monthly payments and other conditions.
Sydney Mines, N.S., C. B. Mines, Nova Scotia Steel Co.		Demand for increase in rates of wages.	710	*	*	June 25, 1901	Agreement as to wages scale, including increase to some of the employees; also conditions governing payment of bonuses and establishment of board of arbitration for adjustment of further difficulties.

\* This dispute commenced early in the year, but the employees, before declaring a strike, asked for the intervention of the Department of Labour under the Conciliation Act. The company agreeing to such intervention, negotiations to effect a settlement were commenced as soon as it was possible for representatives on both sides to meet the conciliator appointed by the Government, and the settlement was arrived at within two days after this meeting.

### Review of the Settlements Effected.

From the preceding table it will be seen that during the year ending June, 1900, there were in all five requests for the friendly intervention of the Department of Labour under the Act to effect a settlement of industrial disputes. In four of the cases the dispute had already assumed the form of a strike or lock-out, and in one case the intervention of the department was requested to avert a strike which threatened. In all of the cases where a strike or lock-out existed, the dispute was brought to an end, and the employees returned to work, within twenty-four hours after the arrival of the conciliator, and in the case of the threatened strike of the coal miners in Nova Scotia, an agreement satisfactory to both parties was effected within a similarly short time. It is gratifying to report that, in all of the establishments affected, work has since continued without any interruption.

The figures given, indicating the numbers affected, represent the numbers actually on strike at the time of the commencement or during the progress of the dispute, or the numbers that, but for the settlement effected, would in all probability have been thrown out of employment. A fact to be noted in this connection is that the industrial establishments immediately interested were, without exception, among the largest and most important industrial concerns in this country, and that, taken altogether, some 5,000 employees were directly or indirectly affected by the settlements made.

It will also be observed that the Act has been called into operation in different parts of the Dominion, two of the cases above mentioned having been in the province of Ontario, two in the province of Quebec, and one in the province of Nova Scotia. In addition to the settlement of existing difficulties, the establishment of a Board of Conciliation and Arbitration for the adjustment of future differences, without recourse to the more extreme measures of strikes and lock-outs, was secured in the case of the Nova Scotia Steel Company and its employees, and is deserving of special mention.

Inasmuch as the present is the first year of the operation of the Act, it may be well to give a brief review of the disputes and the nature of the settlements obtained by means of conciliation, such a résumé serving better than anything else to indicate the workings of the Act and the methods adopted in cases of intervention arising under it. More detailed accounts of the several disputes, and the settlements effected, appear in the columns of the *Gazette*.

### The Strike at Valleyfield, Que.

The first settlement obtained under the Conciliation Act was that of the strike of the mill operatives of the Montreal Cotton Company at Valleyfield, Que., which took place in October, 1900.\* There had been a previous strike among certain labourers engaged in the work of excavating on the company's premises, and troops had been brought from Montreal to quiet alleged disturbances created by these

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\*Full particulars of this dispute and of its settlement will be found in the November number of the *Gazette*, vol. I., No. 3, page 101.

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strikers. On the arrival of the troops at Valleyfield, the operatives in the mills of the company went on strike in resentment of this method of dealing with parties to a dispute. They maintained that there was no need of the presence of the militia in Valleyfield, and objected to troops being brought to the vicinity of the mills for the purpose, as they claimed, of intimidating the employees. The matter of the settlement had, therefore, to do with the removal of the troops and the return of the employees to work.

Two days after the arrival of the troops, when serious consequences had followed their presence in the city, a communication was sent to the Minister of Labour, requesting the intervention of the department under the Conciliation Act. The Deputy Minister was sent to Valleyfield on the following day, and, after several interviews with both parties, arranged a settlement on the understanding that the troops should be immediately withdrawn and all the men return to work, no discrimination to be made against employees merely because of their having taken part in the strike. On the following morning all of the employees were back at work, and the troops were withdrawn during the course of the day.

For a time the mills of the Montreal Cotton Company were virtually closed in consequence of all the employees having stopped work. The number was considerably reduced at the time the settlement was effected, but as the men who were still out were engaged upon processes of manufacture upon which other processes were dependent, the impossibility of finding employment for other employees and a consequent closing down again of the mills might have resulted had they not immediately returned.

### The Coremakers' Strike at Oshawa, Ont.

The second strike settled under the Act was that of the coremakers at Oshawa, Ont., which took place in December, 1900.\* It was occasioned because of certain demands made upon the employees which they regarded as detrimental to their health. They objected to being obliged to assist in the work of shifting and emptying moulds, when their regular occupation was that of core-making, and they based their objections on the ground that to engage in both occupations was a menace to their health. They also complained of want of proper provision in the workshop against draughts and cold.

The intervention of the Department of Labour was requested by the Mayor of Oshawa on behalf of the men on strike. The parties were informed by the Minister of the willingness of the government to lend its good offices to effect a settlement of the dispute, and on the same day the Deputy Minister arrived in Oshawa. After a personal inspection of the premises and interviews with both parties, a settlement was obtained by the company agreeing to grant the demands of its employees as to continuing in the work of core-making to the exclusion of other work, and also as to providing a storm door and better heating apparatus for the building. Their claims

\*Full particulars of this dispute and of its settlement will be found in the January number of the *Labour Gazette*, vol. I., No. 5, page 230.

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having been acceded to in this manner, the men returned to work on the following day. The number of core-makers on strike was 43, but their work being a necessary preliminary to the work of the moulders and other employees, many of the latter were thrown out of employment in consequence of the strike. It was the fear that this number would increase daily, and that a possible closing-down of the works might ensue in consequence, which led the municipality to interest itself on behalf of the strikers and ask the intervention of the government. About 150 men were out of employment at the time the Deputy Minister arrived, but the remaining employees might also have suffered a want of employment if a satisfactory settlement had not been speedily arrived at.

### Strike of Tool Works Employees in Dundas, Ont.

The third strike settled under the Conciliation Act was that of certain employees of the Bertram Tool Works at Dundas, Ont.\* The men, originally 55 in number, had gone on strike because of the refusal of the company to grant certain requests as to rates of wages to be paid, the number of apprentices to be employed and other matters. The strike had been in progress for nearly three months before the intervention of the Department of Labour was asked for in the month of January. The day following this request, the Deputy Minister of Labour visited Dundas, and after interviews with both parties, effected a settlement, the terms of which, at the request of the interested parties, were not made public. That these terms were satisfactory to both sides, however, was evidenced by the fact that the men returned to work the following morning, and have continued at work without making further complaint, and that a communication was sent by the firm to the Minister thanking the government for its friendly offices in securing an adjustment of this long-standing dispute.

### The Strike of Paper Mill Employees at Grand Mère, Que.

The strike of the employees of the Laurentide Pulp Company at Grand'Mère, Que., in April, 1901, which was also settled under the Act, was caused by the employees receiving notification that a new scale of wages would be put immediately into effect, and refusing to accept this scale on the notice which had been given.† Their request for the intervention of the department was received two days after the strike was inaugurated, and the following day the Deputy Minister of Labour arrived in Grand'Mère, and had interviews with both parties. The mayor of the town presided at a meeting of the employees which was held to ratify the terms of an agreement proposed by their committee and subsequently accepted by the company. It included an undertaking on the part of the company to make wage payments semi-monthly instead of monthly; to abolish, if so requested by the majority of the employees, the system then existing of issuing coupons; and, on the part of the employees, the acceptance of a scale submitted to the Deputy Minister and

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\*Full particulars of this dispute and its settlement will be found in the February number of the *Labour Gazette*, vol. I., No. 6, at page 287.

†Full particulars of this dispute and its settlement will be found in the May number of the *Gazette*, vol. I., No. 9, page 434.



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approved of by the committee of the employees. The agreement was signed about midnight by both parties in the presence of the Deputy Minister, and on the following morning all of the employees returned to work. About 800 hands were affected by the terms of this settlement.

### Conciliation and Arbitration at Sydney Mines, N.S.

The last settlement effected during the fiscal year under the Conciliation Act was that of a dispute between the Nova Scotia Steel Company and its employees with respect to granting an increase in the rates of wages.\* At the beginning of the calendar year a number of strikes occurred in several of the mines in Nova Scotia, the subject of dispute in each case being the wages scale. A strike was averted at the mines of the Dominion Iron and Steel Company of Sydney by both parties agreeing to have the dispute submitted to arbitration under the provisions of the Miners' Arbitration Act of Nova Scotia. The employees of the Nova Scotia Steel Company made an appeal to the federal government for the appointment of a conciliator under the Conciliation Act to look into their complaints, it being their desire, and as subsequent developments showed, the desire of the company also, that a settlement should be secured by conciliation, if possible, and the extra expense and publicity of a court of arbitration thereby avoided. On receipt of the communication from the mine employees, the Minister of Labour informed the company of its contents, and offered the friendly offices of the department. The company signified its willingness to have this course followed, and as soon thereafter as a joint meeting of representatives of both sides with the government conciliator could be arranged, the latter left for Nova Scotia. This was during the month of June.

After separate conferences were held with the miners at the mines, and with the managers at New Glasgow, where the company's head offices are situate, a basis of a common understanding was arranged, and a joint meeting was then held in the company's offices at the mines, at which representatives of the company and the men met, in the presence of the government conciliator, and agreed to terms of settlement of the questions in dispute. Some increases in the rates of wages to employees were granted and concessions made as to the conditions governing the payment of bonuses for work performed. Provision was also made for a permanent board of conciliation and arbitration for the adjustment of any future difficulties which might arise. Both parties agreed that the resident manager should at all times be prepared to meet a committee of the men to discuss with them any matters relating to their employment. If the conference with the resident manager did not afford a satisfactory explanation or settlement of differences, the men's committee were to meet the general manager of the company in conference with the resident manager. In the event of a difference still existing, the point of difference or the question in dispute was to be referred to arbitration. Three arbitrators were to be appointed, one by the employees, a second by the company, and the third by joint agreement of the two representatives already chosen, or, failing an agreement on their part as to the third arbitrator,

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\*For full particulars as to this dispute and its settlement, see the July number of the *Labour Gazette*, vol. II., No. 1, page 21.

the latter to be appointed by the chief justice of the province of Nova Scotia. In order to prevent unnecessary recourse to arbitration, and to provide for the expenses of that mode of settlement, it was agreed that the party against whom the decision of the court might be made should pay the costs of the arbitration.

### The Significance of the Results.

The virtues of conciliation and arbitration, as a means of preventing industrial strife, were brought out as strongly in the settlement of this dispute as were their efficiency and adequacy as a means of terminating existing disputes in the four previous settlements under the Act. Whilst strikes had occurred at the mines where no recourse was had to conciliation or arbitration, at the mines of the Dominion Coal Company, where the matter was settled by arbitration under the provisions of the Miners' Act, and at the mines of the Nova Scotia Steel Company, where a settlement was effected by conciliation, under the Dominion Conciliation Act, there was not a single hour's cessation of work ; and what is of even greater importance, the relations of the parties, instead of becoming more strained, as frequently happens in the case of a strike or lock-out, were harmonized.

The settlements effected under the Act in all of the above-named cases, are such as justify merited commendation of the importance to the country of this legislation, and of the possible advantages which may be expected to accrue from it in the future. There is no doubt that but for the machinery provided by the Act, and its speedy application to the existing difficulties, where the same was requested, a prolongation of the disputes was all but inevitable, and it is difficult to say what more grave and serious consequences might have followed from the conditions at the time being as critical as they were. That more would have been accomplished by a settlement in the end by the parties themselves is hardly probable. That a pecuniary loss to employers and employed alike would, in the meantime, have continued, is certain. That the relations between them would have become more strained, and not only existing, but future questions have been rendered more difficult of adjustment in consequence, is altogether likely, while the serious possibility was ever present that under such circumstances, the number of those thrown out of employment might have increased because of the inadequacy of one branch of employment to meet the needs of another ; or, regard being had to the intricacy of industrial relations, other industries might have become embarrassed because of the embarrassment of the industry upon which they were either wholly or in part dependent.

That the speedy settlement of existing difficulties has had a beneficial effect upon the community in which the strike existed must also be apparent. In one case intervention was asked on behalf of the strikers by the mayor of the municipality. In another case, the mayor of the municipality presided at the meeting of the strikers when the terms of settlement were being discussed with them, showing that the corporation felt itself called upon to take an active interest in the matter ; while in the case of the Valleyfield strike, the municipality, apart from the effect of the strike in other ways, was financially concerned, because of the expense which the presence of troops in its midst involved. What was saved to the company, to its several hundred employees, and



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to the towns in the vicinity in consequence of a settlement, without a strike, of the difficulties in Cape Breton, is hard to estimate, but the gain must have been of a very substantial character.

A perusal of the statistical tables on strikes and lock-outs, published monthly in the *Labour Gazette*, will show that in several instances, notably the lock-out in November, 1900, in the boot and shoe industry at Quebec, involving a large number of industrial establishments and several hundred employees ; the dispute of the employees of the Dominion Coal Company in January, already referred to ; the strike of the boiler-makers and helpers at Toronto in May, 1901 ; the strike of the carpenters at Halifax in June, 1901, and that of the shoe workers at Quebec in June, 1901, conciliation and arbitration have been effective in bringing about a settlement of existing difficulties.

Arbitration and conciliation have unquestionably come during the year to be better known and more appreciated in this country as a means of preventing and adjusting industrial difficulties, and it is not unreasonable to expect that they will continue to be increasingly important factors in the furtherance and preservation of industrial peace.

### III. FAIR WAGES ON PUBLIC CONTRACT WORK.

On March 17, 1900. the following resolution was passed by the House of Commons:

That all government contracts should contain such conditions as will prevent abuses which may arise from the sub-letting of such contracts, and that every effort should be made to secure the payment of such wages as are generally accepted as current in each trade for competent workmen in the district where the work is carried out, and that this House cordially concurs in such policy, and deems it the duty of the government to take immediate steps to give effect thereto.

It is hereby declared that the work to which the foregoing policy shall apply includes not only work undertaken by the government itself, but also all works aided by grant of Dominion public funds.

From the time that the notice of this resolution was given, steps were taken by the government to secure the carrying out of its provisions in specifications which were being prepared, and which were to form part of contracts to be awarded subsequently. A special officer was appointed, known as the 'fair wages officer,' whose duty it was to prepare from time to time, as required, schedules of current rates of wages and hours of work for insertion in the specifications of government contracts, together with such other terms as might be required to secure the performance of the work under fair conditions to the employees engaged upon it. A further duty of the 'fair wages officer' was to investigate complaints received as to the non-compliance by the contractors with any of the clauses in their contracts, which had been inserted with a view to the protection of the contractors' employees. After the establishment of the Department of Labour, the fair wages officer was transferred to this department.

The duties of the fair wages officer being more extensive than at first anticipated, his work necessitating a considerable amount of travelling and frequent absence from the capital, it was found necessary to appoint a second fair wages officer, and, in January of the present year, this appointment was made. Since that time the work of the fair wages branch of the department has been divided between the two officers, the duties of the one being confined largely to Ontario and the western provinces, and the duties of the other to Quebec and the east. When not engaged upon their special duties, these officers have assisted in other work of the department. One important part of the work performed by them has been assisting in the preparation of statistical tables, published in the *Labour Gazette*, showing the rates of wages and hours of employment in particular trades.

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### Division of Work in the Fair Wages Branch.

The work of the fair wages branch is divisible into three parts . —

I. The preparation of schedules of current rates of wages for insertion in contracts awarded by the several departments of the government and other conditions to be inserted in same, for the protection of the employees of contractors on public contract work.

II. Investigation of complaints concerning the non-payment by contractors of a minimum wage equal at least to that fixed in the schedule inserted in their contracts, or the non-performance by them of other conditions in regard to sub-letting, hours of labour, &c.

III. The answering of inquiries concerning the nature of the conditions under which public work is being performed in different localities, inquiries as to current rates in these localities, &c.

### The Preparation of Fair Wages Schedules.

The plan adopted in the preparation of schedules is as follows :—The department of the government which is about to invite tenders for a contract, in which it is intended to insert the fair wages schedule, sends a request to the Department of Labour to have such schedule prepared. One of the fair wages officers is thereupon sent to the locality in which the work is to be performed, to ascertain what are the rates of wages and hours of labour current in that locality for workmen belonging to each of the several classes likely to be engaged in the construction of the work for which tenders are being sought. The officer prepares a schedule, on the facts ascertained by investigation in the locality, setting forth what may be considered a fair basis of minimum wage payment to be made to the several classes of labour. This schedule is transmitted to the department concerned for incorporation in the terms and conditions of the proposed contract, and therefrom tenderers know in advance the rates of wages which they will be required to pay the workmen. On the execution of the contract the schedule is published in the *Labour Gazette*. A perusal of the *Gazette* will indicate the number of schedules so published, but it will appear from a comparison of the schedules therein printed, and the list of contracts hereinafter mentioned as containing clauses as to wages and hours and other conditions, that the list published in the *Gazette* does not comprise the entire list of government contracts which contained the fair wages conditions, all of the departments not having followed the practice of notifying the Department of Labour of the date at which the contracts were signed, although these contracts contained the fair wages conditions.

### Contracts Containing Fair Wages and Other Conditions.

Following is a complete list of the contracts awarded by the several departments of the government during the fiscal year 1900-1, which contained clauses framed with a view to carrying out the resolution of the House of Commons of March, 1900, together with the conditions inserted.

### Department of Public Works.

The following conditions, framed in pursuance of the fair wages resolution, were incorporated in and formed part of each of the several contracts hereinafter mentioned as having been awarded by the Department of Public Works :—

1. The contractor shall not assign or sub-let this contract, or any part or parts thereof, for the execution of all or any portion of the work included in said contract, and no pretended assignment or sub-contract will be recognized or in any way affect any of the following conditions or other provisions of said contract.

2. All workmen employed upon the work comprehended in and to be executed pursuant to the said contract shall be residents of Canada, unless the Minister is of opinion that Canadian labour is not available, or that emergencies or other special circumstances exist which would render it contrary to public interest to enforce the foregoing condition in respect of the employment of resident Canadian workmen.

3. No workmen employed upon the said work shall at any time be paid less than the minimum rate of wages set forth in the fair wages schedule following :

#### FAIR WAGES SCHEDULE.

TRADE OR CLASS OF LABOUR,	RATE OF WAGES.
(Here set forth a complete list of different classes of workmen to be employed on the work.—)	Not less than the following rate per

4. The foregoing schedule is intended to include all the classes of labour required for the performance of the work, but if any labour is required which is not provided for by any of the items in the above schedule, the minister, or other officer authorized by him, whenever and as often as the occasion shall arise, shall have the power to fix the minimum rate of wages payable in respect of any such labour, which minimum rate shall not be less than the rate of wages generally accepted as current in each trade or class of labour for competent workmen in the district where the work is being carried out.

5. The contractor shall not be entitled to payment of any money which would otherwise be payable under the terms of the said contract in respect of work and labour performed in the execution of said contract, unless and until he shall have filed in the office of the minister in support of his claim for payment a statement showing the names, rate of wages, amounts paid and amounts (if any) due and unpaid for wages for work and labour done by any foreman, workmen, labourer or team, employed upon the said work, and such statement shall be attested by the statutory declaration of the said contractor, or of such other person or persons as the minister may indicate or require, and the contractor shall from time to time furnish to the minister such further detailed information and evidence as the minister may deem necessary, in order to satisfy him that the conditions herein contained to secure the payment of fair wages have been complied with, and that the workmen so employed as aforesaid upon the portion of the work in respect of which payment is demanded have been paid in full.

6. In the event of default being made in payment of any money owing in respect of wages of any foreman, workmen or labourer, employed on the said work, and if a claim therefor is filed in the office of the minister, and proof thereof satisfactory to the minister is furnished, the said minister may pay such claim out of any moneys at any time payable by Her Majesty under said contract and the amounts so paid shall be deemed payments to the contractor.

7. No portion of the work shall be done by piecework.

8. The number of working hours in the day or week shall be determined by the custom of the trade in the district where the work is performed for each of the different classes of labour employed upon the work.

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\*See current numbers of the *Labour Gazette* for particulars as to fair wages schedules inserted.

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9. The workmen employed in the performance of the said contract shall not be required to work for longer hours than those fixed by the custom of the trade in the district where the work is carried on, except for the protection of life or property, or in case of other emergencies.

10. These conditions shall extend and apply to moneys payable for the use or hire of horses or teams, and the persons entitled to payment for the use or hire of horses or teams shall have the like rights in respect of moneys so owing them as if such moneys were payable to them in respect of wages.

11. The contractor shall not be entitled to payment of any of the money which otherwise would be payable under the terms of the said contract in respect of any goods or materials supplied, unless and until he shall have filed in the office of the minister, in support of his claim for payment, a statement showing the prices and quantities of all the goods and materials supplied for the performance of the work and the amounts paid and amounts (if any) due and unpaid for such goods and materials, the names and addresses of the vendors, and such other detailed information and evidence attested by a statutory declaration of the said contractor, or of such other person or persons as the minister may indicate or require, or may deem necessary in order to satisfy him that that the conditions herein contained have been complied with and that the goods and materials supplied for the portion of the work in respect of which payment is demanded have been paid for in full.

12. In the event of default being made in payment of any money owing in respect of goods and materials supplied for the work in the execution of the said contract, and if a claim therefor is filed in the office of the minister and proof of such claim satisfactory to the minister is furnished, the minister may, out of the moneys at any time payable by Her Majesty under said contract, pay, or cause to be paid, such claim, and the amounts so paid shall be deemed payments to the contractor.

DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R.—No. 2.

CONTRACTS entered into by the Department of Public Works during the year ending June 30, 1901, containing fair wages schedules and above cited conditions for the protection of labour.

Date.	Locality.	Nature of Contract.	Amount of Contract.
1900.			\$ cts.
*May 26..	Collingwood, Ont....	Dredging, &c., in harbour....	..
*June 8..	Hull, Que.....	Post Office Building....	18,500 00
*June 15..	Meaford, Ont....	Close piling, extension of break-water, and dredging..	62,570 00
*June 29..	Brockville, Ont....	Drill hall building....	42,290 00
July 18..	St. Andrew's Rapids, Man..	Masonry lock and. dams....	469,000 00
July 25..	Montreal, Que.....	High level pier, and two bulk-heads....	631,033 33
July 28..	Ottawa, Ont.....	Superstructure of highway bridge, Maria street....	35,297 00
July 31..	Owen Sound, Ont.....	Close piling on west side of Sydenham River.....	28,425 00
Aug. 11..	Windsor, Ont....	Drill hall.....	49,633 00
Aug. 18..	Ottawa, Ont.....	Superstructure of highway bridge, Chaudière Slide channels..	21,530 00

\*These contracts containing fair wages schedules and other conditions were awarded just prior to the commencement of the fiscal year 1900-1901, but the work under them was, for the most part, performed during that time.



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CONTRACTS entered into by the Department of Public Works, 1901—*Concluded.*

Date.	Locality.	Nature of Contract.	Amount of Contract.	
			\$	cts.
1900.				
Aug. 23..	Picton, Ont.....	Public building for Post Office, &c.....	13,800	00
Aug. 27..	Providence Bay, Algoma Co., Ont..	Wharf.....	7,500	00
Aug. 27..	Sheguindah, Algoma Co., Ont.....	Pile wharf.....	5,900	00
Sept. 5..	Gabarus, N.S.....	Breakwater.....	7,882	00
Sept. 11..	Buckingham, Que.....	Post Office building.....	8,490	00
Sept. 15..	Sarnia, Ont.....	Dredging in harbour.....	9,500	00
Sept. 17..	Sarnia, Ont.....	Post Office building.....	62,500	00
Sept. 25..	Portage du Fort, Que.....	Superstructure of a highway bridge.....	13,700	00
Sept. 27..	Rapides des Joachims, Que..	Construction of two stone piers and abutments for the proposed iron bridge.....	13,000	00
Oct. 8..	Hopewell Cape, N.B.....	Public wharf.....	19,988	00
Oct. 19..	St. John, N.B.....	Renewal of metal roof, P.O.....	1,945	00
Oct. 19..	Pacific Coast, B.C.....	Hydraulic dredge.....	91,515	00
Oct. 23..	Ile-aux-Grues, Que.....	Wharf.....	8,500	00
Oct. 24..	Digby, N.S.....	Post Office.....	16,940	00
Oct. 24..	Paris, Ont.....	Public building.....	16,500	00
Oct. 24..	Dundas, Ont.....	Armoury.....	8,750	00
Oct. 24..	Springhill, N.S.....	Public building for P.O.....	15,275	00
Oct. 26..	Pointe-au-Pele Island, Ont.....	Dock.....	7,440	00
Oct. 29..	St. Catharines, Ont.....	Drill hall.....	56,000	00
Oct. 30..	Hull, Que.....	Masonry, wharf.....	44,850	00
Oct. 29..	Kamloops, B.C.....	Post Office.....	10,820	00
Oct. 31..	Meaford Harbour, Ont.....	Concrete wall.....	5,292	78
Nov. 2..	Deseronto, Ont.....	Portion of post office building..	3,200	00
Nov. 2..	Parrsboro, N.S.....	Wharf.....	8,775	00
Nov. 2..	Isaac's Harbour, N.S.....	Wharf.....	3,975	00
Nov. 3..	Southwood Island, P.E.I.....	Breakwater.....	6,980	00
Nov. 3..	Rossland, B.C.....	Post Office building.....	44,650	00
Nov. 22..	Drummondville, Que.....	Post Office building.....	8,200	00
Nov. 23..	Rapides des Joachims.....	Iron superstructure, bridge.....	19,570	00
Nov. 24..	Ottawa, Ont.....	Concrete and iron floor, Maria St. bridge.....	6,398	00
Dec. 17..	Ecum Secum, N.S.....	Wharf.....	3,950	00
Dec. 22..	Hull, Que.....	Heating apparatus for P.O.....	1,600	00
1901.				
Jan. 31..	Nelson, B.C.....	Post Office, etc., building.....	49,900	00
Feb. 4..	Hochelaga, Que.....	Post Office building.....	20,737	00
Feb. 5..	Leamington, Ont.....	Wharf.....	27,949	93
Feb. 13..	Mispec, N.B.....	Breakwater.....	10,900	00
Feb. 14..	Black Brook, N.B.....	Wharf.....	5,850	00
Feb. 26..	St. Thomas, Ont.....	Armoury.....	29,793	00
March 6..	Carleton, Que.....	Addition to length of wharf..	10,490	00
March 7..	Wariatou, Ont.....	Wharf.....	13,320	00
March 14..	Port Colborne, Ont.....	Breakwater and dock.....	150,000	00
April 5..	Point Wolfe, N.B.....	Beach protection.....	2,960	00
April 15..	Hopewell Hill, N.B.....	Wharf.....	3,740	00
April 29..	Boularderie Centre, N.B.....	Wharf.....	4,850	00
April 30..	Kempt Hill, N.S.....	Wharf.....	4,930	00
May 1..	Kingston, Ont.....	Military College, etc.....	12,923	00
May 3..	Quebec, Que.....	Heating apparatus at Quarters, Citadel, Quebec.....	2,550	00
May 7..	Little Bras d'Or, N.S.....	Wharf.....	5,930	00
May 27..	Bay du Vin, N.B.....	Repairs on wharf.....	7,745	00
May 29..	Neil's Harbour, N.S.....	Breakwater.....	16,600	00
May 31..	Back Bay, N.B.....	Wharf extension.....	6,750	00
June 18..	New London, P.E.I.....	Repairs to portions of break-water, &c.....	5,493	00
June 25..	Deseronto, Ont.....	Post Office and public building..	25,678	00
June 25..	Sorel, Que.....	High level dock and dredging..	255,632	43
June 29..	Grande Vallée, Que.....	Lauding pier.....	53,900	00



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## Department of Railways and Canals.

The following conditions, framed in pursuance of the fair wages resolution, were incorporated in and formed part of each of the several contracts hereinafter mentioned as having been awarded by the Department of Railways and Canals during the year ending June 30, 1901 :—

In case any sum due for the labour of any foreman, workman or labourer, or for any team employed upon or in respect of the said works, or any of them, remains unpaid, the engineer may notify the contractor to pay such sum, and if two days elapse, and the same be not paid, His Majesty may pay such sum, and the contractor covenants with His Majesty to repay, at once, any and every sum so paid, and if the contractor does not repay the same within two days, His Majesty may deduct the amount or amounts so paid by him from any sum that may then or thereafter be or become due by His Majesty to the contractor.

No labourers shall be employed on or about the works hereby contracted for who are not citizens or residents of Canada, but the minister may in writing waive the provisions of this clause, either in general or to a limited extent, should he deem it expedient so to do.

The minimum rate of wages to be paid by the contractor for the labour of any foreman or workman, or the minimum rate of hire for any team, in or about the said works, shall not be less than the rate of wages generally accepted as current for competent workmen in the same or similar trades or classes of labour, or for the hire of teams, respectively, in the district where the work is being carried on,—to be determined in case of dispute by the minister or other officer authorized by him.

The number of working hours for foreman or workmen in the day or week shall be in accordance with the custom for the same or similar classes of work or service in the district where the work is being carried on,—to be determined in case of dispute by the minister or other officer authorized by him.

DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R.—No. 3.

CONTRACTS entered into by the Department of Railways and Canals during the fiscal year ending June 30, 1901, containing above-cited fair-wages and other conditions for protection of labour.

Date.	Locality.	Nature of Work.	Amount.
1900.			\$ cts.
Sept. 6..	Trent Canal....	Construct Section No. 3, Simcoe and Balsam Lake Division.	Schedule rates.
Sept. 7..	Trent Canal....	Construct Section No. 2, Simcoe and Balsam Lake Division.	Schedule rates.
Sept. 15..	Farran's Point Canal..	Enlarge canal....	Schedule rates.
Oct. 16..	Rapide Plat Canal....	Improve upper entrance of canal..	Schedule rates.
Nov. 14..	Sault Ste. Marie Canal....	Construct one pair lock gates....	21,125 00
May 13..	Sault Ste. Marie Canal....	Deepen canal way at lower entrance of canal.	2.95 per cu. yd.
Nov. 30..	Soulanges Canal....	Supply iron railings, gates and turnstiles.	Schedule rates.
Feb. 18..	Soulanges Canal.....	Erect a toll house at Coteau Landing.	1,225 00
Nov. 30..	Welland Canal.....	Construct steel trestle to replace existing one, Bryant's Creek.	4,180 00

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CONTRACTS entered into by the Department of Railways and Canals—*Continued*

Date.	Locality.	Nature of work.	Amount.
1900.			\$ cts.
March 20..	Welland Canal.....	Repair west retaining wall at head of Lock 24.	Schedule rates.
March 25..	Welland Canal.....	East docking at Pt. Dalhousie entrance.	Schedule rates.
April 30..	Carillon Canal.....	Rebuild guide pier at upper entrance of canal.	Schedule rates.
May 11..	Lachine Canal.....	Construct flume for electric power house at Cote St. Paul Locks.	Schedule rates.
June 18..	Lachine Canal.....	Erect power house at Cote St. Paul.	9,750 00
June 29..	Lachine Canal.....	Construct pole line on canal....	14,237 77
Sept. 20..	Intercolonial Railway....	Construct an 18 stall engine house at Stellarton, N.S.	Schedule rates.
Oct. 8..	Intercolonial Railway....	Construct substructure of bridge across the Hillsborough River, P.E.I.	Schedule rates.
Oct. 8..	Intercolonial Railway....	Construct a 6 stall engine house at Sydney, C.B.	Schedule rates.
Oct. 20..	Intercolonial Railway....	Additional work to sidewalks and block paving at Christie's Crossing Subway, Amherst, N.S.	Schedule rates.
Oct. 22..	Intercolonial Railway....	Erect stone and brick passenger stations at Westville, N.S.	Schedule rates.
Oct. 22..	Intercolonial Railway....	Extend freight shed and platform at Petitcodiac, Que.	565 00
Oct. 25..	Intercolonial Railway..	Erect stations and freight sheds at Beresford, Green Pt., and Niagara-doo.	2,900 00
Oct. 30..	Intercolonial Railway....	Erect station and freight sheds at Dessaint, Que.	2,095 00
Oct. 30..	Intercolonial Railway....	Erect station and freight sheds at Gagnon, Que.	2,095 00
Oct. 30..	Intercolonial Railway....	Erect station and freight sheds at Ste. Perpetue, Que.	1,150 00
Oct. 31..	Intercolonial Railway....	Erect dwelling house for agent at St. Nicholas, Que.	1,165 00
Oct. 31..	Intercolonial Railway....	Erect station and freight shed at Rivière du Chene, Que.	2,500 00
Oct. 31..	Intercolonial Railway....	Filling of ponds and beaches at Lévis, Que.	Schedule rates.
Oct. 31..	Intercolonial Railway..	Erect station at St. Wenceslas, Que.	3,100 00
Oct. 31..	Intercolonial Railway..	Erect station at Maddington Falls Que.	2,950 00
Oct. 31..	Intercolonial Railway..	Erect station at St. Romuald, Que.	2,300 00
Nov. 15..	Intercolonial Railway..	Erect station at Bagot, Que....	4,160 00
Nov. 15..	Intercolonial Railway..	Erect station at St. Germain, Que.	3,825 00
Nov. 15..	Intercolonial Railway..	Erect station at St. Eugene, Que..	4,160 00
Nov. 15..	Intercolonial Railway..	Erect station at St. Cyrille, Que..	4,160 00
Nov. 15..	Intercolonial Railway..	Erect station at St. Apollinaire, Que.	3,850 00
Nov. 30..	Intercolonial Railway....	Excavate, lay pipes, etc., re water supply at St. Charles Jct., Que.	Schedule rates.
Nov. 30..	Intercolonial Railway..	Excavate, lay pipes, etc., re water supply at Grand Narrows, C. B.	Schedule rates.
Dec. 1..	Intercolonial Railway....	Erect station and dwelling at Moffat's, N.B.	1,090 00
Dec. 1..	Intercolonial Railway....	Erect station, dwelling and freight shed at St. Alexis, Que.	1,500 00
Dec. 1..	Intercolonial Railway....	Erect addition to station at Nappan	997 00
Dec. 3..	Intercolonial Railway....	Erect addition to baggage room at Amherst, N.S.	325 00
Dec. 6..	Intercolonial Railway.....	Erect baggage room at Bathurst..	500 00
Dec. 6..	Intercolonial Railway..	Erect an ice-house at Mulgrave, N.S.	393 00
Dec. 7..	Intercolonial Railway....	Erect station at Barnaby River...	2,499 00
Dec. 8..	Intercolonial Railway....	Remodel and enlarge River du Loup station, Que.	950 00

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CONTRACTS entered into by the Department of Railways and Canals—*Concluded*

Date.	Locality.	Nature of work.	Amount.
1900.			\$ cts.
Dec. 12..	Intercolonial Railway....	Construct cribwork sea walls on the Sydney and Pt. Tupper and Oxford and New Glasgow divisions.	Schedule rates.
Dec. 15..	Intercolonial Railway....	Remodel station and erect freight shed at College Bridge.	970 00
Dec. 15..	Intercolonial Railway....	Remodel station and erect freight shed at Meadowville station.	1,120 00
Dec. 15..	Intercolonial Railway....	Remodel and erect freight shed at Nash's Creek.	1,235 00
Dec. 15..	Intercolonial Railway....	Remodel station and erect freight shed at East Mines.	1,125 00
Dec. 15..	Intercolonial Railway....	Erect station at Red Pine..	2,774 00
Dec. 15..	Intercolonial Railway....	Erect station at Bartibogue..	2,687 00
Dec. 15..	Intercolonial Railway....	Erect baggage room at Dalhousie..	500 00
Dec. 15..	Intercolonial Railway....	Extend freight shed at Gloucester Junction.	925 00
Dec. 15..	Intercolonial Railway....	Erect station and freight shed at Coal Branch.	2,293 00
Dec. 19..	Intercolonial Railway..	Erect bridge at Jaquet River, N.B.	Schedule rates.
Dec. 19..	Intercolonial Railway..	Erect bridge at Millstream, Causapsal and Amqui.	Schedule rates.
1901.			
Jan. 11..	Intercolonial Railway..	Erect station and freight shed at Torryburn, N.B.	1,860 00
Jan. 16..	Intercolonial Railway....	Construct boiler and pump-house at Moncton, N.B.	Schedule rates.
Jan. 16..	Intercolonial Railway....	Deliver steel plate girder bridge at St. John, N.B.	2,200 00
Jan. 16..	Intercolonial Railway....	Deliver steel plate girder bridge at Truro, Greenville, and St. Charles Junction.	Schedule rates.
Jan. 21..	Intercolonial Railway....	Construct a 50,000 gal. water tank at Grand Narrows, C.B.	Schedule rates.
Feb. 14..	Intercolonial Railway....	Erect bridge at Rocky Lake, N.S..	1,400 00
Feb. 14..	Intercolonial Railway....	Divert highway at Rocky Lake and Lily Lake, N.S.	3,947 00
April 18..	Intercolonial Railway....	Deliver a 7-ton crane..	400 00
April 30..	Intercolonial Railway..	Erect two transfer bridges at Strait of Canso.	Schedule rates.
April 30..	Intercolonial Railway..	Erect baggage room and extend freight shed at North Sydney, C.B.	2,150 00
May 14..	Intercolonial Railway....	Addition to engine house at Pt. Tupper, C.B.	6,994 00
May 29..	Intercolonial Railway..	Paint grain elevator at St. John, N.B.	Schedule rates.
June 3..	Intercolonial Railway....	Erect 50,000 gal. water tank at Stelarton, N.S.	Schedule rates.
June 7..	Intercolonial Railway....	Erect building for baggage and express rooms at Truro, N.S.	1,850 00
July 2..	Intercolonial Railway....	Construct Sec. No. 2, P.E.I. Ry., Mutch's Point to Village Green, 11½ miles.	Schedule rates.

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In the contracts hereinafter mentioned, which were also awarded by the Department of Railways and Canals, the following clauses for the protection of workmen engaged upon them were inserted :—

In case any sum due for the labour of any foreman, workman or labourer, or for any team employed upon or in respect of the said works, or any of them, remains unpaid, the engineer may notify the contractor to pay such sum, and if two days elapse and the same be not paid, His Majesty may pay such sum, and the contractor covenants with His Majesty to repay, at once, any and every sum so paid, and if the contractor does not repay the same within two days, His Majesty may deduct the amount or amounts so paid by him from any sum that may then or thereafter be or become due by His Majesty to the contractor.

No labourer shall be employed in or for the work hereby contracted for, who is a citizen of any country which imposes restrictions upon the employment of Canadian labour.

DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R.—No. 4.

SUPPLEMENTARY list of contracts entered into by the Department of Railways and Canals during the fiscal year ended June 30, 1901, containing above-cited conditions for protection of labour.

Date.	Locality.	Nature of work.	Amount.
1900.			\$ cts.
July 6..	Trent Canal....	Construct glance booms and piers.	Schedule rates.
July 6..	Intercolonial Railway....	Improve Jacquet River station....	99 30
July 6..	Intercolonial Railway....	Remodel Flatlands Station and build platform.	1,339 00
July 13..	Intercolonial Railway....	Grading and tracklaying at Sydney and North Sydney Junction.	Schedule rates.
July 19..	Intercolonial Railway....	Construct building for baggage, express goods, &c., at River du Loup, Que.	1,989 00
July 19..	Intercolonial Railway....	Construct station and freight shed at Passekeag, N.B.	500 00
July 21..	Intercolonial Railway..	Paint some stations between Campbellton and Newcastle.	9 cts. pé sq. yd.
July 21..	Intercolonial Railway..	Paint buildings and bridges between Chaudière and River du Loup, Que.	Buildings, 10c. per sq. yd. bridges, 9½ cts. per sq. yd.
July 24..	Intercolonial Railway..	Construct station and freight shed at Plumweseep, N.B.	700 00
July 24..	Intercolonial Railway....	Paint bridges and buildings between Campbellton and Newcastle.	Buildings, 9 cts. per sq. yd.; bridges, 8½ cts. per sq. yd.
Aug. 17..	Intercolonial Railway....	Construct a quay wall at Lévis, Que.	Schedule rates.
Aug. 28..	Intercolonial Railway....	Remodel and enlarge engine house at Campbellton, N.B.	21,975 00
Sept. 4..	Intercolonial Railway....	Submarine rock blasting and dredging at Halifax	9 75 per cu. yd.
Sept. 14..	Intercolonial Railway....	Erect two covered platforms at St. John, N.B.	2,195 00
Sept. 15..	Intercolonial Railway....	Erect a steel-through riveted bridge over Etchemin River.	18,500 00
Sept. 29..	St. Ours Lock....	Repair dam across Richelieu River at St. Ours.	Schedule rates.



## SESSIONAL PAPER No. 36

**Fair Wage Conditions in Railway Subsidy Agreements.**

The following are clauses which were inserted by the Department of Railways and Canals in the subsidy agreements hereinafter mentioned which were entered into during the year ending June 30, 1901 :—

No labourers shall be employed on or about the works hereby contracted for who are not citizens or residents of Canada, but the minister may, in writing, waive the provisions of this clause, either in general or to a limited extent, should he deem it expedient so to do.

The minimum rate of wages to be paid by the contractor for the labour of any foreman or workman, or the minimum rate of hire for any team in or about the said works, shall not be less than the rate of wages generally accepted as current for competent workmen in the same or similar trades or classes of labour, or for the hire of teams, respectively, in the district where the work is being carried on,—to be determined in case of dispute by the minister or other officer authorized by him.

The number of working hours for foreman or workmen in the day or week shall be in accordance with the custom for the same or similar classes of work or service in the district where the work is being carried on,—to be determined in case of dispute by the minister or other officer authorized by him.

DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R.—No. 5.

**SUBSIDY agreements entered into by the Department of Railways and Canals during the year ending June 30, 1901, containing fair-wage and other above-cited conditions for protection of labour.**

Date of Signature.	Railway Company.	Line of Railway or Work subsidized.	Amount of Subsidy.	
			P. r Mile.	Not exceeding.
			\$	\$ cts.
1900.				
Oct. 10..	Ottawa & New York...	Bridge over St. Lawrence River at Cornwall, . . . . .		90,000 00
Nov. 12..	Quebec Bridge Co. ....	Bridge over St. Lawrence River at Chaudière Basin, near Quebec. . . . .		1,000,000 00
1901.				
Jan. 19..	Chateauguay & Northern.	Railway bridge over East and West channels of Rivière des Prairies. . . . .		150,900 00
Jan. 19..	Chateauguay & Northern.	From Hochelaga Ward, Montreal, near Joliette, with a spur into L'Assomption, 42 miles. . . . .	3,200	6,400 00 per mile.
Jan. 19..	Chateauguay & Northern.	Bridge over Lac Ouareau . . . . .		15,000 00
March 15..	Thousand Islands. ....	Extension from present northerly terminus to a point easterly, 2 miles. . . . .	3,200	6,400 00 per mile.
June 29..	South Shore. . . . .	Bridge over St. François River . . . . .		50,000 00

**Department of Marine and Fisheries.**

The following clause, framed in pursuance of the fair wages resolution, was incorporated in and formed part of each of the several contracts hereinafter mentioned as having been awarded by the Department of Marine and Fisheries during the year ending June 30, 1901 :—

The wages to be paid in the execution of this contract shall be those generally accepted as current in each trade for competent workmen in the district where the work is carried on. If this condition is violated, the said party of the second part\* may cancel the contract and refuse to accept any work done thereunder.

\* i.e., the Minister of Marine and Fisheries.





# REPORT OF THE DEPUTY MINISTER OF LABOUR

SESSIONAL PAPER No. 36

Clause 2.—If the contractor violate the condition herein mentioned against sub-letting,.....shall not be entitled to receive any payment under the contract for work done by the sub-contractor, and the Postmaster General may refuse to accept any work performed by a sub-contractor in violation of the prohibition herein contained against sub-letting.

Clause 3.—The wages to be paid in the execution of this contract shall be those generally accepted as current in each trade for competent working men and working women in the district where the work is carried out. If this condition is violated, the Postmaster General may cancel said contract, and refuse to accept any work thereunder.

Clause 4.—All working men and working women employed upon the work comprehended in and to be executed pursuant to the said contract shall be residents of Canada.

Clause 5.—The contractor shall not be entitled to payment of any money which would otherwise be payable under the terms of the contract in respect of work and labour performed in the execution thereof, unless and until..... shall have filed in the office of the Postmaster General in support of..... claim for payment a statement showing the names, rates of wages, amounts paid, and amounts (if any) due and unpaid for wages for work and labour done by any foremen, working men or working women employed upon the said work, and such statement shall be attested by the statutory declaration of the said contractor or of such other person or persons as the minister may indicate or require, and the contractor shall from time to time furnish to the Postmaster General such further detailed information and evidence as the Postmaster General may deem necessary, in order to satisfy him that the conditions herein contained to secure the payment of fair wages have been complied with, and that the working men and working women so employed as aforesaid upon the portion of the work in respect of which payment is demanded have been paid in full.

Clause 6.—In the event of default being made in payment of any money owing in respect of wages of any foreman, working men or working women employed on the said work, and if a claim therefor is filed in the office of the Postmaster General and proof thereof satisfactory to the Postmaster General is furnished, the said Postmaster General may pay such claim out of any moneys at any time payable by His Majesty under said contract, and the amounts so paid shall be deemed payments to the contractor.

Clause 7.—No portion of the work shall be done by piecework.

Clause 8.—The number of working hours in the day or week shall be determined by the custom of the trade in the district where the work is performed for each of the different classes of labour employed upon the work.

Clause 9.—The working men and working women employed in the performance of the said contract shall not be required to work for longer hours than those fixed by the custom of the trades in the district where the work is carried on, except for the protection of life and property, or in case of other emergencies.

DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R.—No. 7.

CONTRACTS and agreements entered into by Post Office Department during year ending June 30, 1901, containing above-cited conditions for the suppression of the sweating system.

Date.	Nature of Work.	Amount.
1900.		8 cts.
Sept. 29	Newspaper and parcel boxes (under contract).....	*4,486 25
Dec. 1	Repairing mail bags (under contract) .....	*2,000 00
" 1	" .....	*1,600 00
1901.		
Jan. 15	" .....	480 00
Feb. 25	Letter scales and weights .....	†3,000 00

\*Approximate amount for term of contract (4 years) based on previous contract.

†Approximate amount per annum.



## SESSIONAL PAPER No. 36

Sec. 2.—If the contractor violates the condition herein mentioned against sub-letting, he shall not be entitled to receive any payment under the contract for work done by the sub-contractor, and the Minister of Militia and Defence may refuse to accept any work performed by a sub-contractor in violation of the prohibition herein contained against sub-letting.

Sec. 3.—The wages to be paid in the execution of the contract shall be those generally accepted as current in each trade for competent workmen in the district where the work is carried on. If this condition is violated, the Minister of Militia and Defence may cancel the contract and refuse to accept any work done thereunder, and the contractor will thereafter not be allowed to undertake any work for the Department of Militia and Defence.

Sec. 4.—The factory, and the work there being performed under the contract, shall at all reasonable times be open to inspection by persons thereto authorized in writing by the Minister of Militia and Defence.

Sec. 5.—Before being entitled to payment of any moneys which the contractor may from time to time claim to be due him under the contract, he shall file with the Minister of Militia and Defence, in support of such claim, a solemn statutory declaration of himself and of such others as the Minister of Militia and Defence may indicate, testifying to the rates of wages paid in execution of this contract, and to the manner in all other respects in which the provisions of the contract have been observed and the work performed, and generally setting forth such information as the Minister of Militia and Defence may require, and as will enable him to determine whether, and if so in what respects, any of the provisions of this contract may have been violated. In the case of the contractor's absence from the country, his extreme illness, or death, but under no other circumstances, may such statutory declaration by the contractor personally be dispensed with; but, nevertheless, such other statutory declarations as aforesaid as the Minister of Militia and Defence may call for, shall be so filed.

DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R.—No. 9.

ARTICLES supplied to the Department of Militia and Defence during the fiscal year 1900-01 under contracts containing above-cited conditions for the suppression of the sweating system.\*

4,500	Great Coats.
500	Cloaks.
150	R. C. Dragoons' Frocks.
100	" Tunics.
150	" Pantaloon.
150	" Trousers.
200	3rd Dragoons' Frocks.
200	prs. " Pantaloon.
1,250	Dragoons' and Hussars' Frocks.
1,000	prs. " " Pantaloon.
700	Artillery Frocks, Permanent Force.
1,500	" " Active Militia.
300	" Serge Pantaloon, Active Militia.
300	" Tunics, Permanent Force.
300	Engineers' Frocks.
500	Infantry " Permanent Force.
7,000	" " Active Militia.
500	" Trousers, cloth.
2,500	Rifle Frocks.
1,500	pcs. rifle tunic cloth.

\* The contracts under which all military clothing has been supplied to the Department of Militia and Defence since December, 1898, were entered into on the 8th of that month and the 10th of January, 1899, respectively. The above conditions were inserted in the contracts and agreed to by the contractors on the respective dates.

**Investigations of Complaints as to Non-payment of Current Rates of Wages, or  
Non-performance of other Conditions in Contracts.**

The investigation of complaints received at the Department of Labour, or forwarded to this department from one of the other departments of the government, concerning the non-payment by contractors of the rates of wages fixed in the schedule governing their contract, or concerning the non-performance by them of other conditions inserted, has been an important part of the work of the fair wages officers. The practice adopted in regard to these investigations is as follows :—If the complaint is first received by the Department of Labour, this department informs the department affected of the nature of the complaint, and if it is found to be of a kind that cannot be settled forthwith by that department, or is of a nature demanding a special investigation, the Department of Labour is requested to have such investigation made, and a report upon the merits of the claim, or other matters of complaint, prepared. One of the fair wages officers is then sent to the locality, from which the complaint comes, to make a personal investigation of the case. His report is submitted to the Minister of the department, and is subsequently transferred, together with the recommendation of the Department of Labour, to the department of the government which has awarded the contract, or has charge of the work.

The table herewith will indicate the nature of the more important investigations made by the fair wages officers of the Department of Labour during the year ending June 30, 1901, the nature of the claim presented, the department of the government affected, and the disposition made of these claims.

SESSIONAL PAPER No. 36

DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R., No. 10.

TABLE showing nature and results of investigations made by Fair Wages Officers during the year ending June 30, 1901.

Date received	Locality and Public Work.	Department affected.	Subject of Investigation.	Result of Investigation.	Disposition.
1900.					
Aug. 1	Quebec, Que. (Cited).	Militia and Defence and Public Works	Complaint that masons, stonecutters and labourers employed on Government work at Quebec not receiving current rates of wages.	Investigation showed current rates for masons \$2, stonecutters \$2.50, labourers \$1.25; that employees were receiving: masons \$1.50 to \$1.75, stonecutters \$2, labourers \$1. Increase recommended.	Aug. 15. Minister of Militia and Defence directed that current rates as recommended by Fair Wages Officers be paid. Payment to date from August 1.
" 1	" "	Public Works.	Complaint that carpenters and labourers not receiving current rates of wages.	Investigation showed that current rates were being paid, and that complaint was unfounded.	No change necessary.
" 20	Sorel, Que. (Govt. Shipyards).	"	Complaint that less than current rates of wages being paid to carpenters.	Investigation showed complaint well founded and increase recommended.	Aug. 25. Minister of Public Works directed that wages of carpenters be increased 15 p.c. as recommended in report of Fair Wages Officer.
" 25	" "	"	Complaint that caulkers not being paid current rates of wages.	" " " "	Sept. 2. " "
Oct. 7	Hull, Que. (Post Office).	"	Claim of stonecutter for \$24.97 alleged to be due in accordance with rates set forth in fair wage schedule.	Claim reported to be just and payment recommended.	May 3. Payment made by cheque from Public Works Department to complainant in Department of Labour. Amount deducted from sum due contractor.
7	" "	"	Claim for wages due as foreman. . . . .	Report containing affidavits on both sides submitted to Department of Public Works.	Final action on report not taken at end of fiscal year.
" 20	" "	"	Claim of stonecutter for \$8.33 alleged to be due in accordance with rate set forth in fair wage schedule.	Claim reported to be just and payment recommended.	April 13. Payment made by contractor in office of Deputy Minister of Public Works.
20	" "	"	Claim of joiner for \$5.40 alleged to be due in accordance with rates set forth in fair wage schedule.	" " " "	" " " "
20	" "	"	Claim of joiner for \$5.85 alleged to be due in accordance with rates set forth in fair wage schedule.	" " " "	" " " "
Nov. 12	" "	"	Claim of stonecutter for \$5.60 alleged to be due in accordance with rates set forth in fair wage schedule.	" " " "	Dec. 28. Contractor made payment of claim to Department of Labour.



DEPARTMENT OF LABOUR, CANADA  
STATISTICAL TABLES, L.A.R.—SERIES No. 10

TABLE showing nature and results of investigations made by Fair Wages Officers during the year ending  
June 30, 1901—*Concluded.*

Date received	Locality and Public Work.	Department affected.	Subject of Investigation.	Result of Investigation.	Disposition.
1901.					
Feb. 13	Hull, Que. (Post Office).	Public Works.	Claim of plumber for \$20.50 alleged to be due in accordance with rates set forth in fair wage schedule.	Claim reported to be just and payment recommended.	March 7. Payment made by cheque from Department of Public Works at Department of Labour. Amount withheld from sum due contractor.
" 13	" "	"	Claim of plumber for \$1.50 alleged to be due in accordance with rates set forth in fair wage schedule.	" "	April 12. Amount paid by contractor after learning of recommendation of Department of Labour.
" 13	" "	"	Claim of plumber for \$13.15 alleged to be due in accordance with rates set forth in fair wage schedule.	" "	April 13. Claim paid by contractor in office of Deputy Minister of Public Works.
" 15	" "	"	Claim of plumber for \$8 alleged to be due in accordance with rates set forth in fair wage schedule.	" "	April 12. " "
" 27	" "	"	Claim of plumber for \$13.44 alleged to be due in accordance with rates set forth in fair wage schedule.	" "	April 22. Payment made by Deputy Minister of Public Works out of funds due to contractor.
1900.					
Feb. 27	" "	"	Claim of steamfitter for \$6.34, alleged to be due in accordance with rates set forth in fair wage schedule.	" "	April 12. Payment made by contractor in office of Deputy Minister of Public Works.
April 16	" "	"	Claim of stonecutter for \$7.13 alleged to be due in accordance with rates set forth in fair wage schedule.	" "	April 23. Payment made by Deputy Minister of Public Works out of funds due contractor.
" 23	" "	"	Claim of joiner for \$25.87, on ground of being employed as joiner and not as labourer.	Report made to Department of Public Works.	Final action not taken on report at end of fiscal year.
" 23	" "	"	Claim of joiner for \$22.86, on ground of being employed as joiner and not as labourer.	" "	" "
May 16	" "	"	Claim of joiner for \$102.28, on ground of being employed as joiner and not as labourer.	" "	" "
" 21	" "	"	Claim by Plumbers' Union of alleged sub-letting of part of plumbing contract.	Investigated. No sub-letting found.	" "
Oct. 20	Victoria, B.C. (Government dredge).	"	Complaint of Victoria Union that employees on Government dredge working 10 hours per day; current rate 9 hours.	Investigation showed 9 hours to be current rate for this class of labour in Victoria.	Nov. Minister of Public Works, on recommendation of Fair Wages Officer directed that 9 hours be observed as current rate.
Dec. 2	Windsor, Ont. (Drill Hall).	"	Complaint of alleged sub-letting on part of contract.	Master adjusted during progress of investigation.	



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"	23	Quebec, Que. (Fortifications).	Militia and Defence.	Claim of stone-cutter for amount alleged to be due in accordance with rates set forth in fair wage schedule.	Report of Fair Wages Officer made to Department of Militia and Defence.	Feb. 8. Claim not allowed by Department of Militia and Defence on ground of special agreement.
"	14	St. Andrews Rapids, Man. (Improvements)	Public Works.	Claim of foreman on steam shovel for \$41.50, wages alleged to be due in accordance with rate set forth in fair wage schedule.	Fair Wages Officer reported in favour of allowing claim.	May 23. Claim allowed by Department of Public Works and contractor required to meet same.
"	15	" " "	"	Claim of dredge engineer for \$43.75, wages alleged to be due in accordance with rates set forth in schedule.	" " "	" " "
1901.						
Feb.	3	" " "	"	Claim for wages due on ground that employee engaged as foreman and not as carpenter merely.	Personal investigation made by officer of Public Works Department.	Department of Public Works refused to allow claim.
"	5	Hull, Que. (Wharf)	"	Petition of contractor concerning change in schedule rate of wages.	Investigation threw doubt on bona fides of petition, and report made that same be not allowed in interests of men.	Petition not allowed by Department of Public Works.
"	23	Rivière à Pierre (Quebec Bridge).	Railways and Canals.	Government interference asked because of lock-out, due to wages dispute on work subsidized by Government.	Lockout terminated during investigation. Further action unnecessary.	
April	12	Montreal, Que. (Post Office.)	Public Works.	Complaint of Stonecutters' Union that wages not being paid according to contract.	Investigation showed complaint well founded.	Minister of Public Works directed that no further payment be made on contract until acquittance obtained from Union. June 10. Claims paid in full.
"	30	Hull, Que. (Wharf)	"	Claim of a workman on wharf at Hull for difference due on wages received and wages according to schedule inserted in contract.	Report made to Department of Public Works.	Final action on report not taken at end of fiscal year.
May	7	Quebec, Que. (Cartidge Factory).	Militia and Defence.	Request of labourers for increase in wages.	Investigation by Department of Labour terminated, owing to direct decision of claim made by Department of Militia and Defence.	
"	27	Rossland, B. C. (Public Building)	Public Works.	Complaint re difference in wages at Rossland and Nelson.	Investigation showed difference in rates of wages due to difference in current rates in localities named, and report advised no change in schedule.	No change made.
"	28	Lochalaga, Que. (Post Office.)	"	Complaint of Mason's Union that current rates not being paid, as fixed in schedule.	Satisfactory settlement reached between parties during investigation.	

From the preceding table it will be seen that the fair wages officers of the Department of Labour have investigated complaints which have arisen under contracts awarded, or work being performed by the Department of Public Works, the Department of Railways and Canals, and the Department of Militia and Defence, the largest number of these investigations being with respect to contracts awarded by the first named department.

### Inquiries and Correspondence.

The department has received from individuals and public bodies a large number of inquiries in regard to the conditions governing public work being performed in different localities. In many cases it was possible to answer these inquiries from the schedules or other information given in the columns of the *Labour Gazette*, but many inquiries had to be made the subject of special investigation, or of considerable correspondence between the Department of Labour and other departments of the government before the information sought could be satisfactorily supplied. This work occupied a great deal of time and attention, to which, without entering into details, only a passing reference can be made in this report.

#### IV. ENFORCEMENT OF ALIEN LABOUR ACTS.

The Act for Restricting the Importation and Employment of Aliens, as originally passed in 1897 and amended in 1898, contained the following clause :—

No proceedings under this Act, or prosecutions for violation thereof, shall be instituted without the consent of the Attorney General of Canada, or some person duly authorized by him.

After the establishment of the Department of Labour, an important part of its work consisted in advising the Attorney General, under this section of the Act of alleged violations of the law, by furnishing information on which his consent to the commencement of proceedings or prosecutions might or might not be allowed. A resident officer was appointed, whose duty it was to investigate alleged complaints, with a view to preparing a report for submission, through the Minister of the Department of Labour, to the Attorney General.

##### Method of Investigating Alleged Violations.

Whenever a complaint was received at the Department of Labour, either directly from the interested parties themselves, or by transference from the Department of Justice, one of the Alien Labour officers was directed to investigate the matter and prepare a report. In many of the cases thus inquired into and reported upon proceedings might, and probably would, have been taken against offenders under the Act, but for the following reasons : The officer invariably found, where the result of his investigations went to show that there were sufficient grounds for the Attorney General's consent being given to the commencement of proceedings under the Act, that the complainants were willing, and so expressed their willingness to forego their right of action on the condition that the persons alleged to have been illegally imported were immediately deported by the parties against whom the complaints had been laid. Upon this proposal being communicated to the offending parties, the latter, practically without exception, accepted and acted upon it by deporting, at their own expense, the persons alleged to have been illegally imported by them at any particular time. The complainants, being satisfied with this course, did not press for further proceedings under the Act, so that in no case did it become necessary for the Attorney General to take action on any report of the officer of the Department of Labour, and, as a matter of fact, the courts were never appealed to in any of the cases investigated.

The number of complaints investigated during the year, and the number of deportations which were effected as a result of these investigations, were considerable. The following table will show the complaints investigated by the department, the results of these investigations and the number of deportations made during the year :—

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DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R.—No. 11.

TABLE showing investigations made by Department of Labour into complaints of alleged violations of Alien Labour Act, and number of deportations made from September, 1900, to June, 1901 :—

Locality.	Number of complaints received.	Complaints fully investigated.	Cases in which no violation of Act disclosed.	Cases in which investigation discontinued because of amendment to Act.	Cases in which violation of Act disclosed.	Number of aliens left during investigation.	Number of aliens deported after investigation.
<i>Ontario—</i>							
Hamilton .. . . .	15	14	11	1	3	3	5
St. Catharines .. . . .	2	2	1		1	6	
Dunville .. . . .	1	1			1	6	
Preston .. . . .	1	1			1		2
Toronto .. . . .	11	11	8		3		9
Oshawa .. . . .	1	1			1	3	
Brantford .. . . .	3	3	3				
Ottawa .. . . .	3	3	2		1		1
Blind River .. . . .	3	2	1	1	1		11
Dundas .. . . .	1	1	1				
Bruce Mines .. . . .	1	1	1				
Freeport .. . . .	1	1	1				
Bracebridge .. . . .	1	1			1		2
Port Dalhousie .. . . .	1	1	1				
Kingston .. . . .	1	1	1				
Windsor .. . . .	1	1	1				
St. Thomas .. . . .	1	1	1				
Sault Ste. Marie .. . . .	1	1	1				
Crystal Beach .. . . .	1			1			
Little Current .. . . .	1	1			1		6
<i>Quebec—</i>							
Montreal .. . . .	6	5	4	1	1	1	
Valleyfield .. . . .	2	2	2				
Hull .. . . .	2	2	2				
Sherbrooke .. . . .	1	1	1				
<i>British Columbia—</i>							
Rossland .. . . .	2	2	1		1		16
Kamloops .. . . .	1	1	1				
Victoria .. . . .	2	1	1	1			
Cranbrook .. . . .	1			1			
Union Bay .. . . .	1	1	1				
<i>Manitoba—</i>							
Selkirk .. . . .	1	1	1				
Winnipeg .. . . .	1			1			

## SUMMARY BY PROVINCES.

Ontario .. . . .	51	48	33	3	14	18	36
Quebec .. . . .	11	10	9	1	1	1	
British Columbia .. . . .	7	5	4	2	1		16
Manitoba .. . . .	2	1	1	1			
Total .. . . .	71	64	48	7	16	19	52

Persons deported after investigation ..... 52  
 " left during investigation ..... 19

Total..... 71

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### The Results of the Investigations.

From the table showing the number of complaints of alleged violations of the Alien Labour Act, and the number of deportations made by the department from September, 1900, to June, 1901, it will be seen that seventy-one complaints in all were received. In most cases each complaint had reference to a number of alleged violations, it being stated that the firm or company complained of had imported several persons contrary to law. In forty-eight cases investigated, it was found that the Act had not been violated, either because the parties complained of were British subjects, or had been in the country more than a year prior to the time at which the complaint was made, or were subjects of countries not having similar enactments in force against this country, or came within some other exception specially mentioned in the Act.

In sixteen cases the special officer of the department found reasons to justify the view that the law had been violated, and that consequently there existed grounds for the granting of permission to interested parties to commence proceedings under the Act. In all of these cases deportations were voluntarily made by the parties who were alleged to have violated the Act; fifty-two persons were deported immediately after the investigations; and nineteen left the country during their course; making in all a total of seventy-one deportations secured at the instance of the department.

It will be observed from the table that, in some cases, several deportations were made as the result of one complaint; in others, but one was made.

### Distribution of Complaints.

Of the total number of complaints 51 were in the province of Ontario, 11 in the province of Quebec, 7 in the province of British Columbia, and 2 in the province of Manitoba. In Ontario 18 aliens, and in Quebec 1, left the country during the course of the investigation by the department; 36 aliens were deported after investigation from Ontario, and 16 from British Columbia. The complaints dealt with by the department in the province of Ontario were distributed as follows:—Hamilton, 15; St. Catharines, 2; Dunnville, 1; Preston, 1; Toronto, 11; Oshawa, 1; Brantford, 3; Ottawa, 3; Blind River, 3; Dundas, 1; Bruce Mines, 1; Freeport, 1; Bracebridge, 1; Port Dalhousie, 1; Kingston, 1; Windsor, 1; St. Thomas, 1; Sault Ste. Marie, 1; Crystal Beach, 1; Little Current, 1. In Quebec the distribution was as follows:—Montreal, 6; Valleyfield, 2; Hull, 2; and Sherbrooks, 1. In British Columbia: Rossland, 2; Kamloops, 1; Victoria, 2; Union Bay, 1. In Manitoba: Selkirk, 1, and Winnipeg, 1.

The nature of the complaints received by the department, and the results of the investigations made by it, were published each month in the *Labour Gazette*, to which reference should be made for full particulars.



### The Amendment of 1901.

During the session of parliament of the present year, considerable attention was given in the House of Commons to a discussion of the Alien Labour law and the method of its enforcement. Several amendments of the law, as originally passed in 1897 and amended in 1898, were introduced. Those finally accepted extended somewhat the scope of the Act, and made more effective provision for its enforcement. A full account of the nature of the amendments enacted appears in the *Labour Gazette* for June, Vol. I., No. 10, page 552. It is only necessary in this report to refer to the changes in the method of administration which these amendments effected, in so far as these have had a bearing upon the work of the department under the Act.

As already mentioned, one provision of the Act, as it originally stood, required that the consent of the Attorney General should be first obtained before any proceedings or prosecutions could be commenced, and, as has also been pointed out, it was under this section of the Act that the Department of Labour was given the responsibility of advising as to exact conditions where any complaint of alleged violation was received. This section of the Act was, however, repealed when the statute was amended, the intention being to remove the necessity of application being first made to the Federal government before the commencement of proceedings, and to provide means whereby interested parties might, of their own initiative, commence proceedings in local courts.

In connection with the administration of the Alien Labour Act, it is also to be noted that a not inconsiderable part of the time of the department has been taken up in replying to correspondence concerning the Act and the method of its enforcement. The department has also prepared a consolidation of the Acts to restrict the importation and employment of aliens, a copy of which appears as an appendix to the June number of the *Labour Gazette*, Vol. I., No. 10, page 597.



## V. CORRESPONDENCE AND OTHER DEPARTMENTAL WORK.

From what has already been said of the manner in which statistical and other information is gathered and returns are verified, it will be apparent that, for the carrying out efficiently of this part of its work, the department has been obliged to send out a large number of communications.

During the year, the department has also had continuous correspondence in regard to labour matters with the Labour Department of the Board of Trade, England, the United States Labour Department, Washington, and all of the bureaus of the several states in the American Union, and the labour departments of the several countries of Europe, and of Australia and New Zealand. An exchange of publications has been arranged with these several bodies, and returns have been made to many of them in reply to inquiries concerning industrial conditions in Canada. Every month has brought a number of requests from some branch of the English or foreign administrations, and from individuals in foreign countries, for information upon the conditions of labour in this country, and in reply to these inquiries the department has been obliged to devote considerable time and trouble to the preparation of accurate and comprehensive returns. For example, requests have been made for copies of existing laws for the protection of workmen in this country; for an account of the working of particular Acts and the extent of their application; for statistical information as to the rates of wages obtaining in particular trades; opportunities of employment; the extent of labour organization; cost of living, etc., etc. There having been at no time previous any department of the government or any voluntary society charged with the duties of gathering information in regard to the conditions surrounding labour in this country, much of the information supplied in reply to these inquiries had to be prepared by the department for the first time, and in some cases it was inevitable that it could be furnished only in part. The number and nature of the inquiries received, however, both from citizens of this country, and from persons and public bodies in other lands, have revealed to the department the wisdom of the course adopted by it, at the outset, of undertaking special lines of work which it was thought would best meet immediate as well as later demands. The preparation of a codification and classification of existing labour legislation, both of the provinces and the Dominion, the gathering of exact information in reference to the economic conditions of the primary industries of the country, the compilation of statistical tables on rates of wages and hours of employment, and the collection of facts and data as to the nature and extent of industrial disputes, are all embraced in this original purpose of the department. From all parts of Canada, also, communications have been received almost daily, in which the writers, seeking information either on their own behalf or that of some society, trade, or corporation, have made inquiries in regard to points arising in the administration of existing laws, the exact nature of conditions surrounding labour in particular localities, and trades or other matters on which the department might be expected to have information.

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### The Publishing and Circulation of the Labour Gazette.

The work in connection with the publication and circulation of the *Labour Gazette*, in addition to the gathering and preparation of the material published, is extensive. All proof of copy sent to the printer has been read twice at the department, and the *Gazette*, when published, has been mailed from its offices. The work of preparation of the mailing lists, and the wrapping and addressing of the copies mailed, has been done by members of the staff. The mailing of sample copies, the sending out of monthly notices concerning the contents of current issues, and the forwarding of special copies to parties supplying the department with information, has all been done in the offices of the department. The *Gazette*, moreover, is published in both French and English, which involves the keeping of separate records, separate mailing lists, and the printing of all notices and the reading of all proof in both languages. All subscriptions are received and acknowledged by the department, so that in addition to the ordinary work of a government department, the Department of Labour has, in consequence of the monthly publication of the *Labour Gazette* and its sale by subscription and single copies, all of the work, to the extent of its business, of a publishing concern, the mechanical work of composition, printing and binding alone excepted. The subscription rate and price of the *Gazette* being small in no way diminishes the amount of work connected with the making of entries, acknowledging of receipts, renewal notifications, &c., &c. The correspondents of the *Labour Gazette* have been allowed a small commission on subscriptions sent in by them, and for a limited time a like commission has been allowed the secretaries of labour organizations sending in subscriptions of the members of their organizations.

The circulation of the *Gazette* has been more extensive than its paid subscription list would indicate, inasmuch as its list of exchanges is a large one, and the number of copies sent to public bodies, societies, or individuals, because of the quasi-public position, is considerable. Under the former head are included the *Gazettes* sent in exchange for their publications to public departments of the governments, both federal and provincial, in this and other countries; to the proprietors of trade papers, and of other labour publications. Under the latter head are included copies sent to members of both Houses of parliament, public libraries, boards of trade, the libraries of educational institutions, local newspapers and the officers of organizations supplying from time to time information requested by the department.

The following table will show the extent of the circulation of the *Labour Gazette*, as it stood on the last day of the fiscal year ending June 30, 1901, exclusive of copies of individual numbers mailed from month to month as sample copies or in return for information received or other services rendered the department :—

SESSIONAL PAPER No. 36

DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R.—NO. 12.

TABLE showing extent of regular monthly circulation of *Labour Gazette* on June 30, 1901, exclusive of sample and other copies mailed from month to month.

1. Annual subscriptions (English copies) . . . . .	3,702
2. Annual subscriptions (French copies) . . . . .	692
	<hr/>
	4,394
3. Exchange list . . . . .	259
4. Free List . . . . .	2,259
	<hr/>
	6,912

### The Departmental Library.

An interesting and useful part of the work of the department has been the establishment of a library of labour literature. As a basis of its collection, the department has secured from all the English-speaking countries, and from some of the European countries, complete sets of their blue-book publications relating to industrial conditions, in so far as it has been possible to obtain these at the time. Provision having been made for an exchange of future publications with this department, it has been supplied with subsequent documents as they have appeared. Particular care has been taken to secure, as far as possible, reports and other printed matter published by public bodies or private societies, having a bearing on the status of the industrial classes, or on other conditions pertaining to labour in this country. The collection thus made amounted, at the close of the fiscal year, to 2,500 separate volumes and reports. The department has also arranged to secure copies of the journals of labour organizations and other societies publishing literature on current industrial questions, and to receive copies of the constitutions and rules governing trade unions, friendly societies, &c., &c. The reports and other documents mentioned have been indexed and catalogued upon their receipt, and a subject catalogue, based upon their contents, have been in part prepared. It is hoped that this library may serve, in addition to keeping the public informed of important movements and developments at home and abroad, as is done by the monthly reviews of current reports in the *Labour Gazette*, to accumulate by degrees a store of material which will furnish original sources of information for the history of the industrial growth and development of Canada.

## VI. REVENUE AND EXPENDITURE.

The subscription rate to the *Labour Gazette* per annum is 20 cents, payable in advance. Single copies are supplied at the rate of 3 cents each, or 20 cents per dozen.

### Revenue.

The following statement of receipts from subscriptions and the sale of single and bulk copies during the nine months ending June 30, 1901, shows that the revenue derived by the government from this source has amounted to \$801.67.

DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R.—NO. 13.

### STATEMENT of the revenue of the Department of Labour for the nine months of the fiscal year ending June 30, 1901.

Amount received from subscriptions to the <i>Labour Gazette</i> and from the sale of single copies during the period from September 21, 1900, to June 30, 1901...	\$846 74
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#### LESS

Commission on subscriptions...	\$44 05	
Fees paid for postal notes for transmitting amounts due as commission on subscriptions...	1 02	
		45 07
Net revenue...		\$801 67

### Expenditure.

The total expenditure of the department for the year ending June 30, 1901, was \$27,393.45. This amount included expenditure for Alien Labour Act purposes, made out of the appropriation voted in the estimates for 1900-01 to the Justice Department for that purpose, and subsequently transferred to the Department of Labour, and the appropriation voted directly to the Department of Labour. The expenditure by the Department of Labour for Alien Labour Act purposes amounted to \$2,634.48 and the other expenditure of the department to \$24,758.97. This last amount includes all other expenditures made by the department: salaries, cost of printing, binding and circulating the *Labour Gazette*, the administration of the 'Fair Wages' branch, stationery and contingencies.

SESSIONAL PAPER No. 36

DEPARTMENT OF LABOUR, CANADA,  
STATISTICAL TABLES, I.A.R.—No. 14.STATEMENT of the expenditure of the Department of Labour for the year  
ending June 30, 1901.

Conciliation Act.. . . . .	\$24,758 97
Alien Labour Act.. . . . .	2,634 48
	<hr/>
	\$27,393 45

I have the honour to be, sir,

Your obedient servant,

W. L. MACKENZIE KING,

*Deputy Minister of Labour.*





# RETURN

(48)

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on January 23, 1902.

On a report, dated January 22, 1902, from the Right Honourable Sir Wilfrid Laurier submitting that the Canadian Pacific Railway Company propose to increase the capital stock of the company by twenty millions of dollars (\$20,000,000) for the purpose of meeting the financial requirements of the company in respect of the increase of rolling stock, the enlargement of workshops at Montreal and elsewhere, the reduction of the grades and the improvement of the road, and the laying down of a second track on portions of the company's lines, for additional grain elevators and for providing other facilities, so as to enable the company better to meet the commercial requirements of the country. The same being more approximately set forth in detail as follows:—

## ROLLING STOCK.

200 additional locomotives, about.....	\$3,800,000
5,000 additional freight cars, about.....	3,750,000
100 additional passenger cars, about.....	800,000
40 additional sleeping, dining and parlour cars.....	720,000

## GENERAL WORKS.

Enlargement of shop facilities at Montreal and other points on the system.....	1,500,000
Reduction of grades and improvement of alignment between North Bay and Carleton Junction.....	500,000
Reduction of grades and improvement of alignment between Winnipeg and the mountains.....	3,000,000
Second track on portions of the company's system where increased traffic makes a second track desirable, as between Winnipeg and Fort William, the work to be done piecemeal in sections, with a view to the most economical results.....	2,500,000
Improvement of grades and alignment of short line between Montreal and St. John, N.B.....	900,000
For additional elevators, terminals, business and passing sidings and other facilities, such as are being provided from month to month, to meet the requirements of the company's business..	3,000,000
	<hr/> \$20,470,000 <hr/>

And whereas, in order to enable the company to make such expenditures it is desirable to authorize such increase in the capital stock, provided that such increase shall not, nor shall any portion thereof, nor shall any moneys arising therefrom—no matter how disposed of—affect the right of the Parliament of Canada or the Governor in Council to reduce the tolls of the company under the provisions of section 20 of schedule 'A' to the Act passed in the 44th year of the reign of Her late Majesty Queen Victoria, chapter 1, or otherwise.

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Therefore, the minister recommends the approval of the proposed increase of the capital stock of the company, subject to the following conditions:—

That the said \$20,000,000 of stock shall not, nor shall any part thereof, nor shall any moneys arising therefrom—no matter how disposed of—be deemed capital expended in the construction of the railway within the meaning of said section 20, and the power of the Parliament of Canada or the Governor in Council to reduce the tolls upon the railway of the company, shall in no wise be affected by such increase of capital stock in whole or in part, nor by the expenditure of any such moneys in the construction of the railway or otherwise, but the same shall be excluded from consideration in determining the amount of capital actually expended in the construction of the railway; and further, that no portion of the said \$20,000,000 of stock shall be issued at less than its par value, the company agreeing to acquiesce and concur in the terms of this Minute of Council, and in all such steps as may be necessary to secure, at the next session of parliament, legislation confirming the provisions hereof, except in respect of the authority to increase said capital stock, which authority is hereby given by this order and does not require parliamentary sanction.

The committee submit the foregoing for His Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

CANADIAN PACIFIC RAILWAY COMPANY,

MONTREAL, December 18, 1901.

To the Honourable

The SECRETARY OF STATE for Canada,

Ottawa.

We have the honour to inclose for the approval of the Governor in Council, as required by the Act, 55-6 Vic., chap. 35, a certified copy of a resolution passed by the board of directors of this company on the 9th instant, relating to a proposed increase of the capital stock of the company.

T. G. SHAUGHNESSY, President.

C. DRINKWATER, Secretary.

#### CANADIAN PACIFIC RAILWAY COMPANY.

*EXTRACT from the minutes of a meeting of the Board of Directors of the Canadian Pacific Railway Company, duly called and held at the principal office of the Company at Montreal, on Monday the 9th day of December, A.D. 1901.*

The question of the desirability of increasing the capital stock of the company having been discussed at length, the president submitted the following resolution on the subject, which was adopted, viz.:—

Whereas, the capital stock of this company at this date is \$65,000,000, divided into 650,000 shares of the par or face value of \$100 each, the whole of which has been subscribed for, issued and fully paid up;

And whereas, pursuant to the provisions of section 3 of the Act 55-6 Vic., chap. 35, Canada, intituled "An Act respecting the Canadian Pacific Railway Company," the company being duly authorized in that behalf by its shareholders at a special general meeting duly called for the purpose, may, from time to time, increase its capital stock for any purpose for which the company requires new capital, to such amounts and at such times as the shareholders at any such meeting may determine, such issue being first approved by the Governor in Council;

And whereas, the company requires new capital for the purposes of increasing its rolling stock, double tracking portions of its lines of railway, reconstructing other portions of such lines, enlarging shop facilities at Montreal and other important points

## SESSIONAL PAPER No 48

on the system, changing grades, and for other purposes of the company : and it is estimated that the cost of such contemplated works will amount approximately to the sum of \$20,000,000 ;

And whereas, it is deemed advisable in the interests of the company that the amounts required for the purposes aforesaid be obtained by means of a further issue of the capital stock of the company ; now, therefore, it is resolved as follows, that is to say :—

1. That it is in the interests of this company that the capital stock of the company be increased from \$65,000,000 to an amount not exceeding \$85,000,000, in shares of \$100 each, or its equivalent in sterling money of Great Britain, to be issued and disposed of by the board of directors of the company in such manner and form as may be determined by the shareholders of the company, or as may be hereafter defined by by-law of the directors ;

2. That the president and secretary of the company be and they hereby are authorized to make an application in the name of the company to the Governor in Council to have the said proposed increases of stock duly approved of ;

3. That the secretary of the company be and he hereby is authorized and directed to give notice in the manner and form provided by the statutes and by-laws relating thereto, for the holding of a special general meeting of the shareholders of the company at the head office of the company at a time to be hereafter named by the executive committee for the purpose of authorizing the said increase of capital stock, and of determining the manner and form in which the same shall be issued and disposed of.

Certified a true extract.

C. DRINKWATER,

Secretary.

CANADIAN PACIFIC RAILWAY COMPANY,

MONTREAL, December 17, 1901.

Right Honourable

Sir WILFRID LAURIER, G.C.M.G., Premier,  
Ottawa.

We are sending the by-law relating to the proposed increase of our capital stock for the approval of the Governor in Council. The amount of the increase is fixed at \$20,000,000. Of course we are exceedingly anxious that the matter be kept confidential, because negotiations, extending over some period, will be necessary before we can divulge our plans. Indeed we may find that market conditions will prevent us from making the issue for several months, but we desire to deal with the transaction when it can be done to best advantage.

With the increase of our business, we are deplorably short of rolling stock, and then we must endeavour, during good times, to bring the physical condition of our property up to a high standard, so that we can economize when times are less favourable.

Our expenditures during the current year for additions and improvements, not including additional lines constructed, will amount to more than \$5,000,000. I can see a tremendous amount of work ahead that we must do to properly care for our traffic, and we have no means of providing money for these works excepting by the issue and sale of our shares.

I hope very much that the by-law will receive the approval of His Excellency in Council with the least possible delay, because I do not wish to broach the subject to our financial agents until all the formalities have been complied with.

I beg to assure you, personally, although there is, probably, no necessity for it, that the issue is entirely for the purpose of meeting the requirements of the country and the company in the matter of additional rolling stock and improved facilities : that no stock bonus, or other advantage of that description, is contemplated or would be considered. The directors may find, when formulating a plan, that the most feasible course will be to offer the issue to the shareholders of record at par, pro rata, according to their respec-

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tive holdings, but, in any event, not a share will be sold to realize for the company less than its face value, without the express authorization of the Governor in Council.

The following shows, approximately, the expenditures contemplated :—

ROLLING STOCK.			
200	additional locomotives, about	.....\$	3,800,000
5,000	" freight cars	.....	3,750,000
100	" passenger cars "	.....	800,000
40	" sleeping, dining and parlour cars	.....	720,000
GENERAL WORKS.			
Enlargement of shop facilities at Montreal and other points on the system			1,500,000
Reduction of grades and improvement of alignment between North Bay and Carleton Junction			500,000
Reduction of grades and improvement of alignment between Winnipeg and the Mountains			3,000,000
Second track on portions of the company's system where increased traffic makes a second track desirable, as between Winnipeg and Fort William, the work to be done piecemeal, in sections, with a view to the most economical results			2,500,000
Improvement of grades and alignment of short line between Montreal and St. John, N.B.			900,000
For additional elevators, terminals, business and passing sidings, and other facilities, such as are being provided from month to month, to meet the requirements of the company's business, say			3,000,000
Total			<u>\$ 20,470,000</u>

Of course, these works will cover a period of three or four years, but we desire to have the cash in hand, or arrangements made for obtaining it, as required, before undertaking any serious expenditure.

T. G. SHAUGHNESSY.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on January 23, 1902.*

On a report dated January 22, 1902, from the Minister of Railways and Canals submitting an application on behalf of the Canadian Pacific Railway Company for approval of a resolution to be passed on behalf of the company to increase its capital stock by a further issue of Twenty millions of dollars (\$20,000,000) it was thought desirable in addition to the other conditions subject to which His Excellency has determined to approve of such proposed resolution to make provision for submission to the Supreme Court of Canada under powers vested in His Excellency of questions arising as to the effect or interpretation of Section twenty (20) of the company's charter of incorporation as found in the statute, 44 Vic., chap., 1, schedule A. and upon communication of this fact to the company and discussion of the matter the President on behalf of the company has submitted a letter addressed to the Prime Minister in which he states as follows :—

"In connection with the application of the Canadian Pacific Railway Company for approval by the Governor in Council of a proposed increase of the capital stock of the company, I beg to say in response to the question in that regard submitted to me by you, that whenever your government deems it advisable that questions should be submitted to the Supreme Court of Canada for a determination by that court of the



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effect or for the interpretation, of section 20 of the Company's Act of Incorporation, being 44 Vic., Chap. 1, our company will join with the government in the submission and argument of such questions, and if the consent of the company is necessary in order to carry an appeal to the Judicial Committee of the Privy Council, such consent will be given upon the understanding, of course, that a similar consent will be given by the crown if such an appeal is desired by the company."

The minister observes that this letter may be treated as an undertaking on the part of the company, and is given upon the understanding that an Order in Council has been or will be passed approving of the proposed increase on the terms substantially of the application now before council.

The minister further observes that it is of course understood that the company will not unreasonably delay the submission of the said questions, and will upon such submission make such admissions of fact as will be found necessary in order to place fully before the court the material required for dealing adequately with the questions to be submitted for adjudication.

The minister considers that the understanding so made on behalf of the company to consent and concur in the submission of such questions subject to the conditions stated in the letter is satisfactory, and may be accepted in the public interest, and he, the minister, recommends therefore that authority be granted to accept the understanding so made, and to communicate with the Canadian Pacific Railway Company confirming the same; and that the Minister of Justice be instructed and authorized to take immediate steps for the preparation and submission of the case to the courts.

The committee submit the same for His Excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.

THE CANADIAN PACIFIC RAILWAY COMPANY.

MONTREAL, January 15, 1902.

Right Honourable

SIR WILFRID LAURIER, G.C.M.G., Premier,  
Ottawa, Ontario.

In connection with the application of the Canadian Pacific Railway Company for the approval, by the Governor in Council, of a proposed increase of the capital stock of the company, I beg to say, in response to the question in that regard submitted to me by you, that whenever your government deems it advisable that questions should be submitted to the Supreme Court of Canada, for a determination by that court of the effect, or for the interpretation, of Section 20 of the Company's Act of Incorporation, being 44 Vic., Chap. 1, our company will join with the government in the submission and argument of such questions, and if the consent of the company is necessary, in order to carry an appeal to the Judicial Committee of the Privy Council, such consent will be given upon the understanding, of course, that a similar consent will be given by the crown, if such an appeal is desired by the company.

This letter may be treated as an undertaking, on the part of the company, and is given upon the understanding that an Order in Council has been, or will be, passed approving of the proposed increase on the terms substantially of the application, now before council.

It is, of course, understood that the company will not unreasonably delay the submission of the said questions, and will upon such submission make such admissions of fact as will be found necessary in order to place fully before the court, the material required for dealing adequately with the questions to be submitted for adjudication.

T. G. SHAUGHNESSY, President.



## RETURN

(49)

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on May 31, 1901.*

On a report, dated May 27, 1901, from the Minister of Finance, submitting that the contract of the government with the American Bank Note Company of Ottawa, for engraving and printing Dominion notes, postage stamps and inland revenue stamps, will expire on the first day of October, in the year one thousand nine hundred and two. It is expedient that timely arrangements be made for carrying on the work after that date, so that there may be no delay in the furnishing of the supplies required in the several departments.

The minister states that the work is of an exceptional character, requiring a combination of special skill and capital such as are possessed by but few persons, and consequently the competition must under any circumstances be very limited. When tenders were invited for the work in 1896 only two tenders were received, one from the contractors who were then performing the work, and the other from the American Bank Note Company, whose tender, being the lowest, was accepted.

The minister observes that apart from these two concerns, there is no establishment in Canada possessing the facilities for doing the work, and the undersigned has no reason to believe that any other parties are contemplating engaging in the business. It is therefore highly probable that if tenders were now invited there would be no competition outside of the two parties referred to. As the transactions of the former contractors with the government were not satisfactory, it is not deemed expedient to invite proposals from them.

The minister is of opinion that it will be in the public interest to make arrangements for continuing the work with the present contractors, if such arrangements can be made upon terms that will guarantee the performance of the work at fair and reasonable prices.

The minister therefore recommends that the American Bank Note Company be asked to submit an offer for continuing the work, as under the present contract, for a further period of five years.

The minister further recommends that upon the receipt of the offer of the company it be referred to Mr. J. M. Courtney, Deputy Minister of Finance; Dr. S. E. Dawson, King's Printer, and a bank manager to be named by the Minister of Finance; that these gentlemen be asked to report to the Minister of Finance their judgment as to the reasonableness of the prices proposed by said company, and that thereupon the proposal of the company with the report of the gentlemen above mentioned be submitted to His Excellency in Council for further consideration and such action as may be deemed proper.

The committee submit the same for His Excellency's approval.

JOHN J. MCGEE,  
Clerk of the Privy Council.

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OTTAWA, May 31, 1901.

GEORGE BURN, Esq.,  
General Manager,  
Bank of Ottawa,  
Ottawa.

I am asking the American Bank Note Company to make a proposal respecting the engraving and printing of notes, &c., for the government, and I wish to have it examined and reported upon by gentlemen familiar with the value of that class of work.

I shall be obliged if you will kindly consent to join Mr. J. M. Courtney, C.M.G., Deputy Minister of Finance, and Dr. S. E. Dawson, King's Printer, in considering and reporting on the proposal in question. I do not think the business will make any considerable demands on your time.

W. S. FIELDING,  
Minister of Finance.

OTTAWA, May 31, 1901.

The American Bank Note Co.,  
Ottawa.

Referring to the conversation I have had with your Mr. Green respecting your contract with the government for engraving and printing Dominion notes, postal and inland revenue stamps, &c., I shall be glad to have from you the best proposal you can make us for a continuance of this contract for a period of five years from the time at which the present contract is to expire.

W. S. FIELDING,  
Minister of Finance.

AMERICAN BANK NOTE COMPANY,  
OTTAWA, June 1, 1901.

Hon. W. S. FIELDING,  
Minister of Finance,  
Ottawa.

In reply to your favour of the 31st instant regarding the engraving and printing of Dominion notes, postal and inland revenue stamps, and so forth, I beg to say that this company will continue the same rates as set forth under the present contract for a period of five years dating from the expiration of the present contract. It is understood that this is to cover all supplies as called for under the present contract and such new work of a similar character as may be required from time to time during the life of the contract.

While we presume the quantities ordered in the future will be materially increased, this will be more than offset by the increase in the prices of labour and material.

The introduction of later improvements in the manufacture of our notes will necessitate our building and installing much special machinery and the enlargement of our premises.

Should you desire the latest character of work for your notes, and which, in our opinion, offers the greatest protection against counterfeiting, it would necessitate a slight change in the wording of the contract, as the present contract calls specifically for three steel plate printings upon each note, whereas under the new method there would be two steel plate printings and two multi-colour printings.

While this is covered to a certain extent by a clause in the present contract, which entitles you to any improvements in the art, I think it best to call attention to it so that it may be kept in mind and provided for in the new contract.

You understand that although it costs us more to manufacture the notes by this new process, it rests entirely with you whether we should continue the manufacture of the old notes, or give you these later improvements without any increased cost to you.

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While not making it a condition of our offer, we should like permission to execute in our present premises bonds, stock certificates, cheques, drafts and other securities. I do not mean the permission to do a general commercial business, but to be able to furnish the banks and other financial institutions of Canada with *securities* of different kinds. This would in no way interfere with the execution of the government work or detract from its security, and would enable us to satisfy the needs of our customers.

WARREN L. GREEN,  
2nd Vice President.

THE BANK OF OTTAWA,  
HEAD OFFICE, OTTAWA, June 4, 1901.

The Honourable W. S. FIELDING,  
Minister of Finance,  
Ottawa.

I have pleasure in complying with the request in your letter of the 31st ultimo, intimating at the same time that my experience with the subject mentioned in your letter, regarding which you ask me to express an opinion, has been limited to the printing of bank notes, our other work being more of a lithographic nature.

GEO. BURN,  
General Manager.

FINANCE DEPARTMENT.  
OTTAWA, July 6, 1901.

To the Honourable  
The Minister of Finance,  
Ottawa.

The undersigned, J. M. Courtney, Deputy Minister of Finance, S. E. Dawson, King's Printer, and George Burn, General Manager of the Bank of Ottawa, to whom was referred, under the authority of Order in Council, dated May 31, 1901, the offer of The American Bank Note Company for the continuance of their contract for a further period of five years, to report as to the reasonableness of the prices proposed by the said company, have the honour to report as follows :—

That hereto annexed is a copy of a letter from the said company, under date of the 1st ultimo, from which it will be seen that the company offers to continue the engraving and printing of Dominion notes, postal and inland revenue stamps, &c., at rates as set forth under the present contract for a period of five years, dating from the expiration of the present contract, it being understood that this is to cover all supplies as called for under the present contract and such new work of a similar character as may be required from time to time during the life of the contract.

The undersigned find that the present price for Dominion notes is \$65.03 per thousand sheets on an issue of 55,000 from each plate for the \$1, \$2 and \$4 notes, the ones most in use, and that this price is much lower than the price for similar work per thousand under the contract with the previous contractors, and in view of this and of the fact that increases have taken place in the prices of labour and material, the undersigned think that the prices asked for by the company are reasonable. The undersigned are of opinion that in renewing the contract, provision should be made so as to allow of the use of multi-colour printings if decided upon, as they think this process of manufacture would be an improvement on the present system in the way of greater security. As the use of patent green has been entirely abandoned, it is a matter for consideration by the government whether in case of a revision of the schedules or of the contract, all provisions relating to patent green might not be eliminated.



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With reference to the postal supplies, they are of opinion that the prices for such supplies under the present contract are reasonable, and see no reason to recommend that any change should be made. Since the contract was entered into, the following new issues have been supplied by the contractors, they furnishing the paper, viz.:—

Special delivery stamps at 20c. per thousand, and 2c. stamp books at \$7.50 per thousand.

It would be well for these to be included in the schedule to the new contract. The stamped envelopes are not supplied by the contractors but by the King's Printer, and there seems to be no reason for any change in this regard. The postal notes are supplied by the company, but under a special contract which has several years to run, and in regard to them the undersigned think no change should be made.

With regard to the inland revenue supplies the following stamps have been added, the contractors supplying the paper:—

Cigarette, 6 and 7 square, 16c. per thousand, being the same price as the 10 and 20 square under the contract.

Tobacco,  $\frac{1}{15}$ ,  $\frac{1}{14}$ ,  $\frac{1}{13}$  and  $\frac{1}{11}$  strip, 85½c. per thousand, the same as the  $\frac{1}{12}$ ,  $\frac{1}{10}$ ,  $\frac{1}{9}$ ,  $\frac{1}{8}$ ,  $\frac{1}{7}$  and  $\frac{1}{6}$  strip under the contract.

Tobacco  $\frac{1}{3}$  strip, \$1.53 per thousand, being the same as the  $\frac{1}{4}$  strip under the contract.

The prices appear to be reasonable. The only change that the Deputy Minister of Inland Revenue recommends is that the prices for the first 5,500 stamps (or as the case may be) in certain cases, cigar 6, cigar 200, cheroot 500 stamp, cut chewing tobacco 5 lbs. and 10 lbs. strip, snuff over 40 per cent, 5 lbs. strip, snuff not more than 40 per cent, 5 and 10 lbs. strip, law, gas, weights and measures and electric light inspection, should be omitted in the schedule to the new contract, and the prices for these stamps should be the lower rates named in each of these for stamps in excess of the named quantities.

The undersigned are further of the opinion that the permission asked for by the company to execute in their present premises bonds, stock certificates, drafts and other securities might be given them without impairing the security of the work under the contract with the government.

J. M. COURTNEY.

S. E. DAWSON.

GEO. BURN.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on September 28, 1901.*

On a report, dated September 23, 1901, from the Minister of Finance, submitting that under date May 31, 1901, an Order in Council was passed approving the following recommendations in regard to the continuation of the contract now existing between the government and the American Bank Note Company for engraving and printing Dominion notes, postage stamps and inland revenue stamps, viz.:—

1st. That the company above named be asked to submit an offer for continuing the work as under the present contract for a further period of five years.

2nd. That upon receipt of the offer of the company it be referred to Mr. J. M. Courtney, Deputy Minister of Finance, Dr. S. E. Dawson, King's Printer, and a bank manager to be named by the Minister of Finance, and that these gentlemen be asked to report to the Minister of Finance their judgment as to the reasonableness of the prices proposed by said company, and that thereupon the proposal of the company, with the report of the gentlemen above mentioned, be submitted to His Excellency in Council for further consideration and such action as may be deemed proper.

The minister states that in accordance with the provisions of such Order in Council he asked the company above named for the best proposal it could make for a continuance of the contract for a period of five years from the time at which the present contract will expire, and in reply thereto he received from the 2nd vice president of the company the

## SESSIONAL PAPER No 49

offer, dated June 1, 1901, a copy of which is annexed, from which it will be seen that the company offers to continue the engraving and printing of Dominion notes, postal and inland revenue stamps, &c., at rates as set forth under the present contract for a period of five years dating from the expiration of the present contract, it being understood that this is to cover all supplies as called for under the present contract, and such new work of a similar character as may be required from time to time during the life of the contract.

The minister further states that the offer of the company was referred to Mr. Courtney, Dr. Dawson and Mr. George Burn, General Manager of the Bank of Ottawa, and annexed hereto is a copy of the report of these gentlemen, dated July 6, 1901, from which it appears that in their opinion the prices now charged by the company under the existing contract are reasonable.

The minister, therefore, recommends that the offer of the American Bank Note Company be accepted, and that he be authorized to execute on behalf of the government a contract with the company for the performance of the work now done by the company for the government for a period of five years from October 1, 1902, the date of the expiration of the present contract, and that he be authorized to embody in the new contract, should he so deem it advisable, the changes, alterations and additions thereto, suggested in the report of Messrs. Courtney, Dawson and Burn.

The committee submit the same for His Excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.

AMERICAN BANK NOTE COMPANY,

224 WELLINGTON STREET,

OTTAWA, October 24, 1901.

HON. W. S. FIELDING,

Minister of Finance,  
Ottawa.

Referring to our proposal for a continuance of the present contract and our request to be permitted to do certain work other than government work, I would respectfully ask that this be granted by striking out any mention of restriction, thus placing us on the same footing as all former contractors. Or, should you deem this not expedient, give us the permission to furnish bank notes, bonds, certificates of stock, cheques, drafts and other papers required by financial institutions and corporations of Canada. If we were restricted to financial institutions alone, it would mean having to decline to furnish railroad companies and other corporations with their needed securities, which, of course, is not the spirit of our request.

WARREN L. GREEN,

2nd Vice President.

## COPY INDENTURE.

This indenture, made in duplicate this fifth day of November, in the year of our Lord one thousand nine hundred and one, by and between The American Bank Note Company, hereinafter referred to as 'the contractors,' of the one part, and His Majesty King Edward the Seventh, herein represented by the Honourable William Stevens Fielding, His Majesty's Minister of Finance and Receiver General of the Dominion of Canada, of the other part.

Witneseth :—

Whereas by a certain indenture, hereinafter referred to as 'the existing contract,' made on the ninth day of March, in the year of our Lord one thousand eight hundred and ninety-seven, by and between the contractors, of the one part, and Her Majesty Queen Victoria, therein represented by the said Honourable William Stevens Fielding,

Her Majesty's Minister of Finance and Receiver General of the Dominion of Canada, of the other part, the contractors did for and in consideration of the covenants and agreements on the part of Her Majesty therein set forth, covenant and agree with Her Majesty to engrave, print, finish and deliver to Her Majesty as and when the same might be required, in the manner and upon the terms and conditions and for the rates and prices in said indenture mentioned and set forth, Dominion notes, postage stamps, post and letter cards and post bands, and certain inland revenue stamps, which indenture was to come into force and effect on the first day of July, in the year of our Lord one thousand eight hundred and ninety-seven, and was to continue in force for a fixed term of five years and three months from the day last mentioned :

And whereas it has been agreed by and between the parties hereto that the existing contract shall at the expiration of the said fixed period named therein be extended and continued in force for a further period of five years, as hereinafter provided :—

Now, therefore, this indenture witnesseth, and it is hereby mutually covenanted, agreed and understood by and between the parties hereto that the said the existing contract shall, subject to provision for payment of orders given thereunder being made from time to time by the Parliament of Canada, be and the same is hereby continued in force for a period of five years from the date of the termination of the fixed period therein mentioned, that is to say, for a period of five years from the first day of October, in the year of our Lord one thousand nine hundred and two, upon the same terms and conditions and subject to the same provisions for determination thereof, at or after the expiration of such extended period, or at any time during the continuance thereof, as are set forth and contained in the existing contract, save and except as such terms and conditions are modified, changed or extended as hereinafter provided, that is to say :—

1st. The contractors may, in addition to the work of engraving and preparing bank notes for the several chartered banks of Canada in the building or buildings in which the work for the Government of Canada is done as provided in the existing contract, execute and prepare in such building or buildings all such bonds, certificates of stock, cheques, drafts and other securities, as may be required by banks or by corporations or by financial institutions in Canada, but nothing herein shall give the contractors power or liberty to carry on in the said building or buildings a general engraving or printing business, or any business other than the classes of business above particularly described and the work for the Government of Canada.

2nd. The contractors agree, if so required by the Minister of Finance and Receiver General of Canada, to use in connection with the work to be done for the Government of Canada, but without any increase in the price or prices for such work, the process of multi-colour printing, and any other process, whether a steel plate process or not, which in the opinion of the said Minister of Finance and Receiver General would give to the work done for the said government greater security and protection against fraud or counterfeiting.

3rd. The provision in the existing contract that on the termination thereof the contractors will deliver to the Minister of Finance of Canada all dies, rolls, plates and other pieces used in the government work either cancelled or not as the Minister of Finance for the time being may direct, is hereby modified and changed in regard to such extended contract so as to provide that such dies, rolls, plates and other pieces shall, on the termination of such extended contract, be delivered to the said Minister of Finance for the time being by the contractors in all cases cancelled.

4th. Schedule B of the existing contract is hereby amended by adding thereto the following stamps and stamp books, the prices being those now agreed upon and at which the work is now being done by the contractors under the existing contract, the contractors in both cases supplying the paper, namely :—

Special delivery stamps, twenty cents per thousand stamps ;

Two cent stamp books, seven dollars and fifty cents per thousand books.

5th. Schedule C of the existing contract is hereby amended by adding thereto the following stamps, the prices named being those now agreed upon and at which the work is now being done by the contractors under the existing contract, the contractors in all cases named supplying the paper, namely :—

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Cigarette stamps, six and seven square, sixteen cents per thousand stamps.

Tobacco stamps, one-fifteenth, one-fourteenth, one-thirteenth and one-eleventh strip, eighty-five and one-half cents per thousand stamps.

Tobacco stamps, one-third strip, one dollar and fifty-three cents per thousand stamps.

In witness whereof the contractors have hereunto set their corporate seal and caused these presents to be signed by their president, secretary and treasurer, and the Honourable William Stevens Fielding hath, as Minister of Finance and Receiver General of Canada, hereunto set his hand and seal, the day and year first hereinbefore written.

The corporate seal of The American Bank Note Company was hereunto affixed and these presents signed by the president, secretary and treasurer of the said company in the presence of

R. B. VALENTINE,

Notary Public, King's Co.

Certificate filed in New York County.

AMERICAN BANK NOTE CO.

A. D. SHEPHARD, President.

JNO. E. CURRIER, Secretary.

T. H. FREELAND, Treasurer.

Signed, sealed and delivered by the Honourable William Stevens Fielding, Minister of Finance and Receiver General of Canada, in the presence of

C. W. TREADWELL,

Notary Public, Ontario.

W. S. FIELDING.

FINANCE DEPARTMENT,

OTTAWA, CANADA, November 20, 1901.

The Manager,

The American Bank Note Co.,  
Ottawa.

Referring to previous correspondence with reference to the extension for a further period of five years from October 1, 1902, of the contract now existing between your company and the Government of Canada for the engraving, &c., of Dominion notes and postal and inland revenue stamps, &c., and to the indenture for this purpose submitted to your company for approval, and which was returned to me some days ago executed by your company, I have the honour to state that Hon. Mr. Fielding this day executed the same in duplicate, and I have, by his direction, the honour to hand you herewith one of the indentures so executed by him, the other one—the one executed by your company—being retained in this department.

J. M. COURTNEY,

Deputy Minister of Finance.

AMERICAN BANK NOTE COMPANY,

224 WELLINGTON STREET,

OTTAWA, November 21, 1901.

J. M. COURTNEY, Esq.,

Deputy Minister of Finance,

Ottawa.

I have the honour to own receipt of your favour of the 20th noting the correspondence relative to the extension of a contract between the Dominion of Canada and this company from October 1, 1902.

To-day we received in your letter above noted a duplicate of said indenture executed by Hon. William S. Fielding, Minister of Finance.

J. K. MYERS.

Resident Manager.





# MEMORANDUM

[51a]

Of Agreement made the seventeenth day of March, A.D., 1902, between Marconi's Wireless Telegraph Company, Limited, a body corporate and politic, and The Marconi International Marine Communication Company, Limited, a body corporate and politic (hereinafter called 'the companies'), of the first part; and His Majesty King Edward Seventh, represented herein by the Right Honourable Sir Wilfrid Laurier, G.C.M.G., President of the King's Privy Council for Canada, who, as well as his successor in office, for the time being is hereinafter referred to as 'the Minister,' His Majesty so represented being hereinafter called 'the Government,' of the second part.

Whereas the companies have represented that they believe that a material reduction in the rates for telegraph messages between Canada and other countries, especially the United Kingdom of Great Britain and Ireland, can be attained by the use for their transmission of the companies' system of 'wireless telegraphy,' commonly known as 'The Marconi System';

And whereas such a reduction would be of great advantage to Canada;

Now, this agreement witnesseth that the companies and the Government covenant and agree to and with each other in manner following, that is to say:—

1. The companies agree to erect two wireless telegraph stations, one in some part of the United Kingdom of Great Britain and Ireland, and the other in some part of Nova Scotia, in Canada, the object of which, should the undertaking prove to be successful, is to carry on communication on a commercial basis between Canada and the United Kingdom of Great Britain and Ireland and the continent of Europe.

2. The Government agrees to pay to the companies the sum of eighty thousand dollars (\$80,000), or such lesser sum as may be required for the purpose of the erection of the said station in Nova Scotia, according to plans and specifications to be approved by Mr. G. Marconi. If the cost of the station should be greater than eighty thousand dollars (\$80,000) the excess is to be paid by the companies, so that the cost to the Government shall not in any event exceed the said sum of eighty thousand dollars (\$80,000).

3. The said payments so to be made by the Government to the companies shall be made monthly as the construction of the said station progresses, upon vouchers to be submitted by the companies to the Government of payments made and work done, and the Government shall be afforded every facility to satisfy itself that such payments represent only the fair and reasonable value of the work done. Such payments by the government shall be made to a banking account to be opened in the name of 'Marconi's Wireless Telegraph Company, Limited,' at the agency of the Bank of Nova Scotia at the town of North Sydney, Cape Breton.

4. The Government undertakes that all messages received by the companies or intended for transmission by the companies at or from the said station in Nova Scotia, or any other station or stations which may be established by the companies, or either of them, in Canada, shall be sent over all Government lines of telegraph in Canada now in operation or that may hereafter be constructed or operated by the Government at rates not higher than those charged to other telegraph companies from time to time for the transmission of ordinary commercial messages.

5. If the companies enter into any arrangement with companies operating telegraph lines in Canada respecting the division of rates on through messages, the companies will grant not less favourable terms for similar arrangements with the Government land lines now in operation or that may hereafter be established.

6. In consideration of the payments to be made by the Government under the terms of this agreement the companies undertake, if their operations prove successful, to transmit general messages to and fro between any station or stations which they may establish on the Atlantic coast of Canada for that purpose and any corresponding station or stations which they may establish on the coast of the United Kingdom of Great Britain and Ireland, at rates which shall be fully sixty per cent less than the rates now charged for cablegrams between the Atlantic coast of Canada and the coast of the United Kingdom of Great Britain and Ireland, that is to say, that whereas the rate per word for such messages is now twenty-five cents, the companies undertake to charge not more than ten cents per word for such messages: the companies further agree that Government messages and messages for the press shall be transmitted at a shore to shore rate not exceeding five cents per word, and further that the rates to be charged for messages between the Atlantic coast of Canada and the coast of the United Kingdom of Great Britain and Ireland shall not in any case exceed the rates charged for similar messages between the coast of the United Kingdom of Great Britain and Ireland and any other part of the Atlantic coast of the continent of North America.

7. The companies will, as far as possible, use Canadian machinery, material and labour in the construction of said station in Nova Scotia.

8. If the Government desires to use the Marconi system for communication with any of its lighthouses or life-saving stations on the coast, or between the mainland and any island within the jurisdiction of Canada, or with any ships passing to and fro, or in any way to assist in its operations for the protection of life and property on the sea coast or inland waters of Canada, or for the improvement or assistance of navigation, the Government shall be free to erect all such stations as it may require for such purpose, and the companies shall be bound to furnish all machinery and apparatus required for such stations at fair and reasonable prices, free from any charge for patent rights or royalties thereon, it being understood that the assistance hereby provided by the Government shall cover and include all charges for such patent rights or royalties.

9. Such station or stations, when established by the Government, shall receive all messages transmitted from ships equipped with the 'Marconi System,' and deliver them to the connecting land lines without any charge, and the tolls for all such messages shall be collected by the agents of the companies on board the ship or ships from which they are transmitted and shall belong to and be the property of the companies. The Government shall be entitled to receive for its own use all tolls collected at such station or stations so erected by it for messages transmitted to any ship or ships passing to and fro.

10. Whenever the Government requires a station or stations for any of the purposes specified in clause eight of this agreement, it shall before proceeding to erect the same notify the companies of its requirements and it shall thereupon be optional with the companies to erect, maintain and operate such station or stations at their own expense, if within one calendar month after being so notified, they notify the Government of their intention so to do, in which event the work of establishing such station or stations shall forthwith be put in hand and executed with all reasonable despatch, and the companies shall thereafter maintain and operate the same in an adequate and sufficient manner for the purposes for which the same are required.

11. Should the companies, after notifying the Government of their intention to exercise their option of erecting, maintaining and operating any such station, make default in establishing the same with reasonable despatch, or in maintaining and operating the same in an adequate and sufficient manner for the purposes for which it is required, the Government shall be at liberty upon one month's notice to the companies, to erect or complete the erection of such station themselves, or to take over, maintain and operate the same, in which case the Government shall pay to the companies the value of the property of the companies so taken over, such value in case of difference to be fixed by arbitration, an arbitrator to be named by each party, and a third by the two so named: and in every such case the provisions of clauses 8 and 9 of this agreement shall apply to such station and its erection and operation.

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12. Such station or stations when established by the companies shall receive all messages transmitted from any ship or ships equipped with the 'Marconi System,' and shall deliver them to the connecting land lines without charge, and the tolls for such message or messages shall be collected by the agents of the companies on board the ship or ships from which they have been transmitted and shall belong to and be the property of the companies. The companies shall furthermore be entitled to receive for their own use all tolls collected at such station or stations for messages transmitted from such station or stations to ships passing to and fro; provided that no such last mentioned tolls shall be levied or collected until the rates thereof have been approved by the Governor in Council.

13. Any lighthouse or station maintained by the Government on the coast of Newfoundland shall be deemed for the purpose of this agreement to be a part of Canada, and all privileges which the companies are bound to grant to the Government in Canada under the terms of this agreement, shall extend to such lighthouse, station or stations in so far as the companies have the power to grant the same at such places.

14. The companies shall not be bound to accept messages in the United Kingdom of Great Britain and Ireland for wireless transmission by 'The Marconi System' by way of Canada to destinations in the United States of America, or to any other part of the continent of America outside of Canada, to the prejudice of the interests of any government or company which may acquire the right to receive wireless messages by the 'Marconi System' in the United States of America, or in such other part of the continent of America outside of Canada direct from the United Kingdom of Great Britain and Ireland.

In witness whereof these presents have been executed by the companies and on behalf of His Majesty by the Minister.

Marconi's Wireless Telegraph Company. Limited.

The Marconi International Marine Communication Company, Limited.

By G. MARCONI,

The Attorney of the said Companies.

WILFRID LAURIER.

Signed and delivered in presence of witness to execution by the Companies.

E. L. NEWCOMBE.

Witness to Sir Wilfrid's signature, )

E. L. NEWCOMBE.



REPORT OF COMMISSIONER  
AND  
OTHER DOCUMENTS  
IN CONNECTION WITH  
THE ROYAL COMMISSION  
*IN RE*  
THE ALLEGED COMBINATION  
OF  
PAPER MANUFACTURERS AND DEALERS

*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA

PRINTED BY S. E. DAWSON, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1902





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ORDER *RE* APPOINTMENT OF COMMISSIONER

EXTRACT from a report of the Committee of the Honourable the Privy Council, approved by His Excellency on April 25, 1901.

On a report, dated April 22, 1901, from the Minister of Finance, submitting as follows :—That section 18 of chapter 16 of the Acts of 1897 ('The Customs Tariff, 1897'), enacts as follows :—

'18. Whenever the Governor in Council has reason to believe that with regard to any article of commerce there exists any trust, combination, association or agreement of any kind among manufacturers of such article or dealers therein to unduly enhance the price of such article or in any other way to unduly promote the advantage of the manufacturers or dealers at the expense of the consumers, the Governor in Council may commission or empower any judge of the Supreme Court or Exchequer Court of Canada, or of any Superior Court in any Province of Canada, to inquire in a summary way into and report to the Governor in Council whether such trust, combination, association or agreement exists.

'2. The judge may compel the attendance of witnesses and examine them under oath and require the production of books and papers, and shall have such other necessary powers as are conferred upon him by the Governor in Council for the purposes of such inquiry.

'3. If the judge reports that such trust, combination, association or agreement exists, and if it appears to the Governor in Council that such disadvantage to the consumers is facilitated by the duties of customs imposed on a like article, when imported, then the Governor in Council shall place such article on the free list, or so reduce the duty on it as to give to the public the benefit of reasonable competition in such article.'

The Minister further submits that he has received a communication (copy attached), dated at Toronto, April 10, 1901, from A. G. Macdonald, president, and John A. Cooper, secretary-treasurer of the Canadian Press Association, reporting that a combination exists among Canadian paper manufacturers, the effect of which is to unduly increase the price of news and printing paper, and that the executive of the said Association is prepared to submit witnesses and evidence in support of this statement.

That he has received a numerous deputation from the said Canadian Press Association who have urged the necessity of an inquiry under the provisions of the section above quoted.

That from the statements in the said communication of April 10, 1901, and from the representations made by the said deputation he is satisfied there is reasonable ground for such an inquiry as is contemplated by the statutes.

The Minister recommends, for these reasons, that the Governor General in Council be pleased to declare that the Governor in Council has reason to believe that with regard to news and printing paper there exists a trust, combination, association or agreement among manufacturers of such paper or dealers therein to unduly enhance the price of such paper or to unduly promote the advantage of the manufacturers or dealers at the expense of the consumers ; and that the Governor General in Council be further pleased to commission and empower the Honourable Henri Thomas Tasche-

1-2 EDWARD VII., A. 1902

reau, of the City of Montreal, one of the Judges of the Superior Court of the Province of Quebec, to inquire into and to report to His Excellency in Council, under and in accordance with the provisions of section 18 of chapter 16 of the statutes of 1897, 'The Customs Tariff, 1897,' whether any such trust, combination, association or agreement exists, and to confer upon the said Honourable Henri Thomas Taschereau all the powers that may be necessary for the purposes of such inquiry.

The Committee submit the foregoing for His Excellency's approval.

(Sgd.) JOHN J. MCGEE,

*Clerk of the Privy Council.*

THE CANADIAN PRESS ASSOCIATION,

TORONTO, April 10, 1901.

Honourable W. S. Fielding, Minister of Finance,  
Ottawa.

HONOURABLE SIR,—On May 18, 1900, the Canadian Press Association, at a meeting in Toronto, discussed for the first time the Paper Makers' Association and the effects of that Association on the publishing interests. At that time the following resolution was passed :—

'That the Executive of the C. P. A. believe that a combine now exists among Canadian Paper Manufacturers, the effect of which is to unduly increase the price of news and printing paper, contrary to section 18 of the Customs Tariff Act of 1897. That this Executive is prepared to submit witnesses and evidence in support of this statement, and we, therefore, respectfully ask that the government order an investigation under section 18 and sub-sections of the Customs Tariff Act of 1897, with a view to ameliorating the existing condition.'

At the recent annual meeting of the Press Association, this resolution was reaffirmed, and is now submitted to you for the consideration of yourself and the government.

We have, &c.,

(Sgd.) A. F. MACDONALD,

President.

(Sgd.) JOHN A. COOPER,

Secretary-Treasurer.



## COMMISSION

MINTO (L.S.)

CANADA.

EDWARD THE SEVENTH, *by the Grace of God, of the United Kingdom of Great Britain and Ireland, King, Defender of the Faith, &c., &c., &c.*

To all to whom these Presents shall come, or whom the same may in anywise concern,

GREETING :—

Whereas in and by Chapter 16 of the Acts of the Parliament of Canada, passed in the sixtieth and sixty-first years of the reign of Her late Majesty Queen Victoria, entitled 'An Act to consolidate and amend the Acts respecting the Duties of Customs,' it is among other things therein enacted that whenever the Governor in Council has reason to believe that with regard to any article of commerce there exists any trust, combination, association or agreement of any kind, among manufacturers of such article or dealers therein, to unduly enhance the price of such article, or in any other way unduly promote the advantage of the manufacturers or dealers at the expense of the consumers, the Governor in Council may commission or empower any Judge of the Supreme Court or Exchequer Court of Canada, or of any Superior Court in any Province of Canada, to inquire in a summary way into and report to the Governor in Council whether such trust, combination, association or agreement exists.

And whereas, it appears from a report from Our Minister of Finance, approved by our Governor in Council, on the twenty-fifth day of April, one thousand nine hundred and one, that the Governor in Council has reason to believe that with regard to news and printing paper there exists a trust, combination, association or agreement among manufacturers of such paper or dealers therein to unduly enhance the price of such paper, or to unduly promote the advantage of the manufacturers or dealers, at the expense of the consumers, and it is expedient that inquiry under oath should be made with respect to the said matter.

Now know ye, that We, by and with the advice of Our Privy Council for Canada, do by these Presents nominate, constitute and appoint the Honourable Henri Thomas Taschereau, of the City of Montreal, one of the Judges of the Superior Court of the Province of Quebec, to be a Commissioner to inquire into and report with respect to the said allegation, and as to whether any trust, combination, association or agreement as hereinbefore mentioned exists.

And We do hereby, under the authority of the Act passed in the sixtieth and sixty-first years of the reign of Her late Majesty Queen Victoria, Chapter 16, and entitled: 'An Act to consolidate and amend the Acts respecting the Duties of Customs,' confer upon you, Our said Commissioner, the power of summoning before you any witnesses, and of requiring them to give evidence on oath, orally or in writing, or on solemn affirmation, if they are persons entitled to affirm in civil matters, and to produce such documents and things as you, Our said Commissioner, shall deem requisite to the full investigation of the matters into which you are hereby appointed to examine, inquire into and investigate. To have, hold, exercise and enjoy the said office, place and trust unto you, the said Henri Thomas Taschereau, together with the rights, powers, privileges and emoluments unto the said office, place and trust of right and by law appertaining during pleasure.

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And We do hereby require and direct you, Our said Commissioner, to report to Our Governor in Council, the result of your investigation, together with the evidence taken before you, and any opinion you may see fit to express thereon.

In testimony whereof, We have caused these Our Letters to be made Patent, and the Great Seal of Canada to be hereunto affixed : Witness—

*Our Right Trusty and Right Well-Beloved Cousin, The Right Honourable Sir Gilbert John Elliot, Earl of Minto and Viscount Melgund of Melgund, County of Forfar, in the Peerage of the United Kingdom, Baron Minto of Minto, County of Roxburgh, in the Peerage of Great Britain, Baronet of Nova Scotia, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, &c., &c., Governor General of Canada.*

At Our Government House, in Our City of Ottawa, this Twenty-fifth day of April, in the year of Our Lord one thousand nine hundred and one, and in the first year of Our Reign.

By command,

(Sgd.) JOSEPH POPE,  
*Under Secretary of State.*

(Sgd.) A. POWER, *for the Deputy of the  
Minister of Justice, Canada.*

## LETTER TRANSMITTING REPORT OF COMMISSIONER

MONTREAL, November 27, 1901.

TO THE SECRETARY OF STATE,  
OTTAWA.

SIR,—I have the honour to transmit to you my report to His Excellency the Governor General in Council, as special Commissioner appointed in the matter of the alleged Combination of Paper Manufacturers.

You will also receive a parcel containing three bound volumes forming the record and proceeding, and a document containing the minutes of the Paper Makers' Association of Canada.

I have the honour to be, sir,

Your obedient servant,

(Sd.) HENRI T. TASCHEREAU,  
*Commissioner.*



## REPORT OF COMMISSIONER

*To His Excellency the Governor General in Council :—*

The undersigned, having been appointed by special commission issued on the 25th of April, 1901, under the authority of an Order in Council of the same date, and by virtue of section 18 of chapter 16 of the Acts of 1897 ('The Customs Tariff Act, 1897') Commissioner to inquire into and report to the Governor General in Council 'whether there exists among manufacturers or dealers of news and printing paper, any trust, combination, association, or agreement of any kind, to unduly enhance the price of said article, or in any other way to unduly promote the advantage of the said manufacturers or dealers, at the expense of the consumer,' has the honour to report as follows :—

A very full investigation was held in Montreal, Toronto and New York, during which the commissioner had the able assistance of eminent counsel, namely, Messrs. King, Barwick and Aylesworth, representing the complaining parties (The Canadian Press Association), and W. J. White, K.C., representing The Paper Manufacturers, respondents.

The whole record is transmitted with the present report, and it includes the depositions, taken in shorthand, of a large number of witnesses examined on either side, the exhibits filed in the course of the inquiry and the arguments of counsel.

The scope of the investigation, by the words of the Statute and of the Commission, is two-fold, and the two questions submitted are :—

*First*,—Whether the alleged association, or combination, or agreement does exist in Canada.

*Secondly*,—If so, whether it is such as to unduly enhance the price of news and printing paper, or in any other way to unduly promote the advantage of the manufacturers or dealers, at the expense of the consumers.

### I.—EXISTENCE OF THE ALLEGED COMBINATION, ASSOCIATION, OR AGREEMENT.

At the second sitting of the Commission, the respondents have voluntarily shown and produced the document containing the agreement by which, on the 21st February, 1900, twenty-six manufacturing companies, or firms, being practically all the producers of news and printing paper in Canada, formed themselves into an association to be called 'The Paper Makers Association of Canada.' A copy of said agreement, and of all forms and schedules attached thereto, is to be found in the evidence and in Exhibit P—4.

Of the twenty-six original associates, only twelve, comprising the strongest companies, have actually made, in the hands of the treasurer, the deposit which the agreement calls for, and the fourteen other members, it would appear, are not now recognized as regular members by the twelve who have conformed themselves to the by-laws. But the evidence is to the effect that the minimum prices fixed by the association have been since and are still adopted and maintained by every producer or dealer in the country, whether or not a member of the association, and that all manufacturers and dealers, in Canada, have availed themselves of the advantages of the said association (see particularly Mr. Gilleen's deposition). As to the paper dealers, although desirous of becoming members, they were refused admission into this association of 1900, so that, so far as



the dealers are concerned, no combination can be laid at their doors, but the combination of 1900 interested and affected them, as it did every person concerned in the paper trade, and they submitted to the regulation of prices imposed by the association.

It appears that as far back as 1879, the manufacturers and dealers had for the first time associated themselves for the purposes of discussing the interests of the paper trade and of regulating prices, but no practical results were attained then, no fines imposed on members and no restrictions had on free competition. This first association became *lettre morte*.

In 1886, another association was formed under the name of 'The Paper Trade Association of Canada' (see by-laws, exhibit P. 37), but without any apparent regulation as to prices. In 1892, on September 22, the old association of 1879 was revived and several members agreed upon a basis of minimum selling prices for the several grades of paper referred to, but without imposition of fines or sanction of any sort. (See exhibit D—2). No results followed and free competition was uppermost until the manufacturers decided, in February, 1900, to form their present association, with stringent rules, strong organization and heavy fines.

The document witnessing that agreement being now before the Commission speaks for itself. Its contents can be summarized, as briefly as possible, as follows:—

ARTICLE I.—Gives the name of the association as above.

ARTICLE II.—States the object, namely: 'The promotion of friendly business relations between the manufacturers, their agents and the trade generally: the regulation and maintenance of fair prices of paper, and conference and mutual aid with reference to purchase of supplies and the like.' The agreement embraces all sales in the Dominion of Canada and Newfoundland, but does not embrace paper exported out of the Dominion, with the exception of Newfoundland.

ARTICLE III.—Provides for the dissolution of the association by mutual consent, and for the retirement or resignation of any of the parties on giving three months' previous notice to the secretary-treasurer.

ARTICLE IV.—Officers of the association to be: A president, two vice-presidents, and Messrs. Jenkins and Hardy, of Toronto, accountants, to act as secretary-treasurer: said officers to serve until the next annual meeting, or until appointment of successors.

ARTICLE V.—Duties of the president are: To preside at all meetings, and generally to perform the ordinary duties of president, or chairman, of such an association. Vice-presidents to act in the absence of the president. Duties of secretary-treasurer: To have charge of books, papers and records, collect and receive, and deposit in a chartered bank in Toronto, all moneys of the association; make all payments; keep all books of account; call meetings when found necessary; take and record all minutes of proceedings; give all notices and sign all papers and documents required; advise by wire or post all members, agents, or travellers, of any changes in the association's prices and terms.

ARTICLE VI.—Provides for the notices and the holding of regular quarterly meetings in Toronto, Ottawa and Montreal, and of the annual meeting, and also of special meetings at the request of four members, and of committee meetings. It also provides for representation of members at meetings, states what shall be the quorum (a majority of the members of the association or committee), and enacts that 'any resolution adopted at any meeting of the association by a majority of the members then present, shall be binding upon all the parties hereto.'

ARTICLE VII.—Entitles all members to attend all meetings, and vote thereat, either personally or by proxy.

ARTICLE VIII.—Contains the following agreements and promises by and between the covenants:—

(a.) They shall be responsible for the acts, defaults and breaches committed by their respective agents, travellers and employees, and by the agents, travellers and employees of the said respective agents of members;

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(b.) They and their agents, and others for whom they are respectively responsible, will conform to and abide by any resolution adopted under Article 6 ;

(c.) They and their agents, &c., will not quote, accept or book orders for, offer or agree to sell, or sell, the goods covered by the agreement at lower prices or on better terms and conditions than those fixed by the schedule of prices, annexed to the agreement, or fixed by any schedule of prices which may be adopted by resolution of the association under Article VI., in substitution for all or any of the original schedules ;

(d.) And they, and their agents, &c., will not aid, abet, counsel, advise or procure any purchasers, or intending purchasers, to evade, elude, escape from or get around the provisions of the agreement by suggestions of the consolidation of the orders of two or more purchasers or in any way whatsoever ;

(e.) They and their agents, &c., shall not on any pretext consign goods covered by the agreement, nor allow, or pay any commission to any person whomsoever, except to a bona fide agent (who shall in no case be a dealer) previously named and declared to the secretary-treasurer, nor sell nor invoice the said goods, except in the name of the manufacturer, or if bought by a member of the association from some other manufacturer for the purpose of being re-sold then in the name of the member so re-selling the same ;

(f.) They, and their agents, &c., shall not, except as authorized by resolution of the association either directly or indirectly, resort or have recourse to any scheme, or subterfuge whatsoever, such as the giving of presents, or of discounts, or of reductions, in the price of other goods, or the giving or promising of any kind of benefit, or advantage, or otherwise, as an inducement or aid, in the making of present or future sales of goods ;

(g.) They and their agents, &c., will not directly, or indirectly, advise or notify their respective agents, travellers, employees, customers, or other persons whomsoever, of the calling or holding of any special or other meeting of the association, or of any anticipated fall or rise of prices thereat, and will not sell goods subject to a decline in price, or to be delivered more than ninety days after the date of the order taken, but any goods not shipped within the said ninety days shall only be shipped subject to, and be invoiced at, the price ruling at the date of shipment with the exception of contracts for news print, or periodical publications, for which contracts may be taken for a longer period than ninety days ;

(h.) All members will allow the secretary treasurer at all times access to their books, papers and correspondence, in order to verify any statements made, or investigate any accusation brought ;

All the above agreements, promises, and obligations, and all rules, regulations, prices, and discounts adopted by the association to be observed and fulfilled, and adhered to, under a penalty of five hundred dollars (\$500) payable to the association ; and all other penalties imposed hereafter for any breach, or violation of the agreement, to be likewise paid when members are called upon to do so. Said payment to be secured by the delivery, in the hands of the secretary treasurer, by each member of an accepted cheque of five hundred dollars (\$500) to be deposited in the bank by the secretary-treasurer to the credit of the association. Interest on said deposit to be accounted for and placed to the credit of the member having given said cheque.

ARTICLE IX.—On or before the 15th of each month each of the members, and each of their bookkeepers and each of their agents and travellers (all of whose names must be declared to the secretary-treasurer), shall send to the secretary-treasurer a solemn declaration in the form A (annexed to the agreement) that he has not, directly or indirectly, broken or violated, or permitted to be broken or violated, the terms of this agreement, and is not aware of any such breach or violation. Penalties for failing to do so : \$5 for each day in default of each member, besides \$5 for each day in default of each of his book-keepers, travellers or agents, or book-keepers, travellers or agents of the agents. Such penalties to be charged against the amount credited to such member in the books of the association.

ARTICLE X.—Also on or before the 15th of each month, each member shall send to the secretary-treasurer a statement in the form B, containing a summary of all sales

made by and for such member for the previous month, with a solemn declaration of truth. Penalty for failing to do so: \$5 for each day of default, to be charged against the amount standing at the credit of such member.

ARTICLE XI.—The secretary-treasurer to have full powers as to inquiries considered by him necessary to verify members' statements. Information to be held secret by the secretary-treasurer until he has reported to the association at a meeting. Any refusal to allow the secretary-treasurer to examine a member's books and papers subjects said member to a penalty of not less than \$50, and not more than \$500. The secretary-treasurer shall have the right to place one or more agents in the manufactory of any member, when complaint is made of any breach or violation by such member, and it is found necessary to check his goods. Said agent or agents to report to the secretary-treasurer, and to be paid by him out of the funds of the association.

ARTICLE XII.—When any supposed breach or violation of agreement is reported to the secretary-treasurer, or when the secretary-treasurer has discovered any such supposed breach or violation, the accused member shall be notified, and be given particulars of the charge, and fifteen days thereafter he shall furnish to the secretary-treasurer all possible written evidence in defence. The secretary-treasurer shall thereupon fully investigate the matter. He may take such other evidence as he sees fit, and may require from the accused member, his salesmen agents, or clerks, affidavits, or declarations taken before a notary public, or justice of the peace, or commissioner, repelling the charges as false and incorrect. The refusal or failure to furnish said affidavits to be considered as positive proof of the truth of the charge. And if, after full investigation, the secretary-treasurer finds the charge proven, he shall so declare in writing, giving particulars and shall, in his discretion, fine the accused member not less than \$50 nor more than \$500, and he shall deliver a copy of his decision to that member. Provided, that an appeal shall lie to the association within ten days from said decision of the secretary-treasurer. Provided also that upon discovery by the secretary-treasurer, after conviction, that there has been a clerical error in any invoice sent out, he shall not enforce the penalty but shall report the matter to the association for consideration at the next quarterly meeting.

ARTICLE XIII.—All penalties against a member to be charged by the secretary-treasurer against the sum of five hundred dollars deposited by such member.

ARTICLE XIV.—Whenever the deposit of \$500 made by each member has been reduced by reason of any penalty having been imposed, or otherwise, the said member shall, upon notice, pay a sufficient sum to make up the amount to the said sum of \$500.

Penalty for failure to do so within ten days of such notice:—\$5 for each day in default, to be taken from the funds in hand still at his credit, and such member to be considered as not in good standing.

ARTICLE XV.—All members enter into this agreement in honour bound to fulfil its conditions, irrespective of any legal question or technicality.

ARTICLE XVI.—All penalties imposed and charged against members to be divided quarterly by the secretary-treasurer amongst the other members in good standing.

ARTICLE XVII.—The secretary-treasurer, in addition to his other duties, to be generally the manager and superintendent of the association. He shall see that all statements and returns are duly made, and in the event of any deviation from the provisions of the agreement, he shall forthwith impose the prescribed penalty, his decision in the case of any such infraction of rules and provisions being final and without appeal. He shall make the divisions of the penalties among the members according to Article XV., and shall render an account of the business at the end of the year.

ARTICLE XVIII.—Salary of the secretary-treasurer to be \$ per annum, to include both hotel and travelling expenses, payable quarterly by the members in proportion to the value of goods sold by each. His engagement to terminate on the dissolution of the association, he being paid *pro rata* to the date of such dissolution.



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And the members promise to hold the secretary-treasurer absolutely indemnified and harmless in respect of any moneys paid out by him by way of settlement or division of any penalties, or forfeitures that may be exacted under this agreement.

The covenantors are the following paper manufacturing firms of Canada :—

1. W. Barber & Brothers, of the Town of Georgetown.
2. Alex. Buntin & Son, of the Town of Valleyfield.
3. The Canada Paper Company, Ltd., of the City of Montreal.
4. The Dominion Paper Company, Ltd., of the City of Montreal.
5. The E. B. Eddy Company, Ltd., of the City of Hull.
6. John Fisher & Sons, of the Town of Dundas.
7. J. Forde & Company, of Portneuf.
8. S. A. Lazier & Sons, of the City of Belleville.
9. The Laurentide Pulp Company, Ltd., of Grand Mère.
10. The Lincoln Paper Mills Company, of the Town of Merritton.
11. Alexander McArthur & Co., of the City of Montreal.
12. Miller Brothers & Company, of the City of Montreal.
13. The Northumberland Paper and Electric Company, Ltd., of the Town of Campbellford.
14. The Ottawa Paper Company, of the City of Ottawa.
15. The Riordan Paper Mills Company, of the Town of Merritton.
16. The Royal Paper Mills Company, of East Angus.
17. Reid, Craig & Co., of the City of Quebec.
18. The Rolland Paper Company, of the City of Montreal.
19. J. Stutt & Son, of West Flamboro.
20. The St. Croix Pulp & Paper Company, of the City of Halifax.
21. The Toronto Paper Manufacturing Company, of the Town of Cornwall.
22. The Trent River Company, of Frankfort.
23. C. W. Thompson, of the Town of Newburg.
24. The Thompson Paper Company, of the Town of Newburg.
25. Taylor Brothers, of the City of Toronto.
26. J. C. Wilson & Co., of the City of Montreal, but the list of deposits, filed with the evidence of Mr. Hardy, secretary-treasurer, and being Exhibit P-38, shows that the twelve following firms only, have paid into the hands of the association the five hundred dollars mentioned in the agreement, and have by so doing secured their membership, namely :—

W. Barber & Brothers.  
 The Canada Paper Company.  
 The Dominion Paper Company.  
 The E. B. Eddy Company.  
 The Lincoln Paper Mills Company.  
 A. McArthur & Co.  
 The Riordan Paper Mills, Ltd.  
 The Rolland Paper Company.  
 The St. Croix Paper Company.  
 J. C. Wilson & Co.  
 The Consolidated Pulp and Paper Company.  
 J. Forde & Co.

The minutes of the association contain, among other proceedings not pertinent to this inquiry, the following resolutions of the association, adopted at the different meetings of its members :—

On the very day the agreement was signed it was resolved as follows :—

‘ That Mr. Hardy, secretary-treasurer, be directed to send the following telegram to every paper manufacturer in Canada : ‘ By unanimous resolution of the paper makers assembled here, I am instructed to request you to withdraw all prices on all papers, as new prices throughout the whole list are now being decided upon. Please also so advise all agents and travellers.’

1-2 EDWARD VII., A. 1902

At the same meeting certain prices were temporarily adopted as to following grades of paper :—

Rag brown wrapping, red brown, numbers one and two manilla, fibre, glazed hardware, bag manilla, ribbed hosiery, rolled news, sheet news, book paper and lithographic paper.

The next day, February 22, 1900, it was resolved: 'That the terms of sale shall be three months, three per cent discount, payment thirty days from the date of shipment.' Certain other prices and transportation charges to certain points were regulated at that meeting.

Other meetings took place on March 1, 2 and 3, 1900, at which minimum prices were finally decided upon and determined. Those relating to news print were fixed as follows :—

	In carload lots of twelve tons in one delivery or shipment.	In two ton lots in one delivery or shipment.	In less than two ton lots.
Rolled news, per 100 lbs.,	\$2.50	\$2.75	\$3.00
Sheet news, " ...	2.75	3.00	3.25

At the meeting of March 3, certain equalization, or mill points were chosen, namely, Montreal, London, Toronto, Hamilton, Ottawa, Hull, Kingston, Brantford, Windsor, Sarnia, Halifax, and St. John, N.B., freights being equalized on those points.

At a subsequent meeting held on April 18, 1900, it was resolved to adopt and use, from said date, a common form for all contracts for news print. All the prices and conditions previously determined and approved are embodied in this form, and return of, or allowance for, waste is strictly forbidden.

On January 10, 1901, it was resolved that prices on book, writing and lithographic papers be no longer governed by the association.

On February 5, 1901, prices were altered as to sheet news, and minimum fixed as follows :—

\$2.75 per 100 lbs. in car load lots of twelve tons in one delivery or shipment ;  
\$3.00 per 100 lbs. in any quantity less than car load.

And the following prices were adopted for extra number three news (between news print and number three book, and being paper not generally used by newspapers) :—

## SHEET.

\$3.25 per 100 lbs. in car load lots of twelve tons in one delivery or shipment ;  
\$3.50 per 100 lbs. in two ton lots, in one delivery or shipment ;  
\$3.75 per 100 lbs. in less than two ton lots.

## IN ROLLS.

\$3.00 per 100 lbs. in car load lots of twelve tons in one delivery or shipment ;  
\$3.25 per 100 lbs., in two ton lots, in one delivery or shipment ;  
\$3.50 per 100 lbs in less than two ton lots.

On March 7, 1901, Quebec, St. Catharines, Merritton, Newborough, Stratheona and Chatham were added to the list of equalization points.

Finally, on May 10, 1901, the minimum prices of news print were reduced as follows :—

	In car load lots of twelve tons in one delivery or shipment.	In two ton lots in one delivery or shipment.	In less than two ton lots.
Rolled news per 100 lbs.,	\$2.37½	\$2.62½	\$2.87½
Sheet news, " ...	2.63½	2.87½	(any quantity less than two ton lots.)



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Such was the history of the Paper Makers' Association of Canada, as contained in their own books and minutes, when the present Commission began the inquiry ordered by the Government.

The above facts and proceedings establish beyond a doubt the existence of the association; they show its principal object to be, the regulation and maintenance of specified prices for paper; they reveal its organization, and rules, its complete power, influence, and control over the paper manufacturers and dealers of the country, and they indicate the true character of a combination still extant, and having at its disposal a very powerful mechanism.

So the first question, 'Whether the alleged association, or combination, or agreement, does exist in Canada,' must be answered in the affirmative:—There was and there is an association formed among manufacturers of news and printing paper, of Canada, for regulating, and maintaining specified prices of said article. The said manufacturers have entered into an agreement and the said agreement amounts to a combination.

## II.—DOES SAID COMBINATION, RESULTING FROM THE AGREEMENT OF THE ASSOCIATION, UNDULY PROMOTE THE ADVANTAGE OF THE MANUFACTURERS AT THE EXPENSE OF THE CONSUMERS?

It became necessary, for the solution of this second and important question, to ascertain what was the state of the market in Canada and in the United States, relatively to news print, previous to, at the time of and since the combination.

### (A.)—STATE OF THE MARKET IN CANADA.

Owing to modern improvements in machinery, improved facilities for manufacturing and lessening of expense of raw material, caused by the substitution of wood pulp for rags, the market prices for news print were gradually reduced from 1896 to 1899.

Taking the evidence of Mr. Charles N. Robertson, manager of the *Journal* Printing Company, Ottawa, which is confirmed by other witnesses as to many figures given by him, and it stands uncontradicted upon the main, the scale of constantly decreasing prices on rolled news print per hundred pounds was as follows:—

1896 .....	\$2 75
February, 1897 .....	2 65
June, 1897 .....	2 50
August, 1897 .....	2 35
August, 1898 .....	2 30
November, 1898 .....	2 03 to \$2 10
November, 1899 .....	2 03 to \$2 10

In December, 1899, for the first time in a long period, an advance or increase of prices took place, and rolled news print was quoted at \$2.20, which price was maintained throughout January, 1900, increasing to \$2.25 in February, 1900, when the association formed its combination and further raised the price minimum to \$2.50.

The higher but corresponding rates for sheet news also decreased from 1896 to December, 1899, when a proportionate advance took place in December, 1899; was maintained in January, and caused the price to be about \$2.50 in February, 1900, when the association raised the minimum price for sheet news per hundred pounds to \$2.75. (See depositions of P. D. Ross, T. H. Preston, W. S. Dingman, Joseph Atkinson, S. Stephenson, C. N. Robertson, J. R. Barber, John Macfarlane and W. D. Woodruff.)

Exceptional sales of rolled news per hundred pounds, however, appear to have been made as late as December, 1899, and January, 1900, at \$1.70, \$1.80, \$1.85 and \$2.15

(see evidence of L. J. Tarte), and exceptional contracts were entered into at prices different from those then ruling in 1898 and 1899, e. g. the contracts secured by the *Montreal Star* in May, 1899, at \$1.90, and which are still in force. (See evidence of Hugh Graham.) But these sales and contracts were, as already stated, quite exceptional and do not affect the truth of the statements that in general the ruling prices were at the dates mentioned such as above stated.

So that it may be said that after a gradual and steady decline from 1896 to December, 1899, the prices of news print had an upward tendency towards the end of 1899, and maintained it until February, 1900, when the ruling prices stood as follows:—

Rolled news, per 100 lbs. ....	\$2 25
Sheet news                   “ .....	2 50

Increase by combination prices, 25 cents per 100 pounds on each of the two grades of paper.

The association or combination prices then became the ruling prices in the market. Every manufacturer or dealer submitted to the regulation imposed by the association, and these ruling prices remained firm until the 10th of May, 1900, after the present Commission was appointed, when the association decided to lower the prices to \$2.37½ and \$2.62½ on each grade, respectively.

#### (B.)—STATE OF THE MARKET IN THE UNITED STATES.

As in Canada, the rise in prices in the United States began at the end of the year 1899. Contracts were entered into in New York in December of that year for \$2.30 (rolled news per 100 lbs.); in January, 1900, for \$2.55. More recent contracts in the same year, 1900, were as follows:—

August .....	\$2 50
December .....	2 50

(although an exceptional sale in that month was for \$2.15.)

In February, 1901, the price goes down to \$2.40, and in May of the same year the ruling figure is \$2.25. (See evidence of F. Squier and of J. H. Duffy.)

On the 30th of April, 1901, Mr. A. C. Scrimgeour, paper dealer, of Brooklyn, saw Mr. Tarte, proprietor of *La Patrie* newspaper in Montreal, and quoted him a price of \$1.85 per 100 lbs. free on board cars at American mill. With freight and duty added the paper would cost Mr. Tarte \$2.45 in Montreal (two cents under the then Canadian combination prices). The proposal was made with the object of making the Canadian manufacturers understand that the American manufacturers could invade their territory in Canada, as it had been reported that the Dominion manufacturers were discussing the advisability of offering among themselves a rebate of duty of six dollars per ton on every ton of paper exported to Great Britain, which would enable them to make lower prices and compete successfully with Americans in the British market. Still, at the price quoted to Mr. Tarte, the American manufacturer would have made a profit. A similar proposal was made in Toronto. At that time the same grade of paper would command \$2.25 in the States, but there were sales to large consumers at \$2.00. Mr. Scrimgeour adds that in the fall of 1890 and during 1900, his company was getting from \$2.35 to \$3.00 at the mill, with discount of three per cent at thirty days.

It must be remembered that the paper market in the United States was and is largely controlled by the International Paper Company, which was incorporated in 1898, has the ownership of thirty-one mills, and furnishes 65 to 75 per cent of the whole supply in the States. There is no agreed combination of prices there, but there is, as we see, a combination of mills, very powerful and perhaps very dangerous to the interests of the American consumers. Such a large company can practically regulate and maintain ruling prices at will, and defy the competition of small concerns quite unprepared for the fight in the field of demand and supply.

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## (C).—ENHANCEMENT OF PRICES AND OTHER DISADVANTAGES TO CONSUMERS DUE TO COMBINATION.

We have already seen that the association just after its formation enhanced the prices then current and ruling in Canada to at least twenty-five cents per hundred pounds on news print, sheet and roll.

Other disadvantages resulting to consumers from the regulations of the association were as follows:—

*Firstly.* The period of credit, which was generally four months, was shortened to three months.

*Secondly.* The right to return waste or unused paper, which formerly formed a feature of all contracts and sales, was denied. The evidence shows the difference against the consumers upon that score to be from five to fifteen cents per hundred pounds; average of loss being ten cents.

*Thirdly.* The discrimination created by the agreement against certain consumers by the creation of equalization points means the payment by those consumers of an additional freight of ten to fifteen cents per hundred pounds, averaging twelve and a half cents. The establishing of these points is explained by the members of the association as being necessary to protect wholesale dealers who purchase from the manufacturers, and who would not otherwise have any advantage over the consumers who buy also from the manufacturers from other points where there are no such wholesale dealers. The consequence is that the consumers who happen to live at those other points have to pay the additional freight.

So, adding to the twenty-five cents increase in prices the ten cents for the loss of the right to return waste, and the twelve and a half cents for the additional freight, we have, as a result of the combination, a total increase of forty-seven and a half cents per hundred pounds against consumers living at non-equalization points, and of thirty-five cents per hundred pounds against consumers living at equalization points. There is also the loss occasioned to all consumers of one month of the period of credit.

The evidence being to the effect that after the first regulation of prices by the association, there were no other prices ruling than the association prices, as far as Canada is concerned, the state of the market remained unchanged under the association's regulations, and it is safe to assume that the reduction of prices in May, 1901, by the association, was only due to a better state of the paper trade, both as to the facilities of demand and supply, and as to cost of production. The same reasons explain the same reduction which took place in the States at the same time.

In the United States, ruling prices were certainly higher than in Canada in February, 1900, when the present combination was formed, the average price there, as we have seen, being \$2.55 at that time. With freight and duty added, the American article would have cost \$3.18 to a Montreal buyer. But, as already remarked, the American market was then controlled, as it still is, by one huge corporation, and the profits and sales effected in that country must have been very large, since the cost of production was about the same in the two countries, and Canadian manufacturers considered that their trade, at the prices then quoted in Canada, although lower than American prices, 'was in a good and healthy state.' It is not surprising then, if American dealers or manufacturers would not approach Canadian consumers with more favourable proposals as to prices than those ruling on their own side of the line, except for the reasons and under the circumstances divulged by Mr. Scrimgeour, and already referred to.

The comparison, therefore, between American and Canadian prices, at the date of the combination, afford no safe criterion. Prices in the United States were practically in the controlling power of one single monopolizing organization, and were abnormally high. Canadian prices were lower, but such as to satisfy the manufacturers in this country, several of whom were then prepared to make new contracts, or to renew old ones at the then ruling price in Canada, but were only prevented from doing so by the agreement of the twenty-first of February, 1900. (See evidence of P. D. Ross, T. H. Preston, W. S. Dingman, Joseph Atkinson, S. Stephenson, C. N. Robertson, John Macfarlane, W. D. Woodruff, W. D. Gilleau, Hugh Graham and L. J. Tarte).



The temporary advance in prices in the United States is attributed by the American witnesses to the outbreak of the wars, which caused the newspaper circulation, and consequently consumption and demand of paper, to increase largely. Pulp was then found to be short, price of sulphur went up, and all these causes united produced the rise in prices, which culminated in January or February, 1900, and collapsed in 1901.

In Canada, the same temporary advance of December, 1899, and January and February, 1900, is explained on the part of the manufacturers by the increase in the cost of manufactured sulphur, which is an essential part of sulphite pulp, being then short, or difficult to obtain on account of being contraband of war, and wood pulp being also short, by reason of the poorness of the output of logs, which were delayed for climatic causes, at least twelve months, before reaching the manufactory, and also by the increase in the cost of other raw material. Taking for granted that these allegations are true, the results of such increase in the cost of manufacture were naturally felt in the then free market, and produced the advance in price which had reached its climax in February, 1900, before the combination was formed. The largest manufacturers, those who made their own pulp, were content with these prices, as naturally enhanced and ruling before the combination. Others, who had to buy their pulp, had less to rejoice in these prices, because their own cost of production was greater. But certain it is, that news print could then be manufactured and sold with sufficient profit, by those who had all the necessary plant, at the prices which have been indicated as the ruling prices before the formation of the combination. And that was the result of free competition and free prices, by which the public is always the gainer. The combination effaced free prices, and substituted regulation and higher rates, to the general advantage of all the manufacturers, although favouring more especially those who could not manufacture pulp, but such a combination could not but be otherwise than at the expense of the consumers, who lost thereby the benefit of the former free and competitive trade.

(D).—WERE SUCH ENHANCEMENT OF PRICES AND OTHER DISADVANTAGES TO CONSUMERS  
UNDUE, UNREASONABLE, OR OPPRESSIVE?

The word 'unduly' is the expression used in section 10 of chapter 16 of 60-61 Victoria (The Customs Tariff, 1897), under which the present commission was appointed.

To be undue, the enhancement of prices must be unreasonable, excessive or oppressive to consumers, or to a certain class of consumers.

In the preceding sections of my report, I have indicated what I consider, in the light of the evidence taken before me, as being the true nature and exact extent of the changes brought by the association as regards the consumers.

The enhancement of prices as originally made by the association was certainly not justified by the facts and by the state of the market at the time.

That conclusion being reached, it remains to decide whether there is anything undue, unreasonable, excessive or oppressive in the act complained of.

In such cases the injury to the public is the controlling consideration. Monopolies are liable to be oppressive, and hence are deemed to be hostile to the public good. Combinations, who have the control of the trade their members are engaged in, and who have that control to such an extent as to enable them to dictate prices and to leave no real field of competition open to others, are real monopolies. I am afraid the combination now attacked falls under these conditions.

A combination may be quite legal and harmless in its inception, and primary objects, e. g., if to regulate and maintain fair prices. But it may become illegal and oppressive in its subsequent operations, e. g., by the imposition of unfair and unreasonable prices. The moment the association attempts to dictate unjust and oppressive terms and rates, with full controlling powers of enforcement and means at its disposal, law and public policy must intervene and stop such dangerous dictation. The declared object of the Paper Makers' Association of Canada was the regulation and maintenance of 'fair prices of paper.' That object was quite innocent in itself, but the character of the association was to be judged according to its subsequent acts, determining and regulating said prices under the stringent rules and heavy penalties it had previously

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enacted. The association has almost immediately after its formation determined and fixed prices which are found to be unfair and detrimental to consumers and public good, to the extent hereinabove indicated. The result was, the complaint of The Canadian Press Association and the action taken by the Government under the statute. I am afraid that action was well taken.

The reduction made in the minimum prices of the association in May, 1901, after the appointment of this Commission cannot affect the conclusions of this report: Firstly, because it was subsequent to said appointment of Commission; secondly, because the association controlling the paper trade are presumed, after their past acts, to have made said reduction upon the same unreasonable basis as was the foundation of their first resolution, taking into account the better state of the trade at the time of the reduction; thirdly, because the same association still control prices and can still enforce present and future regulations of a dangerous nature.

The present issue not being before the courts as a criminal prosecution, or as a civil action, the undersigned has only to report to the Government of Canada the facts proved at the inquiry under the Commission issued, and cannot offer any suggestion as to what action should be taken under subsection 3 of section 18 of the 'Customs Tariff, 1897.'

The Government before taking any action upon this report has also to judge ultimately whether the enhancement of prices reported by the undersigned is such as to seriously affect the consumers and the public in the measure contemplated by the statute.

The undersigned can only report and does report, that in his opinion, and taking the whole evidence into consideration, the said enhancement of prices and other disadvantages to consumers caused by the combination whose existence is proved, admitted and reported, are to the extent already indicated undue, unreasonable, and oppressive, and unduly promote to the same extent the advantage of the paper manufacturers of Canada, at the expense of the consumers.

## III.—LEGAL ASPECT OF THE QUESTION.

The learned counsel for the manufacturers has laid stress upon the legal principles involved in this inquiry, and has cited to the Commissioner the Criminal Code of Canada, the opinions of well known authorities on combinations, and the decisions of several courts of law.

This Commission was issued under an Order in Council, based upon section 18 of the Customs Tariff, 1897, which is as follows:

'Whenever the Governor in Council has reason to believe that with regard to any article of commerce there exists any trust, combination, association or agreement of any kind among manufacturers of such article, or dealers therein, to unduly enhance the price of such article, or in any other way to unduly promote the advantage of the manufacturers or dealers at the expense of the consumers, the Governor in Council may commission or empower any Judge of the Supreme Court or Exchequer Court of Canada, or of any Superior Court in any province of Canada, to inquire in a summary way into and report to the Governor in Council whether such trust, combination, association or agreement exists.

'2. The judge may compel the attendance of witnesses and examine them under oath, and require the production of books and papers, and shall have such other necessary powers as are conferred upon him by the Governor in Council for the purposes of such inquiry.

'3. If the judge reports that such trust, combination, association or agreement exists, and if it appears to the Governor in Council that such disadvantage to the consumers is facilitated by the duties of customs imposed on a like article, when imported, then the Governor in Council shall place such article on the free list, or so reduce the duty on it as to give to the public the benefit of reasonable competition in such article.'

That section of the statute has been enacted quite irrespective of the provisions of the Criminal Code, or of common civil law, and does not contemplate as a necessary



condition of the proposed inquiry the existence of facts which would engender a criminal prosecution or give rise to a civil action.

Public interest alone, irrespective of the criminal guilt or civil responsibility of the parties to a combination, dictated the enactment, and parliament placed into the hands of the government the power to ascertain certain facts by Royal Commission, so that future action might be taken upon the report of the inquiry if the facts were true.

But even if the report of this Commission depended upon the legality, or illegality of the combination, I would still be inclined to think that the manufacturers, parties to the combination, were liable both criminally and civilly by reason of the facts divulged in this inquiry, if the enhancement of prices was really undue, unreasonable and oppressive.

The criminal law as to combinations is to be found in section 520 of the Criminal Code as amended by 63-64 Victoria, chapter 46, which declares guilty of an indictable offence, and liable to a certain penalty, every person or corporation who conspires, combines, agrees, or arranges with any other person, or with any railway, steamship, steamboat, or transport company to (among other things) 'restrain or injure trade or commerce in relation to any article or commodity which may be a subject of trade or commerce, or to unduly prevent, limit or lessen the manufacture or production of any such article or commodity, or to unreasonably enhance the price thereof.' By the amendment made by 63-64 Victoria, cap. 46, the word 'illegally,' which preceded the word 'conspires' in the original section 520, was left out. That word was useless and added nothing to the offence, which was sufficiently described by the whole section, combination being in law the co-operation of two or more persons to do something which is contrary to law, or to public policy. Mere co-operation is no offence, except if formed for an illegal or oppressive act, and here the illegal or oppressive act intended by the co-operators is sufficiently described in the enactment itself. The offence of illegal combination is sufficiently alleged if the end proposed is, by reason of the power of combination, particularly dangerous to the public interests, or injurious to some persons as the act of unreasonably enhancing the price of an article of trade. The Customs Tariff, in section 18, uses the word 'unduly,' whereas section 520 of the Criminal Code has the word 'unreasonably.' I see no difference in those two words as to their signification. They both mean an oppressive act, contrary to public policy. The act may not be criminal in itself, that is, in the mere moral sense, but it is criminal because committed by way of a combination, and because the law makes it unlawful if committed in that way.

In civil law the same principles apply and the definition of illegal combinations or conspiracies in criminal law is not different from that used in a purely civil sense.

So that the illegality of the present combination would appear both by the express enactment of the customs tariff, which forbids the act complained of and authorizes direct government action, if it is committed, and by section 520 of the Criminal Code, to say nothing of common law on the matter.

See I. Eddy on Combinations, sections 188 and following, and sections 218, 223, 225, 226, 232, 238, 248, 275, 287, 288, 332, 334, 340, 364 and following.

In the cases cited by the learned counsel for the manufacturers, the courts did not affirm other principles than those hereinabove stated. These were special cases where the judges did not find the necessary element of illegal combination, which is the combining for objects unlawful, or oppressive or immoral.

The whole humbly submitted.

(Signed), HENRI T TASCHEREAU,  
Commissioner

MONTREAL, November 15, 1901.

## ORDER IN COUNCIL REDUCING DUTY ON NEWS PRINTING PAPER

EXTRACT from a Report of the Committee of the Honourable the Privy Council,  
*approved by His Excellency on the 11th February, 1902.*

The Committee of the Privy Council have had under consideration a report, hereto annexed, dated 10th February, 1902, from the Minister of Finance, with reference to a combination among Canadian Paper Manufacturers.

The Committee concurring in the recommendations of the Minister of Finance therein made, submit the same for His Excellency's approval.

(Sgd.) JOHN J. MCGEE,  
*Clerk of the Privy Council.*

FINANCE DEPARTMENT, OTTAWA, CANADA, February 10, 1902.

*To His Excellency,*

*The Governor General in Council :*

The undersigned has the honour to report that by section 18 of chapter 16 of the Statutes of 1897, 'Customs Tariff, 1897,' it is enacted as follows :

'18. Whenever the Governor in Council has reason to believe that with regard to any article of commerce there exists any trust, combination, association or agreement of any kind among manufacturers of such article or dealers therein to unduly enhance the price of such article or in any other way to unduly promote the advantage of the manufacturers or dealers at the expense of the consumers, the Governor in Council may commission or empower any judge of the Supreme Court or Exchequer Court of Canada, or in any Superior Court in any Province of Canada to inquire in a summary way into and report to the Governor in Council whether such trust, combination, association or agreement exists.

'2. The Judge may compel the attendance of witnesses and examine them under oath and require the production of books and papers, and shall have such other necessary powers as are conferred upon him by the Governor in Council for the purposes of such inquiry.

'3. If the Judge reports that such trust, combination, association or agreement exists, and if it appears to the Governor in Council that such disadvantage to the consumers is facilitated by the duties of customs imposed on a like article, when imported, then the Governor in Council shall place such article on the free list, or so reduce the duty on it as to give the public the benefit of reasonable competition in such article.'

The undersigned has further to report that a communication under date the 10th April, 1901, was addressed to him by A. G. F. Macdonald, President, and John A. Cooper, Secretary-Treasurer of the Canadian Press Association, stating that at the recent annual meeting of the Press Association, the following resolution passed at a meeting of the Association on the 18th May, 1900, was reaffirmed and submitted to the undersigned for his consideration and the consideration of the Government, viz :—

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'That the Executive of the Canadian Press Association believe that a combine now exists among Canadian Paper Manufacturers, the effect of which is to unduly increase the price of news and printing paper contrary to section 18 of the Customs Tariff Act of 1897. That this Executive is prepared to submit witnesses and evidence in support of the statement and we, therefore, respectfully ask that the Government order an investigation under section 18 and subsections of the Customs Tariff Act of 1897, with a view to ameliorating the existing conditions.'

The undersigned has further to report that he received a numerous deputation from the said Canadian Press Association, who urged the necessity of an inquiry under the provisions of the section above quoted, and from the statements in the said communication of 10th April, 1901, and from the representations made by the said deputation he was satisfied there was reasonable ground for such an inquiry as was contemplated by the statute, and accordingly on the 22nd April, 1901, in a report to His Excellency the Governor General in Council, he recommended that the Governor General in Council be pleased to declare that the Governor in Council has reason to believe that with regard to news and printing paper there exists a trust, combination, association or agreement among manufacturers of such paper or dealers therein, to unduly enhance the price of such paper, or to unduly promote the advantage of the manufacturers or dealers at the expense of the consumers, and that the Governor in Council be further pleased to commission and empower the Honourable Henri Thomas Taschereau, of the City of Montreal, one of the judges of the Superior Court of the Province of Quebec, to inquire into and to report to His Excellency in Council, under and in accordance with the provisions of section 18 of chapter 16 of the statutes of 1897, 'The Customs Tariff, 1897,' whether any such trust, combination, association or agreement exists, and to confer upon the said Honourable Henri Thomas Taschereau all the powers that may be necessary for the purpose of such inquiry, which report and recommendations were submitted for His Excellency's approval, and were approved by His Excellency on the 25th April, 1901.

The undersigned has further to report that the Honourable Judge Taschereau has made a report in the matter, dated November 15, 1901, in which he states that a very full investigation was held in Montreal, Toronto and New York, during which he had the able assistance of eminent counsel, representing the complaining parties and the paper manufacturers, and he transmitted with his report the depositions, taken in shorthand, of a large number of witnesses examined on either side, the exhibits filed in the course of the inquiry and the arguments of counsel. The Commissioner then goes on to state that the scope of the investigation, by the words of the statute and of the Commission, was two-fold, and the two questions submitted were :—

*First.*—Whether the alleged association, or combination, or agreement does exist in Canada.

*Second.*—If so, whether it is such as to unduly enhance the price of news and printing paper, or in any other way to unduly promote the advantage of the manufacturers or dealers, at the expense of the consumers.

The Commissioner reports that the first question must be answered in the affirmative : There was and there is an association formed among manufacturers of news and printing paper, of Canada, for regulating and maintaining specified prices of said article. The said manufacturers have entered into an agreement and the said agreement amounts to a combination.

The Commissioner further finds that the Association just after its formation enhanced the prices then current and ruling in Canada to at least 25 cents per hundred pounds on news print, sheet and roll, and that there were other disadvantages resulting to consumers from the regulations of the Association, namely :—

*First.*—The shortening of the period of credit from four months to three months ;

*Secondly.*—The denial of the right to return waste or unused paper, an average loss of 10 cents per hundred pounds ;

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*Thirdly.*—The discrimination created by the agreement against certain consumers by the creation of equalization points, meaning the payment by these consumers of an additional freight of  $12\frac{1}{2}$  cents per hundred pounds on the average, making a total increase of  $47\frac{1}{2}$  cents per hundred pounds against consumers living at non-equalization points, and of 35 cents per hundred pounds against consumers living at equalization points, in addition to the loss occasioned to all consumers of one month of the period of credit.

The Commissioner further states that the enhancement of prices as originally made by the Association was certainly not justified by the facts and by the state of the market at the time, and he reports that in his opinion and taking the whole evidence into consideration, the said enhancement of prices and other disadvantages to consumers caused by the Association whose existence is proved, admitted and reported, are to the extent indicated in his report undue, unreasonable and oppressive, and unduly promote to the same extent the advantage of the Paper Manufacturers of Canada at the expense of the consumers.

On the legal aspect of the question the Commissioner states that the illegality of the present combination would appear both by the express enactment of the Customs tariff, which forbids the act complained of and authorizes direct Government action, if it is committed, and by section 520 of the Criminal Code, to say nothing of common law in the matter.

The undersigned, in view of the above report of the Commissioner, is of opinion that the disadvantage to the consumers is facilitated by the customs duty of 25 per cent *ad valorem* imposed by item 139 of the Customs Tariff, 1897, upon printing paper imported into Canada.

The undersigned has, therefore, the honour to recommend that, under the provisions of subsection 3 of section 18 of chapter 16 of the statutes of 1897, 'The Customs Tariff, 1897,' Your Excellency in Council be pleased to reduce the Customs duty on news printing paper in sheets and rolls, including all printing paper valued at not more than two and one-quarter cents per pound, from twenty-five per centum *ad valorem*, to fifteen per centum *ad valorem*.

Respectfully submitted,

(Sgd.) W. S. FIELDING,  
*Minister of Finance.*





# EVIDENCE

TAKEN BEFORE

## THE ROYAL COMMISSION

*IN RE*

### THE ALLEGED COMBINATION OF PAPER MANUFACTURERS OR DEALERS

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EVIDENCE TAKEN IN MONTREAL, 28TH MAY, 1901.

MONTREAL, 28th May, 1901.

PHILIP DANSKIN ROSS,

*Examined by Mr. King, K.C., representing the Press Association:*

Q. As you said, Mr. Ross, you reside in the City of Ottawa, and I understand you are president of a printing company there ?—A. President of the Journal Printing Company.

Q. Have you had any transactions with the Eddy Paper Company, at Ottawa, with respect to the matter which has been complained of here ?—A. Yes.

Q. Just tell us what these transactions were ?—A. We had a contract with the Eddy Paper Company, which expired some time in January or February last; after its expiry we were negotiating with the company for a renewal of the contract. The contract we had with them was at the rate of two dollars and four cents (\$2.04) per hundred (100) pounds. They notified us on the expiry of the contract that there would be an increase in the price, and their agent, Mr. Hall, stated that the increase would be probably ten per cent. (10 %). We considered that offer for a time, and then, I think in the first week of February—

Q. Last ?—A. February of nineteen hundred. This contract I refer to expired in February, nineteen hundred. They notified us that the price—they cancelled their offer of an increase of ten per cent and notified us that the price would be two dollars and fifty cents (\$2.50) per hundred pounds. We claimed that we had an option of renewal of the contract at two dollars and twenty-four (\$2.24) cents, or an increase of

ten per cent (10 %)—two dollars and twenty-five cents (\$2.25). And in the course of the discussion regarding that, we called upon Mr. Eddy, president of the E. B. Eddy Paper Company. Mr. Eddy informed me that an association had been formed by the majority of the Canadian paper makers, who had decided that the price of paper was to be two dollars and fifty cents (\$2.50) per hundred pounds, under the conditions on which we had been receiving at the time from them previously. I argued that we had an option with them for the renewal at a lower price. He said he was not at liberty to concede that option, and in the course of the talk about that, he said he was bound hard and fast by the regulations of the Canadian Paper Makers' Association; that he was bound by a penalty not to infringe the terms of the agreement with the other paper makers, and that he was obliged by his agreement to exhibit to the Association, if required, all contracts, papers and documents in connection with it for examination by the executive of the Paper Makers' Association.

In consequence of that conversation we did make a contract with the Eddy Paper Company, or at least, we continued to take paper from them at two dollars and fifty cents. I do not remember whether we had a contract or not. Shortly afterwards the Eddy Company was burnt down, and that terminated the relations with them for a time.

Q. So that in effect what you have said, Mr. Ross, is that you were informed by Mr. Eddy that there was an Association known as the Paper Makers' Association, and that their firm was a member of that association?—A. Yes. There is one statement I would like to add also. During the course of these negotiations we applied to other paper mills for quotations for paper, and we received within a few days afterwards a letter from the Eddy Company, in which they stated that they had learned from the Paper Makers' Association that we had applied elsewhere for quotations for paper.

Q. Now, having told us what Mr. Eddy said, have you got that information in effect from other persons representing themselves as agents for the paper makers?—A. Yes. As I say, our relations with the Eddy Company terminated in consequence of the fire which destroyed their establishment. Later on we had dealings with other paper firms.

Q. You refer to some letters. As I understand, these letters show that the Eddy Company was controlled——

Mr. WHITE, K.C., objects to this question.

Mr. KING.—Mr. Ross, you better produce the letters. There are three letters. One is the fifth of March, nineteen hundred :

'Messrs. The Journal Printing Company,  
'Ottawa.

'DEAR SIRS,—Inclosed please find specifications for paper shipped you on the 20th ultimo and the 3rd instant, amounting to five thousand and six (5,006) and four thousand nine hundred and sixty-four pounds (4,964), for which we will send you invoice so soon as the price and terms fixed upon by the Canadian Paper Makers' Association have been advised to us for this paper product, but you may be sure that not only will you have as low prices, but the best attention, as prompt delivery, and the most favourable terms and discounts going, for we are in this as in all other matters, always with pleasure at your service, and only regret that you did not take advantage of the opportunity offered on a rising market by contracting for your requirements over the year with

Yours truly,

'THE E. B. EDDY COMPANY, LTD.'

This letter is produced as Exhibit P—1, dated March fifth, one thousand nine hundred.

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Then we produce another letter of the tenth of March, one thousand nine hundred, from the same company, signed by Mr. Rowley, secretary-treasurer, in which he writes :—

‘Messrs. The Journal Printing Company,  
‘Ottawa.

DEAR SIRs,—Enclosed please find invoice and specifications for shipments of roll news to you under date of twenty-eighth February, third, sixth and ninth instant, weighing in all eighteen thousand seven hundred and eighty pounds (18,780 lbs.) which, subject if you please to the approval and confirmation by the Paper Makers’ Association of Canada, or otherwise, to necessary alteration and advance in price, we have invoiced at two dollars and fifty cents, and beg leave to say that as the uniform quantity price for roll news as fixed by the Canadian Paper Makers’ Association, is:—Two dollars and fifty cents for carloads; two dollars and seventy-five cents for two ton and up lots; three dollars for less than two ton lots, with an advance of twenty-five cents per hundred for similar quantities of ream news, and a further advance or extra charge for frames on any framed news. We have invoiced you this lot at the minimum price in effect for the maximum quantity, and if you please, to confirmation of our action in this connection on your behalf as stated above, and have to add that if you are inclined to do so, we are ready to enter into a contract with you at current prices although the market is steadily advancing, for your requirements over the year nineteen hundred, and to say that if you will name a day and hour when we may call upon you, we will with pleasure do so, meanwhile remaining

‘Yours truly,

‘THE E. B. EDDY COMPANY, LIMITED.’

Then there is a P.S. added :

‘This will serve to confirm the conversation had with you, and to acknowledge your letter of the seventh.’

This letter is produced as Exhibit P—2.

*By Mr. King, K.C.:*

Q.—Have you a copy of the letter of the seventh, Mr. Ross ?—A. No, sir.

*By Mr. White, K.C.:*

Q.—Could not you produce that letter ?—A. Yes, I think I could produce that.

MR. KING.—On the thirteenth of March, nineteen hundred there is another letter from the same company, signed by the secretary-treasurer, to the Journal Printing Company, Ottawa :

‘DEAR SIRs,—Answering your favour of the twelfth instant, unless and until you hear from us to the contrary we are willing to continue to deliver paper to you as at present at the present carload price of two dollars and fifty cents per one hundred pounds on the distinct understanding which we beg leave here to reiterate, that if the Canadian Paper Makers’ Association rules contrary to this, you will take the paper from us in carload lots, to obtain the carload price, or in two ton and up lots to obtain the two ton and up price, or in smaller quantities at the then two ton price, your quantity, which shall be our pleasure in the matter.

‘If you wish to make a contract now for the next six months, say to first of September, nineteen hundred at two dollars and fifty cents less three per cent, thirty days, we will conclude such at once, subject to Canadian Paper Makers’ Association ruling

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as above and at the end of the six months review and revise the contract and give you benefit of any decline that may rule or charge you any advance that may then be in order.

‘Yours truly,

‘THE E. B. EDDY COMPANY, LIMITED.’

The above letter is produced as Exhibit P—3.

MR. KING, K.C.—Now, there are two letters of the seventh and twelfth which connect that correspondence.

Q. When you were dissatisfied, as I understand you were, with the prices and conditions that were quoted above by the Eddy Paper Company, did you apply to other manufacturers ?—A. We did.

Q. And in reply you got one of these letters which has been produced ?—A. No, we got another letter.

Q. Have you got that ?—A. No, I mislaid it ; it has been mislaid in our office.

Q. Do you know who it was from ?—A. Signed by Mr. Rowley, secretary-treasurer of the company.

Q. Do you remember what date it was ?—A. No, I do not.

MR. KING, K.C.—Well, your Lordship, my learned friend who is acting for the Eddy Company might produce any letters relating to this matter.

MR. WHITE, K.C.—I don’t think there is any objection to producing the correspondence.

*By Mr. King, K.C., to Witness :*

Q. What was the conclusion you drew from these letters and from your conversation with Mr. Eddy ?—A. From the fact that they had offered, and it was not contested on either side, to renew our contract at a certain increase lower than the combine price within two weeks of the time the combine was formed, as I understand, I drew the conclusion that the combine advanced the prices beyond what was necessary owing to the state of the market ; then they offered us paper at an advance of ten per cent on our former contract, which would have made the price two dollars and twenty-five cents, and then, in a couple of weeks later, cancelled that order and charged us two dollars and fifty cents, and stated we were obliged to pay that by the Paper Makers’ Association. My inference was, that the price had gone up, not owing to the state of the market, for I do not think they would have offered us that price unless the market allowed them to offer that, and in two weeks they offered it at two dollars and fifty cents.

Q. Did you regard that as unduly enhancing the price ?—A. Yes.

Q. Had you an interview with Mr. Eddy and Mr. Rowley, the secretary-treasurer in March, nineteen hundred, do you remember ?—A. Yes, I think I stated that before, but the date must have been March, the first week in March. It is fixed by one of these letters. At my interview with Mr. Eddy, Mr. Rowley was present most of the time.

Q. What did they tell you then as a member of the Paper Makers’ Association ?—A. I only had the one interview.

Q. Have you told us all that took place at that interview ?—A. I think I have told you all.

Q. Was there anything said about contracts, as to exhibiting contracts to the association ?—A. Mr. Eddy told me that he had to submit these contracts, if required, to the executive of the Paper Makers’ Association.

Q. Contracts for what ?—A. Paper.

Q. News print, is that the term ?—A. Yes.

Q. I think you also told us the company was subject to penalty for breach of this agreement regarding prices and conditions ?—A. That is what he stated.



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Q. Do you remember of seeing a public announcement that the Paper Makers' Association had been formed ?—A. I did.

Q. When was that, do you remember ?—A. I saw it in the February issue of the Canadian Printer and Publisher.

Q. That is, in February, nineteen hundred ?—A. Yes.

Q. And was it prior to that time that the Eddy Company had offered you paper at the reduced rate, and after that that the price was increased, as you told us ?—A. That was about the time.

Q. And then, as I understand, the price was made two dollars and fifty cents per hundred pounds ?—A. Yes, per hundred pounds.

Q. Prior to that it had been two dollars and ten cents ?—A. Yes, less three per cent for cash.

Q. And then, I think you have already mentioned that Mr. Eddy told you that was the price fixed by the Association ?—A. Yes.

Q. Now, in the month of October or November, nineteen hundred, did the agent of any other company call upon you ?—A. Yes, the agent of the Laurentide Pulp Company called upon us.

Q. Do you remember his name ?—A. Mr. Gascoigne.

Q. What took place with him ?—A. I am not able to say personally what took place with him, because I did not see him ; my information is from a person in our company.

Q. What is his name ?—A. Mr. Robertson.

Q. He could tell us, of course ?—A. Mr. Robertson could tell you.

Q. As to what took place with him you cannot make any statement because you have no personal knowledge ?—A. Of course, Mr. Robertson informed me, as part of our business.

Mr. WHITE, K.C., objects to this evidence.

Mr. KING, K.C.—Mr. Robertson will give us that himself.

*By Mr. King, K.C.:*

Q. However, you know, I suppose, as president of the company, that there was an offer made by Mr. Gascoigne ?—A. Yes, as president of the company, I was informed that Mr. Gascoigne—

Mr. WHITE, K.C., objects to this evidence.

Mr. KING, K.C.—I do not know that it is a matter of great importance. Mr. Robertson can give the particulars, and we won't go into it further.

Q. You know there was an offer made by the Laurentide Pulp Company ?—A. Yes.

Q. Now, you endeavoured, of course, to get your paper, as I understand, at a lower price ?—A. Yes.

Q. And what was the result of this combine, if you like to call it so, which had been formed at that time as you understood, from these various parties, what was the result to your company ?—A. The result, I take it is, we were paying an increased rate for paper.

Q. You were obliged to buy at higher prices ?—A. Yes.

Q. Now, in the month of January last, what was the price fixed by the Paper Makers' Association for news print ?

Mr. WHITE, K.C.—You are speaking of nineteen hundred and one now ?

Mr. KING, K.C.—Yes.



*By Mr. King, K.C.:*

Q. What was the price fixed, do you remember, Mr. Ross ?—A. Two dollars and fifty cents per hundred pounds.

Q. Did you make any inquiries as to whether you could procure the same kind of paper, the same class of paper, at a cheaper rate elsewhere ?—A. I did.

Q. Where did you inquire ?—A. I wrote to a number of papers in New York State, asking them at what price they were being supplied with paper.

Q. And you got replies from them ?—A. I received replies from eight papers.

Q. Have you the replies here ?—A. No, I have not.

Q. Have you got them at the office ?—A. I have them, but I would not like to exhibit them, because they were sometimes confidential. I would be pleased to let the Judge see them.

Q. With your undertaking to produce these and hand them to His Lordship—you say there were seven or eight papers answered you ?—A. Seven or eight.

Q. How did the price compare as with the prices that the Paper Makers' Association and their friends wanted to charge ?—A. The majority of the prices were lower.

Q. Well, were these papers that you wrote to, these newspapers, and publishers that you wrote to, papers about the same standing as your own ?—A. Yes, I picked out as far as possible, papers of about the same circulation as the *Journal*.

Q. Do you remember, speaking from memory, and subject, of course, to verification, by the letters, do you remember the prices that were quoted by any of these publishers ?—A. Yes, I think I can give you them all.

Q. If you can give us them, it would be all right ?—A. Two papers, I think, were quoted at two dollars and sixty-five cents per hundred pounds; one paper was quoted at two dollars and sixty cents; the other papers—four or five, were lower than the Canadian combine prices. One was at two dollars and forty cents, one at two dollars and twenty-five cents, one at two dollars and fifteen cents, and one at two dollars.

Q. Per hundred pounds ?—A. Yes.

Q. So that according to your information, these figures would show that at least four out of seven papers of New York State paid less for paper than the price fixed in Canada by the Paper Makers' Association ?—A. Yes.

Q. That was in New York State ?—A. Yes.

Q. Do you remember the names of any other agents of paper companies who called upon you, quoting these advanced prices, or making any reference to this agreement, or alleged combine. You have given us Mr. Gascoigne; you have told us about Mr. Eddy and Mr. Rowley ?—A. I had a conversation with Mr. Alger, the managing director of the Laurentide Pulp Company.

Q. Did he give you any information in the same line ?—A. We were talking contract and he simply made a remark during the conversation that his price must be two dollars and fifty cents, which was the price of the Paper Makers' Association.

Q. His price must be two dollars and fifty cents, that being the price of the Paper Makers' Association ?—A. Yes.

*Cross-examined by Mr. White, K.C., representing the Paper Makers' Association:*

Q. Mr. Ross, you are a member of the Canadian Press Association ?—A. Yes.

Q. An officer ?—A. No, not at present.

Q. Have you been an officer ?—A. Yes, some years ago, I was vice-president.

Q. You have taken an active part, I understand, in the negotiations and proceedings which led up to this Commission ?—A. Well, I have promoted an inquiry as far as possible.

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Q. Were you the mover of the resolution at the meeting of the Association which was held ?—A. No, I was not present.

Q. Is there anything in writing ; have you put any statement in writing making other specific charges than those you have mentioned, before any public body, or before the government, for instance ?—A. No, I did not.

Q. Are you aware of any such statements being made, any other statements being made than those you have referred to ?

WITNESS.—By myself ?

Q. Yes, or by the Association ; I am speaking now of the Press Association ?

Mr. KING, K.C.—With respect to what ?

Mr. WHITE, K.C.—The matter in question ?

A. All I am aware of was the last annual meeting this year ; they forwarded a complaint to the Government.

Q. Can you give us any further particulars with regard to these matters that you have mentioned as having emanated from the Press Association to the effect that they lay before the Government, for instance, at the meeting at which you were present ?—A. I can give you nothing of the information at the meeting with Mr. Fielding.

Q. Do you know of any affidavits as having been presented to the Government ?—A. I am not aware of any having been presented to the Government.

Q. What requests accompanied the statements made by the Press Association ; what was the object of the deputation beyond the present inquiry ?—A. I think the object of the deputation is to secure the abolition of the Customs duty, and we hope to get in cheaper paper from the other side.

Q. From the United States ?—A. Yes, or from England. One of our members stated we could get cheaper paper from England, made out of Canadian pulp.

Q. Now, when was that contract which expired in January made ?—A. It was made, I think, about a year previously. It was a contract for one year.

Q. Had you been contracting before that ?—A. Yes, for several years.

Q. At what prices ?—A. I would not be positive, but I think our last previous prices to that were two dollars and twenty-five cents or two dollars and thirty-five cents.

Q. Was that the year before ?—A. Yes, I speak from memory only.

Q. As a matter of fact, you are aware that the price previously had been fluctuating considerably ?—A. Considerably, yes.

Q. And these fluctuations occurred within comparatively short periods ?—A. When you speak of fluctuations, my knowledge is only one way ; the price of paper has been decreasing ever since I have been in business.

Q. You have been in business how long ?—A. As a publisher, about twelve years.

Q. You state that during that time ?—A. I have never known of a contract having been made at a higher price than the previous year.

Q. Your information then is that this Canadian Paper Makers' Association was formed in February of nineteen hundred ?—A. I judge that simply from the published statement and from my own information that it was formed about that time. I don't know how much earlier it might have been.

Q. Will you give the names of these papers in the United States to which you have referred ?—A. I do not think I am at liberty to do that, because the letters are marked 'Confidential.'

Q. It is not necessary to mention the price which one is paying—you have mentioned six or seven of them ?—A. I could not give you it off-hand, but I think I can furnish a list, which I can give to the Judge.

The COMMISSIONER.—We might have that information after lunch ?

The WITNESS.—The letters are in Toronto.

The COMMISSIONER.—You can send me the letters ; I will keep them confidential.

*By Mr. White, K.C., continuing :*

Q. You speak of the circulation being about the same as your own ?—A. Yes.

Q. What is that ?—A. Eight or nine thousand.

Q. In some cases they were paying two dollars and seventy-five cents, while you were paying two dollars and fifty cents ?—A. Yes, two dollars and seventy-five cents.

Q. You say you made further inquiry after you failed to make a contract with the Eddy Company at your former price ; please state what manufacturers of paper you applied to ?—A. I remember the Canada Paper Company ; I do not remember any other just now. I think I applied to a large number ; in fact, after the Eddy fire, we applied to every paper manufacturer whose address we could get in Canada.

Q. Was the price quoted a uniform one ?—A. We received no lower price than two dollars and fifty cents ; we were quoted some higher prices, very much higher.

Q. Have you any information, or is it to your knowledge, that all of the manufacturers you applied to were members of this alleged combine or association ?—A. No.

Q. You know nothing of that ?—A. No.

Q. The only one of the manufacturers who informed you that he was a member of the Association was Mr. Eddy ?—A. Mr. Alger did the same thing.

Q. Apart from that you have no knowledge of the membership ?—A. Well, Mr. Hall, traveller for Eddy Company, told me he believed that practically all the paper mills in Canada were in the Association.

Q. Without specifying who they were ?—A. Yes.

Q. What did Mr. Alger say to you ?—A. I think the only remark that I recall of Mr. Alger's was, that his price must be that fixed by the Paper Makers' Association.

Q. Did he state he was a member of the Association ?—A. I am not positive about that. The reason I am not positive is that one of his agents had stated that to our firm before, so whether he made the statement or the agent, I do not recall.

*By Mr. King, K.C. :*

Q. Do you remember any agents or travellers for any of these paper manufacturing companies that called upon you ; you may not remember their names, but do you remember the fact of their calling on you ?—A. Personally, I did not see any of them at any time, except Mr. Hall, because our secretary-treasurer transacted the business with them.

Further examination of this witness is reserved until he produced papers referred to in his deposition.

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LOUIS JOSEPH TARTE.

*Examined by Mr. King, K.C., representing the Press Association.*

Q. Mr. Tarte, you are a newspaper publisher, and reside in Montreal ?—A. Yes.

Q. What paper are you the only publisher or sole proprietor of ?—A. I am the president and manager of La Patrie Printing Company, which prints *La Patrie* daily; We also publish a weekly paper, *Le Cultivateur*, and I am also one of the co-partners of the L. J. Tarte Frères Printing Company, which prints different papers, and does general jobbing.

Q. So that you are largely interested in the publishing business, I suppose, in the price of paper ?—A. Of course.

Q. Now, will you tell the Court here, will you kindly make a statement of facts and circumstances which have come to your knowledge, which have led you to believe that there was a paper combine for the purpose of unduly enhancing the price of paper ?—A. Since about ten years that I have been in the printing business, of course I follow the price of paper very closely. In the last three or four years, before April last, nineteen hundred, the prices of all kinds of paper had been going down steadily; in fact, papers that we were paying five or six years ago five cents a pound, I have been buying in my office quantities at prices from one dollar and seventy cents to one dollar and eighty-five cents, hardly over two cents. In the month of April last Eddy's mills were burnt. *La Patrie* was under contract, and so when L. J. Tarte and Frères were under contract for several months still, I was getting paper for my daily paper and for my weekly paper, *Le Cultivateur*, at something a trifle below two cents delivered in any quantity, less five per cent. thirty days or four months. When these mills burnt I had only a very limited supply of paper. I telegraphed all over Canada, to all the paper makers of Canada, to get their quotations.

Q. That was after the mills were burnt ?—A. That was the day they were burning. I telegraphed to every mill in Canada, and got only one or two replies. I telephoned to some of the mills that have offices in Montreal. I was told by some of them that I would get quotations in a day or two, but that the prices were uniform prices, that the Eddy mills having been burnt down they did not know what the association would do.

Q. What association ?—A. I don't know what association. Of course I was talking to travellers and representatives of houses, to managers of the Canada Paper, &c., which names I can give.

Two or three days passed and different paper manufacturers' representatives and managers themselves called at my office. I had been informed from time to time before from the paper makers themselves that the price of paper would be going up shortly, and inviting us, inviting my house to give orders for the future. That was sometime in January, or December, one thousand eight hundred and ninety-nine, and in January, nineteen hundred. I had been told that since two years ; of course I would not believe it, because I could not understand why the price of paper was steadily going down at that time actually, in January, nineteen hundred, when I was paying the Eddy Company something less than two cents for my paper. I bought paper at these times at one dollar and seventy cents; I bought some also at one dollar and eighty cents, and one dollar and eighty-five cents from different mills. I bought paper from the Lincoln Paper Mills; I bought it from the McArthur Company.

*By Mr. White, K.C.:*

Q. Lincoln at one dollar and eighty-five cents ?—A. I could not tell you, but it was below this price.



*By Mr. King, K.C.:*

Q. When was that ?—A. It was in January, nineteen hundred ; we bought paper at prices below two cents, and I found out that I could have bought for all the money I could have got in the Bank of Montreal below two cents ; that was in January, nineteen hundred. Well, when I came to make my contract, when I came to get paper from the mills, I was informed that the paper makers had joined into an association, and that the price by carload for my paper would be two dollars and fifty cents. In fact, the Laurentide Pulp people, who came to see me, through their representative, Mr. Alger, who was then secretary-treasurer and manager of the company, and by Mr. Gascoigne, who was the representative, quoted me above two dollars and fifty cents, telling me at that time that they could sell more paper than they could manufacture, and that they could not sell me paper less than that.

Q. Why?—A. Well I could not find out why at that time, but when I made my contract with them a few days after ; when I made my contract with the Laurentide Pulp Company a few days after, which contract exists with them still,—when they came to the question of fixing up the details,—of course I had to give them my contract, because after applying to all the paper manufacturers of New York, and having gone to New York myself, after having gone in many States, after having spent hundreds of dollars in cabling to Vienna, in Austria for paper,—I may say that at that time I was offered paper delivered in Montreal below two dollars and fifty cents ; I was offered paper here by the agent of the Austrian house below two dollars and fifty cents.

Q. What was the difference in price that was quoted to you after the paper makers' association was formed, and before that, what was the difference ?—A. I was paying below two cents, and when the time came to make the contract, and after the increase, I had to pay two and a half, and that without any discount and without any delay for payment.

Q. Two dollars and a half per hundred pounds ?—A. Yes. I made my contract with the Laurentide Pulp Company, and when the time came to fix up the details, up to that time the paper makers had been allowing us reductions for the wrappings off these rolls, which amounts to twelve or fifteen per cent on rolls ; they had been allowing us for the white paper. Now, there is always a considerable amount of white paper wasted. I had been buying from almost every mill in Canada. All these mills used to take that back and allow me the price I paid for it. When I put that in the contract with the Laurentide Pulp Company I was informed by Mr. Gascoigne and Mr. Alger that the association had not provided for this, and that the rules of the association were so and so, and I must abide by them ; that there was no discount to be allowed for cash payment, that there was no discount to be allowed for white waste or for the wrappings of the paper. A few days after that,—this was sometime about the beginning of May,—

Q. What year ?—A. Last year.

Q. After the formation of the association ?—A. Yes. A few days after, I had contracted with the Laurentide people ; their sulphite mills were damaged ; the consequence was I was again in a fix, and had to look all over the country for paper again. I applied then to the Canada Paper Company, and Mr. Gillen,—

Q. Where are their headquarters ?—A. In Montreal. He came over to see me, and he told me it was out of the question. I said, I would like to give you part of my business, and take the whole contract if he liked at the association prices. He told me their mills were overloaded, that they had all the contracts they wanted, and that if I wanted paper it was out of the question for him to send me paper below the regular prices, and I should pay three cents for the paper. When I saw that, I telegraphed again to the several American newspapers. I sent representatives to see them. I was assured by some of them, by the International Paper Company, by the Otis Falls Mills and one or two others of the largest paper manufacturers in the United States or through New England, that if I



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wanted to do business, I had to go to the Laurentide Paper Company ; that they were affiliated with them: that there was an association of paper makers, and if I wanted paper, they could get it for me.

Q. That there was an arrangement between the Laurentide people and these paper makers in New England ?—A. That they had made an arrangement, that they had made the price uniform, that the Laurentide Pulp Company were not to compete with them in certain quarters of England against their price, that they were not to fight against one another in England too much, and according to that, as a reward for that,—

*By Mr. White, K.C.:*

Q. I understand that was by correspondence ?—A. No, sir, that is verbally—

*By the Commissioner:* Go on.

*Witness Continuing :* This is verbally and writing you know.

*By Mr. White, K.C.:*

We might have the letters produced, anything that is in writing.

*By Mr. King, K.C.:*

Q. You are speaking of your personal knowledge now ?—A. To my knowledge I went to New York several times.

Q. You saw the International and the 'Otis people ?—A. I had people see them, and I had, myself, telegrams that they were not to interfere in the Canadian business here; that they were to kind of reciprocate, and keep the prices up. To prove that this was true, two weeks ago Mr. Scrimgeour, representing the Manufacturers' Paper, came to see me. I said: 'What are you ready to quote us paper in Montreal delivered?' I told him I was paying two dollars and fifty cents, twenty-four hours' credit, and that without any discount, which I had never done before.

Q. Twenty-four hours' credit ?—A. I am still doing it ; I have no objection to doing it ; but when I made my contract with the Laurentide they told me that I was to pay them that way; they wanted to save the expense of keeping book-keepers, and they were getting cash, in getting the bill of lading to the Bank of Montreal for the paper they were shipping to England, and now they were not ready to give us any credit or discount, but I might add that since a few months they have changed their minds very much, and that to-day we can buy paper very much cheaper than combine prices.

Q. Where?—A. Montreal. All over Canada. My experience is that the paper manufacturers have been trying to cut the throats of one another. For instance, we have had some cases of offers,—people offered us paper at the carload price when we were only buying five or six hundred pounds.

After I had made my contract, as I was saying before, with the Laurentide people, when I asked them to give me a reduction for the waste of paper and everything, I was told that there was an association, an understanding between the manufacturers, and they could not take that paper back, that I would have to pay the regular uniform price of two dollars and fifty cents, that it was out of the question for me to try to get paper.

Q. Who told you ?—A. Mr. Alger and Mr. Gascoigne told me; representatives of the Eddy Company told me.

Q. Did these gentlemen tell you they belonged to this Paper Makers' Association ?—A. No, they did not tell me that ; not themselves.

Q. Have you learned in any way that they are ?—A. I will tell you after ; you will see. After I had signed my contract with the Laurentide people their sulphite mills were burnt ; I telephoned over to the Canada Paper. One or two days after that, I asked for Mr. Gillean, whom I knew personally. I said: 'You should take into consideration the fact that some time ago I offered you

my business. I am in a bad fix ; will you help me out ? I said : 'Will you sell me some seventeen inch paper ? I have some large rolls in stock, and I want some seventeen inch.' He answered me. Those are exactly the words at the telephone. I said : 'At what price will you sell me?' and he said, 'I suppose you don't expect we will sell you paper below combine prices?' I said 'What is the combine price?' He said : 'It is two dollars and fifty cents, but you only asked me for a certain number of lots of paper; it is not a carload; we may have to charge you three cents, thirty days, three per cent, or three months.'

I bought certain quantities at three cents and took the thirty days, and got my discount for it, which was even better than the Laurentide Pulp people. Now, some time ago, as I was telling, Mr. Scrimgeour, of the Manufacturers' Paper, came here and told me that the Manufacturers' Paper had withdrawn from the combine, because a certain number of manufacturers of the United States were not abiding by the rules of the combine and they had withdrawn, and the combine of the United States was trying all in their power to kill them. He had seen my manager previous to that ; he can give his evidence too.

Q. What is his name ?—A. My manager, Mr. Chevrier. I asked him what were the papers in New York paying. He told me they were selling paper at one dollar and seventy cents, one dollar and eighty cents, one dollar and eighty-five cents, and one dollar and eighty-seven. He offered me paper at one eighty-seven, f.o.b. New York.

*By Mr. White, K.C.:*

Q. What time was that ?—That was about three weeks ago, as a matter of fact, in April. He offered me paper f.o.b. New York for one dollar and eighty-seven cents, or delivered in Montreal, at my office, at two dollars and forty-eight cents, duty paid and delivered as I wished, and undertook at the same time to have a store room in Montreal to supply me in case of accidents, and give me rolls in quantities which I would need, at my option. That was for a better grade of paper than the paper I am getting to-day at two dollars and fifty cents. Now I had several conversations with the gentleman, and I told him,—of course I don't care for a small saving like that, which amounts to twelve or fourteen cents per hundred pounds less,—to go and buy my paper in the United States. That was on the morning he came to see me, and he came back in the afternoon, and he had communicated with the house. I told him then at that time that some of the paper mills in Canada had already offered me prices ; two or three of the members offered to leave the combine prices and give me paper ; had used some other means to give me paper, so as to secure my business. I told him that. He made up his mind that he would make me an offer for one dollar and seventy cents.

Q. F. o. b. New York ?—A. Yes, and then adding seventeen cents for freight, and forty-five cents for duty, would bring down the paper below two dollars and forty cents per hundred pounds, and five per cent discount.

Q. Who was the man offered this ?—A. Mr. Scrimgeour, the representative of the Manufacturers' Paper. He is in the Times building in New York. I asked quotations from the railway company the same day, which corroborated the evidence that the freight was seventeen cents for print paper. Well, since that time I have been buying paper at the combine prices, and without any notification, since a few months we have been told by representatives of these houses, of the Canada Paper, that the rule of the paper makers, of all the papers in Canada, that manufacturers had decided not to keep up the combine for Manillas.

Q. What kind is that ?—A. Yellow papers for general railway work or high grade work.

*By Mr. King, K.C.:*

Q. For stores ?—A. Yes, and for everything; there are white and yellow Manillas; there are all kinds of Manillas,—that they had decided not to keep up any longer the

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combine on Manillas. I made up my mind to go to Ottawa, and have an interview with the Eddy Company, about the fifteenth of April last, so as to find out, as I told their manager here, whether the Eddy Company intended to remain in the combine. I told him I felt disposed to go back and give them my business, since I had been doing business with them ten or twelve years. I had an interview when I was in Ottawa with Mr. Rowley, with whom I have always done business and signed my contracts in the past. I told him: 'Mr. Rowley, I have been trying to get the government to take into consideration the interests of the publishers, and I feel very much that you will have great trouble in keeping up your combine.' Mr. Rowley said: 'Mr. Tarte, there is no combine, but we have an association.' 'Well,' I said, 'I don't know; I am not versed enough in English; I don't know what to make of the two. I don't know what the difference is.' I asked him if the price of the news print was to be kept up. He said: 'Decidedly.' It was better for me to contract at the present price; that the paper would come up. I told him my contract with the Laurentide would expire in a few months, and I did not feel disposed to continue at the price I was paying, and I was informed by him at that time that their company did not care at all about the other papers; they did not care to keep the price of Number Three print up, the regular print.

I told him at that time: 'Since you have an association, for several months, we have been buying paper below the price that your association has fixed. We do it in all kinds of ways. For instance, a house sells me a certain quality of paper, weighing fifty or sixty pounds a ream. If they are very anxious to get the business they will bill me fifty or sixty pounds a ream.' Mr. Rowley said: 'I do not care about that, but that the news print price must be kept up.' I ended my interview with Mr. Rowley. I told him I would consider it, and Mr. Rowley told me: 'It is to your interest to buy your paper at the actual market price, because big papers like you can afford to pay the price, and you are keeping small papers out of the way.'

Of course there are things which I probably should not say, but as this combination has cost me fourteen thousand dollars this year I am perfectly willing to go ahead with it.

Last year, I may add, I informed the government. I made several trips to Ottawa and informed the Premier and the Minister of Finance, that the paper makers had combined, and that I did not know of any mill that was willing to come here. I told the Minister of Customs, then I told the Premier that if the duties were lowered for three months,—I made request in writing to have the duty lowered—I could have got paper from Vienna, if the duty had been lowered for two or three months, to give these mills that were burnt, time to be re-built, and let us have paper at a reasonable price. I may say that during that time when these mills were burnt down I paid four cents a pound, for which I would not give one and a half cents to-day.

Last year the government told me that they would consider the thing, but being late in the session, and being a serious precedent to create, they would not do anything.

Last year I asked quotations from the Lincoln Paper Mills, the Canada Paper Company, Laurentide Pulp Company, the McArthur and the International. Then I had inquiries from the Otis Falls Mills and every company in New York, I might say, and I forget the name of the Austrian company which furnished me quotations by cable. I took an option for one thousand pounds, I think, during ten days, from Austria last year.

A very important manufacturer told me some time ago, in Montreal, in the presence of one of his employees, that he was under control, that he had made a deposit,—I cannot say whether it is three or five hundred dollars,—but that he could not, under any circumstances, sell me paper below the ordinary prices, but that he was very anxious to get my business, and if I could suggest some way for him to get out of it, to tell it to him, and I said: 'Since one year I have been doing all kinds of things; and he suggested to me that he should make us a reduction, and give us some



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advertising in the columns of *La Patrie* to compensate the difference in the price, and he told me then that his paper was costing him something below two cents ; it was costing him a little dearer than before, because not having the pulp, some of the big mills were trying to keep him down, but, however, if he was allowed by the association, he would think of certain things, and he would get out of the association to take my business.

*By Mr. White, K.C.:*

Q. Who is this, Mr. Tarte ?—A. I don't like to mention it.

Q. What was the five hundred dollars for ?—A. It was either three or five hundred, which would be confiscated if he sold below the combine prices. I have been told that by travellers of different houses.

*By Mr. King, K.C.:*

Q. Which they would forfeit if they violated the rules of the combine ?—A. I was told that by the traveller of the Eddy Company and the manager of the Eddy Company.

*By the Commissioner:* You must give the name, if they insist on it, Mr. Tarte.

WITNESS.—The name,—that is the McArthur house of Joliette for one. He did not mean that he wanted to deceive the association. I must be well understood there. He meant to say that if he could find some way in which the association would be willing to agree to it,—that was the nature of the conversation with Mr. McArthur, because he told me he would consult the manufacturers' association.

The consequence was that there was some writing, and the answer was verbal.

*By Mr. White K.C.:*

Q. What is the date of that ?—A. A very few days ago, since the inquiry was started. Now, I have been offered paper since the combine price has gone down, since Saturday a week ago. The combine price is two dollars and thirty-seven and a half cents, and I can get any terms I like. We can get three months, and we can get renewals after that. That is since three weeks.

Q. That is since this inquiry ?—A. Well, I don't know.

*By Mr. King, K.C.:*

Q. You have letters, I suppose, and telegrams, verifying some of these statements made ?—A. I will try to find them, but I can give the names of all the parties I had conversations with. I had the name of Mr. Herman Ridder.

Q. Do you know of anything else that you would like to add at present ?—A. I have not had time to go to my office to get my letters, but all the papers I can file would be telegrams and a few letters, if I can lay my hands on them, but all the evidence I gave this morning is evidence I have obtained myself from talking to parties.

Q. If you have any letters or telegrams it is better for you to produce them when you are next examined in Montreal ?—A. Yes.

*Cross-examined by Mr. White, K.C., representing the Paper Makers' Association :*

Q. Have you got the letters here that you referred to this morning ?—A. No.

Q. Now, the evidence that you gave this morning, Mr. Tarte, was from your own personal knowledge and inquiries made by yourself from various manufacturers in Canada and elsewhere in connection with this business ?—A. Yes.

Q. When did you find the price of paper become unsatisfactory ?—A. Well, after the Eddy's mill was burnt.

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Q. After the fire in Eddy's mill ?—A. After I was compelled to buy paper elsewhere.

Q. What contract had you at that time ?—A. I had a contract for paper which was costing me less than two cents.

Q. What was the price ?—A. Some thing less than two cents. I was paying two dollars and five cents, less five per cent, thirty days or four months less, I think, twelve or fifteen hundred dollars for some other considerations, which we deducted off the total amount of paper I bought during the year.

Q. How long had that contract been in force ?—A. I had been buying paper from Eddy for years. I had been paying less than that before.

Q. But that particular contract, how long had that been in force ?—A. For that price, about two years, I think.

Q. It was a written contract ?—A. Yes.

Q. Will you produce this contract when you are producing your other papers ?—A. I have no objections if it is not destroyed; I don't know whether I destroyed it; we usually destroy all these papers once a year.

Q. At the time that you made that, did you know what the other manufacturers were charging ?—A. Yes, sir, some of the manufacturers,—I bought as low as one dollar and seventy cents.

Q. At the time you made that contract ?—A. No, when that contract was going on, I had bought paper, carloads of paper now and then, from different mills at various prices from one seventy, one eighty, as far as I remember, to two dollars and fifteen cents. I did not pay more than two dollars and fifteen cents.

Q. At the time you made your contract, was it not made at the ruling prices in Canada ?—A. There was no price in Canada; every one was trying to get the orders. One day I would buy at a certain price, and the next day, it would change; it was fluctuating, but not as steep prices as we are paying to-day.

Q. Now, did you make any inquiries as to other causes of this advance beyond the causes you state, of an association being formed ?—A. I did not, but I was told by several paper manufacturers that they did not wish to sell paper at these low prices any more.

Q. Did they give you a reason for it ?—A. Some of them.

Q. What were the reasons ?—A. The manager of the Eddy Company told me one time, he said: 'Mr. Eddy has made up his mind that,'—Of course, Eddy's was burnt, and I asked them what was the idea of having formed an association and I was told by Mr. Hardisty who is the local manager here and also I think by Mr. Rowley, in Ottawa, that Eddy's made up their minds that they were going to make money now, that they were not making any money now, and that they wanted to make more than they had made in the past; it was time to make money.

Q. Were you aware at that time that the price of the raw material and pulp, and the wood had also advanced ?—A. I made inquiries at that time from mills that were buying pulp. Of course, from memory it is pretty hard for me,—I know there was a slight advance in pulp at that time by the ton.

Q. And in other material that went into paper ?—A. I don't know about other material.

Q. You made no inquiries ?—A. The Laurentide people, I asked them what was the reason of the people coming from the United States and taking the pulp from the St. Maurice River and bringing it into the States and offering to sell it to us cheaper than they were selling here.

Q. Are you aware that when you spoke of these prices in the States, that they were not ruling prices, at which they were selling to their own people ?—A. Yes, sir, they were ruling prices. I went to New York and when the paper people here were asking me two dollars and fifty cents, the people in New York showed me their books and they were paying lower than we were here.

Q. Did they show you the contracts ?—A. No.



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Q. Did not you know, as a matter of fact, that these prices were made previously for several years, and they were getting the benefit of the prices when they were low ?—A. I did not inquire to that extent.

Q. Don't you know that these prices you quoted this morning as being paid by various journals in the United States below the market prices in the States were prices under contract ?—A. It might have been the case.

Q. Did you not inquire ?—A. No, I inquired from paper publishers that I knew, for instance, I inquired from some Buffalo papers and New York papers, the New York Stein Zeitung that uses a tremendous quantity of paper. The Buffalo papers were paying one dollar and eighty cents and one dollar and ninety cents.

Q. Don't you know it is the practice amongst large consumers to make large contracts for a number of years ?—A. Not in this country.

Q. In the States ?—A. No, because the careful publishers since four or five years would know enough not to make long contracts.

Q. Are you prepared to say that these prices you gave us this morning at which you say you could have got paper, that is, at one dollar and seventy cents, f.o.b., New York, that that was the market price in New York for local delivery ?—A. I could not tell you.

Q. Is it not a fact that these prices were given to you for delivery to Canada ?—A. It was quotations for my paper.

Q. Did you not know, as a matter of fact, that you could not have bought this paper in the States ; that you were getting slaughter prices as a matter of fact ?—A. I did not try it.

Q. Don't you know you were getting slaughter prices ?—A. I am prepared to say, because I have this fact before me, when I was offered paper at one dollar and eighty-five and one dollar and eighty-seven. I have a friend in New York who uses fifteen or twenty tons a day, who is paying one dollar and seventy in New York.

Q. You don't know whether that was under the old contract ?—A. No.

Q. You are not prepared to say that that is the market price in the States ?—A. No.

Q. So that you are not prepared to say you were not getting slaughter prices and not the regular market price ?—A. I am not prepared to say anything more than I have said. It was offered to me for delivery here.

Q. You made no inquiry as to the market price there beyond that what you could get it for, for yourself ?—A. I did make inquiries to a certain extent, because if I had not made inquiries, I would not have gone to the trouble to get representatives of American papers here.

Q. Are you prepared to say that the market in New York is higher or lower ?—A. I cannot tell you, but I was thinking that I could do better in New York and my predictions were fulfilled.

Q. Have you any idea of the market price of paper for home consumption in the United States since February, nineteen hundred, and if so, are you prepared to say it was higher or lower than the Canadian price ?—A. I have this knowledge ; I know that paper in the United States,—I know that paper went up in the United States during the last year, during some period of time, and for this reason that I explained this morning, I had been told by some of the representatives of Canadian mills that American mills had united to combine prices also.

Q. You are aware that during last year, at least since February, nineteen hundred, the price of paper did advance in the United States ?—A. I don't know to what extent the paper did advance.

Q. Did it advance in Canada ?—A. Of course, I had no other means of informing myself in New York. Of course, this is a private matter. I have friends in New York and in different places in the United States that publish papers, and I went to see them, and they gave me the information they could give me. I made inquiries and asked the American manufacturers to supply me with paper last year, but

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a very funny thing happened. I telegraphed to some of the paper mills, and their answer did not come from them ; their answer came from the Canadian mills here, the Laurentide. I telegraphed the New York International Paper, and instead of coming from New York, the answer came from Grand Mère the next day, or from Montreal, or from Ottawa, I think.

Q. You are not prepared to say that the Association, which you say exists, has any arrangements with the International Paper Company ?—A. I don't know that as a matter of fact.

Q. You would be very much surprised if they had no arrangement whatever ?—A. I am never surprised at anything.

Q. While the price of paper was advancing in the United States during last year, is it not a fact that it remained uniform in Canada ?—A. I cannot say that, because I got soaked terribly last year : it cost me fourteen thousand dollars last year.

Q. When did you make your contract ?—A. In April or the first day of May.

Q. At what rate ?—A. At two-fifty, net, twenty-four hours' credit, no discount.

Q. Has the price increased since then, or is that price still in force ?—A. The price is gone down.

Q. Is that contract still in force ?—A. It is. I have a few months more, but I can get great deal better terms to-day.

Q. You might have that contract produced also ?—A. Yes.

Q. Now, when you applied, as you say you did, in England, I think, or in Vienna, were the quotations which you then got for shipment to Canada, for Canadian delivery or delivery there ?—A. We got cables. Of course, this is out of my memory a little, but I know I would have saved a few cents.

Q. Did you make any inquiry as to current prices there at that time ?—A. I am not a commercial agency, you know. I was looking out for myself.

Q. You are not prepared to speak, Mr. Tarte, as to the ruling market price for home consumption ?—A. I may add, if I was getting paper from Vienna, I would get an inferior grade of paper, but I took this means so as not to be choked, for the simple reason that when the Laurentide came here, they were about the only people willing to give me paper, because all the other people were crowded with orders, and the first conversation they had with me, they were talking of making two or three contracts, and I did not want to be tied up, and that is why I looked to Vienna and all over.

Q. When you inquired, when you telegraphed the Mills, did not you find that all the mills were full up with orders, and unable to take your order ?—A. That is what they said, at the price I was willing to pay. If I paid three cents—I got paper at three cents ; I bought trash ; the paper was not worth two cents. Now I can get it much less. I got some at three, four and five cents ; I filled up my cellars with all I could store, at any price. I wanted to get paper and to be able to look around and make more advantageous contracts.

Q. At that time, according to your information, the Association price was two and a half cents ?—A. Yes, that is what I was told by the manufacturers themselves ; that was the minimum price per carload.

Q. We would like to get these letters before we go any further ?—A. I can produce my paper contract ; anyhow, the paper contract I had with the Eddy people, they will be able to produce it if we cannot find it. I think we destroy everything once a year, but the price was two dollars and five cents, less a consideration of twelve or fifteen hundred dollars, advertising ; five per cent, four months or thirty days, which brought down my paper below two cents. In fact, the Eddy Company will acknowledge that. The Eddy Company owe me several carloads of paper which they are paying me back to-day, and I am getting paper from the Eddy Company to-day to finish the balance of my contract at the old price, less than two cents.

The further examination of this witness is reserved pending the production of correspondence, &c.

## EVIDENCE TAKEN IN TORONTO, 4th JUNE, 1901.

EDMUND L. YOUNG.

*Examined by Mr. Barwick, representing the Press Association.*

Q. Mr. Young, you were and are an officer I think in the employment of the Consolidated Pulp and Paper Company?—A. Yes.

Q. Was your firm a member of the Paper Association?—A. Yes.

Q. What is the name of that association—your company was a member of that association?—A. I suppose it would be the Paper Makers Association.

Q. Your company, what business did it carry on?—A. Well, it carried on the manufacture and sale of paper.

Q. These mills, I understand, outside of Toronto, and even these large warehouses in Toronto where you carry a stock of paper are controlled by your company?—A. Yes.

Q. When did the company become members of the Paper Makers Association?—A. I think as near as I can remember about January, about the first of January.

Q. January of this year?—A. Yes.

Q. Who were the officers of the Paper Makers Association?—A. Well, I could not tell you that hardly.

Q. Never mind their names—do you know any officers? Look around the court and see if you see any officers?—A. I suppose the secretary of the firm of Jenkins & Hardy.

Q. Mr. Hardy is the secretary?—A. Yes, I suppose so.

Q. Do you know?—A. Yes, he has been.

Q. Mr. Hardy, of the firm of Jenkins & Hardy?—A. Yes.

Q. Mr. Hardy, who is sitting in court to-day?—A. Yes.

Q. What was your position in the Consolidated Pulp and Paper Company?—A. I had charge of the sales department.

Q. Were you ever at any of the meetings of the Paper Makers' Association?—A. Yes.

Q. Where were they held?—A. There was one held in Montreal and one in our city here.

Q. One in Toronto?—A. Yes.

Q. When you became a member of the association, or your company did, through whom did you make your application for membership?—A. Through the secretary of the association.

Q. Through the secretary, Mr. Hardy?—A. Yes.

Q. Did you make the application personally?—A. No.

Q. Was the application made in writing?—A. I could not tell you that.

Q. Who made the arrangement under which your company became a member of the association?—A. I expect it has been the secretary. I could not tell you.

Q. You expect it was the secretary?—A. Yes.

Q. Of your company?—A. Yes.

Q. Who was he?—A. W. C. MacKay, at that time.

Q. He was the secretary?—A. Yes.

Q. He it was who probably made the arrangement?—A. Yes.

Q. Was the application signed on behalf of your company, who joined it?—A. I don't think so. I would not be positive on that point, but I don't think so.

Q. Was a letter written applying for membership?—A. Not that I know of.

Q. Mr. MacKay could tell us that?—A. I suppose so.

Q. Mr. Poole, too?—A. I presume so, yes.

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Q. Mr. Poole was the president?—A. Yes.

Q. And Mr. MacKay was the secretary?—A. Yes.

Q. Had this Paper Makers' Association by-laws and constitution?—A. Yes.

Q. Did you ever see them?—A. I have seen them, yes.

Q. Seen the by-laws?—A. Yes.

Q. Were they printed?—A. Well, typewritten.

Q. Have you got a copy of them?—A. No, I could not say so. I don't know.

Q. The papers of your company are now in the possession. I understand, of Mr. Clarkson?—A. I believe they are.

Q. The company has gone into liquidation, and all its papers are in the hands of Mr. Clarkson?—A. Yes.

Q. Who showed you the by-laws of this association?—A. I would not say.

Q. Did you bind yourself by oath not to say anything about it?—A. All of the by-laws that I have seen were the minutes of the meeting as they were read.

Q. You said 'by-laws' by mistake?—A. I presume so. I mean the by-laws that were kept at each meeting as it went along.

Q. Resolutions and rules passed at each meeting?—A. Yes.

Q. Were they put into writing?—A. Typewritten.

Q. They were typed at the meeting?—A. I expect they were.

Q. You heard the resolutions passed, and heard them read out?—A. Yes.

Q. Were they put into a book?—A. I could not tell you.

Q. Did you see them loose or put into a book?—A. They were loose.

By Mr. WHITE, K.C.—I think we might shorten this examination very much. Mr. Hardy has been produced to submit this contract of the association. We do not deny that an association does probably exist. There is no question about the existence of an association.

Mr. BARWICK, K.C.—Have you got the minute book now?—A. We do not propose to produce it except we are ordered by his Lordship to do so. We will admit the prices of news print as fixed by the association, and I submit that I think your Lordship will hardly order the production of the papers.

By the COMMISSIONER.—It is a very important document if it exists.

By Mr. BARWICK to Mr. WHITE—Will you allow me to see the contract?—A. Yes.

This is an agreement produced by Mr. Hardy, the secretary of the Paper Makers' Association of Canada, produced as Exhibit P—4.

The further examination of this witness is here suspended to allow Mr. James Hardy to produce the contract in question.

And Mr. Hardy having produced the said contract, the further examination of the above witness is resumed, as follows :—

Q. Mr. Young, the Consolidated Pulp and Paper Company became members of the Paper Makers' Association, as we see, and paid \$500, I understand. Had you anything to do with that payment, or was that payment arranged by Mr. Poole, the president?

By Mr. WHITE, K.C.—Your Lordship, the payment is admitted.

*By Mr. Barwick (continuing :)*

Q. Who arranged the payment, you or Mr. Poole?—A. I expect, Mr. Poole arranged it.

Q. What meetings of the association were you at?—A. I was at one in Ottawa I think. I could not remember exactly—in December I think. In Montreal, in January, as near as I can remember. I would not be positive.

Q. Montreal in January, and Toronto?—A. Sometime in May, early in May.



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Q. Now, were those quarterly meetings, or were they special meetings you were at?—A. I could not say; I do not know.

Q. How did you come to attend? Were you invited to these meetings?—A. Yes, we were invited by the secretary of the association.

Q. Were schedules of prices fixed at these meetings?—A. They were talked over—yes.

Q. And the documents or schedule of prices I suppose were in writing?—A. Yes.

Q. Who had them—Mr. Hardy?—A. He had the schedules of the prices.

Q. Were the schedules of prices voted on and adopted at the meetings?—A. Yes.

Q. And were these schedules of prices sent you afterwards?—A. Yes.

Q. Were there any reports made to these meetings that you went to of infractions of the rules by members of the association?—A. I think there were. I don't remember just what they were.

Q. There were some?—A. There were some, of course.

Q. And any reports made of the amount of money the secretary had divided up in the shape of fines amongst the members in good standing?—A. No, I don't know of that.

Q. Did your company ever get any share of the fines?—A. No.

Q. Was your company fined?—A. No, we stuck to the rules.

Q. Were any reports of infractions made at these meetings?—A. I don't remember.

Q. You don't remember that?—A. No.

*Cross-examined by Mr. White, K.C., representing the Paper Manufacturers' Association:—*

Q. You say that the papers of your company are now in the hands of the liquidator?—A. Yes.

Q. And your company is in liquidation?—A. Yes.

Q. When did you go into liquidation?—A. Saturday.

Q. Of last week?—A. Yes.

Q. And up to that time you say you maintained the prices fixed by the Paper Manufacturers' Association?—A. Yes.

Q. What were these prices for news print?—A. Well the prices now of course vary according to quantities.

Q. During the past year what has been the price fixed by the association for news print?—A. They have been changed from time to time.

Q. Give us the last price?—A. The last prices are not cared so much for; the last price is \$2.37½.

Q. What discount?—A. Three off thirty days.

Q. In carload lots?—A. Yes.

Q. In less than carload lots?—A. There is 12½ cents extra. That is what it is as near as I can remember.

Q. That is delivered?—A. Yes.

Q. Delivered to the customer throughout Canada and Newfoundland?—A. In the particular shipping centres or points.

Q. Now, what were the prices before that, and when were those prices changed do you know?—A. They were changed I presume at the last meeting about a month ago.

Q. Previous to that what was the price?—A. It was 12½ cents a hundred higher.

Q. That was \$2.50 a hundred?—A. No, 12½ cents a hundred.

Q. Higher? That is, the price would be \$2.50 with the same discounts and the same deliveries?—A. The same deliveries.

Q. And you say that you maintained those prices?—A. Yes.

Q. Did you sell higher?—A. In a good many cases we sold higher.



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Q. How do you explain the liquidation of your company ?—A. I presume our mills were not—

Q. Did you make a profit at those prices—A. No.

Q. You made no profit at those prices ?—A. No. Our mills showed a big loss.

Q. Well then was the price \$2.50, the price fixed by the association, a price that gave you an abnormal profit, or did it give you any profit at all ?—A. In our experience it made a loss.

Q. In your experience, if you stuck to the association price, you made a loss ?—A. Yes.

Q. You did not get back your manufacturing cost ?—A. No.

*Re-examined by Mr. Barwick, K.C. :*

Q. Was that the reason you failed ?—A. Well that is one of the reasons.

Q. I understood the reason you failed was that you had too little capital; you had about \$12,000 cash capital in your business ?—A. I am now only judging from the statement that was presented from the accountant.

Q. I understood from the statement put forth to the world previous to the liquidation, that the reason you failed, that you went to smash, was that you were trying to do \$100,000 worth of business on \$12,000 capital ?—A. I don't know. I am not an accountant.

Q. You don't want his Lordship to understand the reason your company went to pieces was because you were compelled to sell at low prices. You don't want his Lordship to believe that ?—A. I don't know, I am only speaking according to the statement which was presented.

Q. Do you want his Lordship to understand that the reason you failed was because you were selling paper at too low a price ?—A. I presume if we sold at higher prices we would have made much more money.

*Re-cross-examination by Mr. White, K.C. :*

Q. Did not Mr. Poole make a statement on Saturday with regard to the loss on news print ?—A. Yes.

Q. What did he say ?—A. I could not tell you. I was not present.

## JAMES HARDY.

*By Mr. Barwick, K.C., representing the Press Association :*

Q. You are secretary of the Paper Makers' Association of Canada ?—A. My firm is.

Q. Your firm, Jenkins & Hardy ?—A. Yes.

Q. And you produce the agreement of February 21, 1900, forming the association, and this is a copy of it ?—A. Yes, I produce this as Exhibit P—4.

Mr. BARWICK.—Now, if your Lordship will allow me, I will read this document.

This agreement is made on February 21, 1900, between W. Barber & Brothers of Georgetown. It is between 26 firms and companies. Twenty-six parties there are, my lord, firms and companies, and the documents produced, after naming the parties, give the full details of the agreement.

Attached to the agreement are the following documents : 'In consideration of one dollar to us paid by the members of the Paper Makers' Association, we hereby become members of the association, and agree to maintain the prices and conditions of that

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association—the same dated February 21, 1900, as fully and entirely as if we had been one of the original parties thereto.

Witness our hand and seal this 18th day of January, 1901, &c., &c.

By Mr. WHITE—I might state, for the information of my learned friend, that there were no by-laws posted or by-laws contained in the agreement than those contained in the document just read. That contains all the rules and regulations.

*Copy of Agreement of Paper Makers' Association, filed as Exhibit P—4.*

In consideration of one dollar, to us paid by the members of the Paper Makers' Association of Canada, we hereby become members of the said association, and agree to maintain the prices, terms and conditions of the said association, as per agreement forming the same, dated February 21, 1900, or as the same may have been or may in the future be altered from time to time by resolution of the association, as fully and entirely as if we had been one of the original parties thereto.

Witness our hand and seal this 18th day of January, A.D. 1901.

(Sgd.) The Consolidated Pulp and Paper Co. (Limited),

JOHN M. POOLE, *President*.

Witness,

(Sgd.) R. J. DILWORTH.

In consideration of one dollar to us paid by the members of the Paper Makers' Association of Canada, we agree to become members of the said association, to maintain the prices, terms and conditions of the said association, as per agreement forming the same, dated February 21, 1900, or as the same may have been or may in the future be altered from time to time by resolution of the association, as fully and entirely as if we had been one of the original parties thereto.

Any member retiring from this association under the provisions of the agreement shall be entitled to receive back his deposit, if he is in good standing.

Witness our hand and seal this 26th day of March, 1900.

(Signed) ST. CROIX PAPER CO., Limited,

H. McC. HART, *Manager*.

Witness,

(Signed) F. A. YOUNG.

THIS AGREEMENT made this twenty-first day of February, one thousand nine hundred, between:—

1. W. Barber and Brothers, of the town of Georgetown.
2. Alexander Buntin & Son, of the town of Valleyfield.
3. The Canada Paper Co., Ltd., of the city of Montreal.
4. The Dominion Paper Co., Ltd., of the city of Montreal.
5. The E. B. Eddy Co., Ltd., of the city of Hull.
6. John Fisher & Sons, of the town of Dundas.
7. J. Forde & Co., of Portneuf.
8. S. A. Lazier & Sons, of the city of Belleville.
9. The Laurentide Pulp Co., Ltd, of Grand Mère.
10. Lincoln Paper Mills Co., of the town of Merriton.
11. Alexander McArthur & Co., of the city of Montreal.
12. Miller Bros. & Co., of the city of Montreal.
13. Northumberland Paper & Electric Co., Ltd., of the town of Campbellford.
14. The Ottawa Paper Company, of the city of Ottawa.

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15. Riordan Paper Mills Co., of the town of Merriton.
16. The Royal Paper Mills Company, of East Angus.
17. Reid, Craig & Co., of the city of Quebec.
18. The Rolland Paper Co., of the city of Montreal.
19. J. Stutt & Son, of West Flamboro.
20. St. Croix Pulp and Paper Co., of the city of Halifax.
21. Toronto Paper Manufacturing Co., of the town of Cornwall.
22. The Trent River Co., of Frankfort.
23. C. W. Thompson, of the town of Newburg.
24. The Thompson Paper Co., of the town of Newburg.
25. Taylor Bros., of the city of Toronto.
26. J. C. Wilson & Co., of the city of Montreal.

## WITNESSETH :

1. That the said parties do hereby form themselves into an association to be called and known as the Paper Makers' Association of Canada.

2. The object of the said association shall be the promotion of friendly business relations between the manufacturers, their agents and the trade generally, also for the regulation and maintenance of fair prices of paper, and for conference and mutual aid, with reference to purchase of supplies and the like. This agreement embraces all sales in the Dominion of Canada and Newfoundland, but does not embrace papers exported out of the Dominion of Canada, with the exception of Newfoundland.

3. This agreement is entered into until dissolved by mutual consent, but any of the parties hereto shall have the right to retire therefrom on giving three months' previous notice in writing to the secretary-treasurer of their intention so to do.

4. The officers of the association shall be a president, a first and second vice-president, and Messrs. Jenkins and Hardy, of Toronto, accountants, as secretary-treasurer, all of whom have been elected by the parties hereto to serve until the next annual meeting, or until their successors are appointed.

5. The duties of the president shall be to preside at the annual and other meetings of the association, and generally to perform the ordinary duties of president or chairman of such an association.

The vice-presidents, in order, shall perform the duties of the president in his absence.

The secretary-treasurer shall have charge of all books, papers and records of the said association. He shall also collect and receive all moneys due or payable to the association, which said moneys shall be deposited in a good chartered bank at the city of Toronto to the credit of the association. The secretary-treasurer shall make all payments required for the purposes of the said association out of the funds of the same. He shall keep the necessary books of account for the purposes of the said association. He shall have the right to call a meeting of the association and shall record shall also take the minutes of the meetings of the said association and shall record the same in the minute book and shall give all notices and sign all papers and documents required for the purposes of the said association and shall generally perform all the duties of such secretary-treasurer. He shall advise simultaneously by wire or post, as directed by the association, all members of the association, all resident or other agents or members of the association, and as far as possible, all travellers of any changes in the association prices and terms.

6. The regular quarterly meetings of the association shall be held in the city of Toronto within the first ten days of June, in the city of Ottawa within the first ten days of December, and in the city of Montreal within the first ten days of March and September, during the continuance of this agreement. The annual meeting shall be held within the first ten days of June in each year.

Special meetings of the said association shall be held at any time at the place mentioned in the notice thereof, upon a requisition signed by four members of the

association. The secretary-treasurer (upon such requisition) shall give to each member of the said association at least three days' clear notice of said meeting, which said notice shall set forth the date, place and hour of such meeting, and the nature of the business to be transacted thereat. No other business shall be transacted at such special meeting than that stated in the notice calling the same, unless with the consent of all the parties of the association.

A committee meeting shall be held upon the requisition signed by one member of the association.

All notices of meetings shall be given by registered letter to be addressed to the address of the respective members, or by telegraphic message, at the discretion of the secretary-treasurer.

A corporation member of such association may be represented by one or two or three of its directors or by any duly appointed agent, but it shall only be entitled to one vote. Any member (other than the corporation member) may also be represented by any one, two or three duly appointed agents, but he shall only be entitled to one vote. Resident agents or travellers shall not be appointed agents under this clause.

A majority of the members of the association or committee shall constitute a quorum.

Any resolution adopted at any meeting of the association by a majority of the members then present, shall be binding upon all the parties hereto.

7. Each of the members shall be entitled to attend all meetings and to vote thereat, either personally or by proxy, appointed as provided for in clause six of this agreement.

8. The said parties hereto do each hereby (but so far only as relates to the act or defaults of themselves or those for whom they are respectively responsible) covenant and agree with the other parties hereto, as follows :—

(a.) That they, the covenantors, shall be responsible for the acts, defaults of and breaches of the provisions of this agreement, by their respective agents, travellers and employees of the parties hereto, and the agent, traveller and employees of the respective agents of the parties hereto.

(b.) That they, the covenantors and the agent and others for whom they are respectively responsible, will conform to and abide by any resolution adopted under the provisions of Article 6 hereof.

(c.) That they, the covenantors and the agents and others for whom they are respectively responsible, will not quote, accept or book orders for, offer or agree to sell, or sell the goods covered by the agreement at lower prices or on better terms and conditions than those fixed by the schedule of prices annexed to this agreement or fixed by any schedule of prices which may be adopted by resolution of the association, under Article 6, in substitution for all or any of the said schedules hereunto annexed.

(d.) And that they, the covenantors, and the agents and others for whom they are respectively responsible, will not aid, abet, counsel, advise or procure any purchasers or intending purchaser or purchasers to evade, elude, escape from, or get around the provisions of this agreement, by suggestions of the consolidation of the order of two or more purchasers, or in any way whatsoever.

(e.) That they, the covenantors, and the agents and others for whom they are respectively responsible, shall not on any pretext consign goods covered by this agreement, nor allow nor pay any commission to any person whomsoever, except to a bona fide agent (who shall in no case be a dealer) whose name has been previously declared to the secretary-treasurer, nor sell, nor invoice goods covered by this agreement except in the name of the manufacturer, or, if bought by a member of the association from some other manufacturer, for the purpose of being re-sold, then in the name of the member re-selling the same.

(f.) That they, the covenantors, and the agents and others for whom they are respectively responsible, shall not (except as authorized by resolution of the association) either directly or indirectly resort or have recourse to any scheme or subterfuge



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whatsoever (such as the giving of presents or the giving of discounts on or deduction from, or reductions in the price of other goods, or the giving or promising of any kind of benefit or advantage whatsoever, or otherwise) as an inducement or aid, or which may operate as an inducement or aid, in the making of present or future sales of goods.

(g.) That they, the covenantors, and the agents and others for whom they are respectively responsible, will not directly or indirectly advise or notify their respective agents, travellers, employees, customers or other persons whomsoever, of the calling or holding of any special meeting of the association, or of any anticipated fall or rise of prices thereat, or at any other meeting of the association, and further, will not sell goods subject to a decline in price, and also will not sell goods to be delivered more than ninety days after the day the order for the same is taken, but any goods not shipped within the ninety days above named, after the order for the same is taken, shall only be shipped subject to, and shall be invoiced at, the price ruling at the date of shipment, with the exception of contracts for news print or periodical publications, for which contracts may be taken for a longer period than ninety days.

(h.) That they, the covenantors, will allow the secretary-treasurer at all times access to their books of account, papers and correspondence, to enable him to verify any statement made by any of the parties hereto, or to investigate any accusation made against them respectively, or by the agents and others for whom they are respectively responsible.

And the parties hereto do hereby severally promise, bind and oblige themselves, each in the penal sum of five hundred dollars towards the others of them, to strictly adhere to, observe and fulfil all the above agreements and obligations, and all rules, regulations, prices and discounts which may from time to time be resolved on or adopted by the association. And they further severally bind themselves to pay all penalties that may be imposed upon them under this agreement for any breach or violation of the same by themselves or their agents, or other persons for whom they are respectively responsible.

And to secure the payment of all such penalties when incurred, each of the parties hereto shall forthwith deliver to the secretary-treasurer an accepted cheque for the sum of five hundred dollars, to be deposited by the secretary-treasurer to the credit of the association in the Bank aforesaid. And the interest on all moneys deposited under this clause shall be accounted for to the members respectively, who shall have delivered such moneys to the secretary-treasurer as aforesaid, and such interest is to be placed to their credit in the books of the association.

9. On or before the fifteenth day of each month each of the parties hereto, and their respective book-keepers, and each traveller and each agent whose name has been declared to the secretary-treasurer, and the traveller of each agent (all of whose names must be declared to him forthwith) shall send to the secretary-treasurer a solemn declaration in the form 'A.' hereto annexed, that he has not, directly or indirectly broken or violated, or permitted to be broken or violated, the terms of this agreement, and is not aware of any such breach or violation. And any member failing or neglecting to send such declaration to the secretary-treasurer on or before the said fifteenth day of each month, shall *ipso facto*, become liable to a penalty of five dollars per day for each and every day such default continues. And a like penalty shall be exacted from such member for each statement to be made by his bookkeeper, traveller or agent, or by the book-keeper or traveller of his agent or agents, which such book-keeper, traveller or agent may fail to neglect to make, for each and every day such default continues. And the secretary-treasurer shall have the right to charge the amount of every such penalty so incurred by any such member against the amount in the hands of the association at the credit of such member.

10. On or before the fifteenth day of each month each member shall send to the secretary-treasurer of the association a statement in the form 'B,' hereto annexed, which shall contain a summary of all sales made by and for such member for the previous calendar month, and to be accompanied by a solemn declaration of such member.



And any member failing or neglecting to send such statement on or before the said fifteenth day of each month, shall *ipso facto* be liable, and he hereby binds and obliges himself to pay a penalty of five dollars per day for each and every day such default continues. And the secretary-treasurer shall have the right to charge the amount of any such penalty against the amount standing at the credit of such members in the hands of the association.

11. The secretary-treasurer shall have the right to verify any statements made by the members of the said association by making such other inquiries as he may deem necessary, but the secretary-treasurer shall not make known to any one any part of the information which he may have so obtained, except when such member shall be found to have broken or violated this agreement, in which case the secretary-treasurer shall communicate to the association at a meeting, duly called, such details and particulars of such breach or violation as may be necessary, and the refusal of any member to allow the secretary-treasurer to examine his books and other papers relative to any matter covered by this agreement shall be considered a breach or violation of this agreement, and shall subject such member to a penalty of not less than fifty dollars or more than five hundred dollars.

If any complaint be made of the breach or violation of this agreement by any member, or his agents, employees or travellers, for the investigation of which it may be necessary to check the goods in the factory, or stores, or on the premises of such member, the secretary-treasurer shall have the right to place one or more agents in the manufactory of such member to investigate such complaint, and check the goods and effects therein, so far as may be necessary for the information of the secretary-treasurer, and to enable him to judge whether or no the provisions of this agreement are being faithfully performed, and to pay such agent or agents out of the funds in his hands belonging to the association.

12. If any member or his agents, or his or their agents, employees or travellers, shall be reported to the secretary-treasurer as having broken or violated any of the provisions of this agreement (the report giving particulars of such breach or violation so as to enable the secretary-treasurer to investigate the same), or if the secretary-treasurer shall discover any breach or violation thereof, the secretary-treasurer shall notify such member of such breach or violation, giving him particulars of the same, and such accused member on being so notified, shall furnish to the secretary-treasurer, written fifteen days thereafter, all evidence within his power, or under his control, that he has not, nor have such agents, employees or travellers, broken or violated any of such provisions, and the secretary-treasurer shall fully investigate the matter, taking and acting upon such evidence as he sees fit, and if he is not perfectly convinced that no violation has been made, he may further call upon the accused member, as well as any of his salesmen, agents, or clerks that he may indicate, to make affidavit or declaration in his presence, or in the presence of his duly authorized agent, and before a recognized notary public or justice of the peace in the Province of Quebec, and a commissioner or justice of the peace in any other province of the Dominion, to be selected by the secretary-treasurer, that the charges are false and incorrect. The failure on the part of the member or any of his employees to make such affidavit or declaration forthwith when requested to do so by the secretary-treasurer shall be considered as proof positive that the agreement has been violated; and further if, in his opinion, the member complained of has or any of his agents, employees or travellers have, broken or violated this agreement, as charged against them, the secretary-treasurer shall declare and decide the same in writing, over his own signature, giving particulars of such breach or violation, and shall in such writing fine the accused member not less than fifty dollars and not more than five hundred dollars, at the discretion of the secretary-treasurer, for such breach or violation, and shall deliver a copy of such writing to the accused member, and such member shall thereupon be held to have incurred the penalty mentioned in such decision.

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Provided that any member upon whom such penalty has been imposed shall have the right to appeal within ten days to the association from the decision of secretary-treasurer. Provided always that any member not appealing to the association within the time aforesaid, shall be held *ipso facto* to have incurred the said penalty.

Provided also that in the event of the secretary-treasurer's discovering what in his opinion is only a clerical error in any invoice sent out by any of the parties hereto, he shall not enforce the penalty, but shall report the matter at the next quarterly meeting, when it shall be adjudicated upon.

13. As soon as any penalty has been established against any member as provided for in the preceding section, such penalty shall be charged by the secretary-treasurer against the sum of five hundred dollars deposited by such member and in the hands of the association, and the secretary-treasurer is hereby authorized by each of the members, parties to this agreement, to charge against such sum as may be to the credit of such member, the amount or amounts of the penalty or penalties which may be imposed on such member under the provisions herein contained.

14. Should the amount at the credit of any member of the said association at any time be reduced or become less than the said sum of five hundred dollars, by reason of any penalty having been imposed on such member, or otherwise, the secretary-treasurer shall at once notify such member of the said reduction and the amount thereof, and the said member shall forthwith pay, and he hereby binds himself and obliges himself to pay to the secretary-treasurer a sufficient sum to make up the amount in the hands of the association to the sum of five hundred dollars. Any member who within ten days after the mailing to him of such notices by the secretary-treasurer, shall not make up his deposit to five hundred dollars as aforesaid, shall pay a penalty of five dollars per day for each day during which he shall be in default, so to make up the said amount, all of which penalty shall be paid to the credit of the association from the funds in the hands of the association to the credit of such member, and such member shall be considered as not in good standing.

15. And the undersigned members of this association enter into this agreement in honour bound to fulfil its conditions, irrespective of any legal question or technicality.

16. All or any penalties imposed on any member as aforesaid shall be charged by the secretary-treasurer against the amount at the credit of such member as aforesaid, and shall be divided quarterly by the secretary-treasurer amongst the other members of the said association in good standing, except such member.

17. The secretary-treasurer of the association shall, in addition to the other duties hereinbefore assigned to him, be generally the manager and superintendent of the said association, and it shall be his duty to see that all statements and returns required by this agreement to be made by the members of said association and others, are duly made, and in the event of any member or other person deviating from the provisions of this agreement, the secretary-treasurer shall forthwith impose the penalty hereinbefore provided for any such infraction of the said provisions or rules, and his decision in the case of any such infraction of the said rules or provisions of this agreement shall be final and without appeal. He shall make the division of the penalties among the members according to Article 15, and shall render an account of the business at the end of the year.

18. The salary of the said secretary-treasurer is hereby fixed at the rate of dollars per annum, to include both hotel and travelling expenses, payable quarterly by the members hereto in proportion to the value of goods sold by each. His engagement to terminate on the dissolution of the association, he being paid *pro rata* at the date of such dissolution.

And the parties to this agreement do hereby severally promise, covenant and agree with the said secretary-treasurer to hold him absolutely indemnified and harmless in respect of any moneys paid out by him by way of settlement or division of any penalties or forfeitures that may be exacted under this agreement.

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In witness whereof the parties hereto have hereunto set their hands and seals the day, month and year first above written.

(Sgd.)

Wm. Barber & Bros.

Alex. Buntin & Son, per Geo. M. Toy.

Canada Paper Company (Limited), Jno. MacFarlane, President.

Dominion Paper Company, W. Currie, President.

The E. B. Eddy Company (Limited), per E. B. Eddy, President.

John Fisher & Son.

Joseph Forde & Co.

Laurentide Pulp Company (Limited), Russel A. Alger, jr., Secretary-Treasurer.

The Lincoln Paper Mills, per W. D. Woodruff.

Alex. McArthur & Co.

The Miller Bros. Company (Limited), per W. T. Miller, President.

The Riordan Paper Mills, per Geo. E. Challes.

Royal Paper Mills Company (Limited), F. P. Buck, President.

The Rolland Paper Company, per S. J. Rolland.

Jas. Stutt & Son.

C. W. Thomson.

Taylor Brothers.

J. C. Wilson & Company.

Signed, sealed and delivered in the presence of

(Sgd.) S. T. FRAME, as to signature of Wm. Barber & Bros.

(Sgd.) T. HARDY, as to other signatures.

## THE PAPER MAKERS' ASSOCIATION OF CANADA.

DECLARATION required by agreement, dated 21st February, 1900 :

I, \_\_\_\_\_ of \_\_\_\_\_ in the County of \_\_\_\_\_ do  
solemnly declare  
THAT I AM \_\_\_\_\_ for \_\_\_\_\_ one of the parties to the above  
mentioned agreement.

THAT during the month of \_\_\_\_\_ 19\_\_\_\_, neither I, nor, to the best of my knowledge and belief, any other person for or on behalf of the said party, did in any way whatever consign any of the goods covered by the said agreement to any person whomsoever on any pretext nor allow or pay any commission except to *bona fide* agents whose names have been previously declared to the secretary-treasurer of the said association, nor sell nor invoice the goods covered by the said agreement except in the name of the said \_\_\_\_\_.

That I have not, nor to the best of my knowledge and belief has any other person as aforesaid either directly or indirectly resorted or had recourse to any scheme or subterfuge whatever, as an inducement or aid, or which may operate as an inducement or aid in making present or future sales of goods.

That no goods covered by the said agreement have been sold by me, nor to the best of my knowledge and belief, by any other person as aforesaid (except to members of the said Association), at any lower price than those fixed by the said association, and in force during the said month of \_\_\_\_\_ 19\_\_\_\_, and that no rebates, discounts (except as allowed by the said association and then in force), drawbacks, allowances, or inducement whatever, have been made or allowed by me or, to the best of my knowledge and belief, by any other person as aforesaid, as an inducement to any person to purchase goods.

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That no goods have been sold by me, nor, to the best of my knowledge and belief, by any other person aforesaid, subject to a decline in price, for delivery, except as provided in clause 'g' of section 8 of the agreement.

And I make this declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of 'The Canada Evidence Act, 1893.'

	Signed and declared before me	}
at	this	
day of	A.D. 19 .	

## THE PAPER MAKERS' ASSOCIATION OF CANADA.

REPORT OF SALES required by agreement dated 21st February, 1900

Sales made by \_\_\_\_\_ of \_\_\_\_\_  
during the month of \_\_\_\_\_, 19 .

To other members.....	\$
To all others.....	\$
Making a total of.....	\$

I \_\_\_\_\_ do solemnly declare that the above is a true and correct statement of the sales of goods covered by the above named agreement made by \_\_\_\_\_ during the month of \_\_\_\_\_, 19 , and that such sales were made at the prices and terms strictly in accordance with the terms of the agreement above mentioned, and I have personally verified the same.

And I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of 'The Canada Evidence Act, 1893.'

Signed and declared before me	}
at this day	
of A.D., 19 .	

JOHN M. POOLE.

*Examined by Mr. Barwick, K.C., representing the Press Association:*

Q. You are President of this Consolidated Pulp Company which has just failed?—A. Yes.

Q. It was through you that the company joined, that your company joined the Paper Makers' Association?—A. No it was not specially through me. I guess I signed the cheque. I suppose I signed the agreement. I am not sure.

Q. You signed the agreement?—A. Yes.

Q. John M. Poole, President, that is you?—A. Yes.

Q. Were you present at any of the meetings of the association?—A. No, I was not.

Q. Did you receive written advice of the proceedings of the meetings, of the prices adopted?—A. I think probably we did. I did not pay very much attention to that. It was generally handed to Mr. Young if there was anything.

Q. The advice of prices when they came in from the association would be handed to Mr. Young?—A. I am not positive that we got any advice of prices.



Q. How did you learn that the price of the Paper Makers' Association had been fixed for you to sell at ?—A. We knew what they were selling at long before we joined the association at all.

Q. Why did you join the association ?—A. Well, we thought it would be a good thing.

Q. Was that the only reason ?—A. That was one reason.

Q. What was the other reason ?—A. We thought it would be a good thing to be a member of the association ; the rest of them were members, and in the matter of getting supplies, buying stuff, there is a benefit.

Q. What do you mean in the matter of getting supplies ?—A. One reason is we could store up our stock for members of the association.

Q. I don't understand that ?—A. Not being a member of the association you would have to buy in carload lots, but being a member of the association we would buy a smaller quantity at the same price.

Q. Before your company was a member of the Paper Makers' Association, what did you pay ?—A. We paid more than we did when we were members. We did not pay more, but we had to buy a larger quantity.

Q. That means about the same thing; you had to pay more if you bought small quantities ?—A. We bought the larger quantity. The result was we would sometimes have to hold the stock too long.

Q. In order to get the advantage of the low prices you had to buy carload lots, and sometimes had to buy really much more than you wanted in order to get the advantage of the lower price ?—A. Yes.

Q. How did you find out you could get your supplies at lower prices if you joined the association ?—A. I found out through some things. I paid very little attention to that myself.

Q. Is it not a fact that you found out through Mr. Young that if you joined the association, you would gain this advantage ?—A. Yes.

Q. Can you tell me the difference in price, what would it amount to ; can you give me an idea of how much you would save ?—A. No, I could not tell you.

Q. Who could tell me that ?—A. Mr. Young could probably.

Q. And Mr. Hardy ?—A. He might.

Q. Are you able to tell me practically what this saved you in money ?—A. No.

Q. Who can tell in your company ?—A. I do not know who can, without going into the figures.

Q. Who in your company can figure it out for me ?—A. I suppose any one could. I could myself if I had the books and the time.

Q. Well, now, tell me how you would go about it, just show me how you would figure out for instance. How much is there in a carload lot of news print ?—A. Twelve tons and sometimes more.

Q. Supposing you are ordering 6 tons, less than a carload lot before you were a member of the association, what did you pay for it ?—A. We made all our own news, We did not buy any news. I could hardly tell you.

Q. Tell me any other kind of supply that you bought ?—A. Brown paper. I have no idea what we bought.

Q. Brown paper, how much in a carload ?—A. The same quantity.

Mr. WHITE, K.C.—I understand this inquiry is limited to the news print. I understood so because the investigation has been confined to news print, and the Press Association being the complainant, that is the paper they are interested in.

THE COMMISSIONER.—Yes, that is by Order in Council.

*By Mr. Barwick, K.C., continuing :*

Q. You have just been speaking of brown paper—brown papers are used exclusively in printing, are they not ?—A. No.



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Q. Not at all ?—A. No.

Q. Used as wrappers ?—A. Yes, but it would not be called printing paper.

Q. Could not you print on it ?—A. Oh, no.

Q. Do not newspapers buy brown paper from you ?—A. I do not know of any newspaper buying it.

Q. Do you know of any printing establishments that buy brown paper ?—A. Not for printing ; they use it for wrappers.

Q. It is used for wrappers extensively, and printed addresses put on it ?—A. I don't know about that.

Q. You never saw that done ?—A. I suppose they do ; they post labels on it. I have seen wrappers placed on brown paper.

**Mr. WHITE, K.C.**—This investigation really is directed towards news print, that is the paper on which the news is being printed. That is the complaint, because so far Mr. Ross went into the box——

**THE COMMISSIONER.**—I would be inclined to think that news print does not include brown paper.

**Mr. BARWICK, K.C., continuing:** I won't pursue that question for the moment until I get some more information.

*Resuming examination :*

Q. The company manufactures its own papers ?—A. Yes, news print.

Q. Well, then you are a vendor in that respect with regard to that ; you are a seller ?—A. I suppose.

Q. Was it any particular advantage to you to become a member of this association in respect of your production of news print ?—A. Not at all.

Q. The only advantage was in regard to other supplies ?—A. Yes.

Q. The advantage in becoming a member of the association so far as you were concerned was limited simply to the other supplies ?—A. Yes.

Q. What became of the circulars, and formal communications that came from Mr. Hardy to your company, Mr. Poole ?—A. I did not see very many altogether—a few letters. I suppose the secretary would have them. They are filed with the ordinary correspondence ; there were very few letters.

Q. They are on file in that company's office now ?—A. I should think so.

Q. Easily accessible there ?—A. Yes, I think so.

Q. Perhaps you will be kind enough to see what you have, and let us know what they are ?—A. Yes.

*Cross-examined by Mr. White, K.C., representing the Paper Makers' Association :—*

Q. You joined this association in January of this year, 1901 ?—A. I am not positive of the date.

Q. Previous to that time were you aware of the association price for news print ?—A. Yes, I think we were.

Q. You knew that the association was selling at \$2.50 in carload lots, with the usual discount ?—A. Yes.

Q. After you joined the association you maintained their prices, did you ?—A. Oh, yes.

Q. What is your opinion as to the profit that price gave you ?—A. So far as we were concerned it did not give us any profit.

Q. Were you manufacturing pulp as well as paper ?—A. No, just paper.

Q. You were large purchasers of paper, were you not, too, from other mills ?—A. Yes, other lines of papers.

Q. And I think you said in your examination in chief that the advantage you got in joining the association was that you could buy smaller lots at carload prices ?—A. Yes.

Q. As a matter of fact, Mr. Young, the last witness, has told us that your company sold at higher prices than the association had fixed ?—A. Yes, in a good many cases we did.

Q. Did you make any estimate of the loss which your company made on news print the past year ?—A. No, not specially on news print.

Q. Well on the association price for papers ?—A. No, I could not say that we made an estimate of the loss. I know it cost us more to make than we got for the paper.

Q. Although you maintained the association prices throughout ?—A. Yes.

Q. Mr. Thomson is an officer of your company, is he not ?—A. Yes.

Q. Are you aware that he made an estimate of the loss on news print during the past eight months that your company made ?—A. No, I am not aware.

Q. Did you hear him make any statement last Saturday at the meeting of creditors ?—A. No, he did not make any statement with regard to the news print.

*Re-examined by Mr. Barwick, K.C.:*

Q. How long was your company in existence, Mr. Poole ?—A. About 8 months—9 months.

Q. Its capital was how much ?

WITNESS.—The capital paid in ?

COUNSEL.—Never mind the paid in. What is the capital stock of the company ?

WITNESS.—You mean the paid up capital ?

Q. No, just the authorized capital ?—A. \$500,000.

Q. And your paid up capital was \$12,000 ?—A. That was the amount of cash paid.

Q. And your liabilities at the end of 8 months were how much ?—A. About \$168,000.

Q. This is pretty good on a cash capital of \$12,000, isn't it ? You had one mill at Newburg ?—A. Yes.

Q. A very old mill ?—A. Well, it is an old mill.

Q. Valued I understand by Mr. Thompson at something like \$7,000 ?—A. I don't know what he valued it at.

Q. That is what you understand he valued it at ?—A. He said he would give that for it.

Q. What were your assets when you got through ?—A. I don't know what our assets were. They are valued at different amounts ; so many people have different ideas as to what they are worth.

Q. What was the valuation at the meeting the other day ?—A. About \$147,000.

Q. Nominal value, but what did the liquidators point out to the creditors they might hope to have for them ?—A. I don't remember just what the figures were.

Q. Somewhere around \$40,000 was it not ?—A. Something around that. These were his figures, they were not mine.

Q. So I should think the trouble to your company came from having too much credit, and not sufficient cash ?—A. That came from different reasons. One reason was because it cost more to produce the stuff than we got for it.

Q. One reason was getting too much credit, and having too little money to run your business on ?—A. It was not giving enough credit.

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*Re-cross-examined by Mr. White, representing the Paper Makers' Association:*

Q. You, of course, made up your cost of manufacture of news print, and you are quite satisfied that the cost was above the selling price?—A. There is no doubt about it at all.

Q. As fixed by the association?—A. No.

Q. I don't want to go into the question of your company, and so forth, but I want to go into the question of facts?—A. Yes.

Mr. BARWICK, K.C.—Q. Were you ever down at the mills at Newburg?—A. Yes.

Q. Did you ever go into the cost yourself?—A. Not down there.

Q. How did you come to say that to Mr. White?—A. I know I lost money in our mills. We paid the bills here.

Q. You don't know what the staff was down there or anything, but you know that mill was run in such a way as to lose money?—A. I know it lost money. I am just giving the facts.

THOMAS H. PRESTON.

*Examined by Mr. Barwick, representing the Press Association:*

Q. You are a printer and publisher, and you control the Brantford Expositor?—A. Yes, sir. Publisher and job printing.

Q. Now you know something of the working of the Paper Makers' Association?—

A. I know something of it from a publisher's point of view.

Q. Will you be kind enough then to tell his Lordship what you know of this association?—A. I can only rate the workings so far as it affects my own business. I had a contract with the Canada Paper Company for \$2.10 per 100 pounds in the ream. I think in the month of December, 1899, or thereabouts—I am not too certain as to the date, because I did not bring the documents with me.

*By Mr. White, K.C.:*

Q. You can produce the contract?—A. I can produce a letter, or whatever it may be, forming the basis of the contract.

In the month of December or thereabouts, 1899, an advance was made to \$2.20. That was, I think, before the association was formed, and that carried me through until quite recently when I found it necessary of course to invite tenders. That was both for reams and rolls.

I invited tenders from the Canada Paper Company, the E. B. Eddy Company, the Consolidated Paper Company and the Riordans. I have the letters with me. They gave me a uniform price of \$2.50 in the rolls by carload lots, and \$2.75 in the reams.

Since then within the last months or so—I have a letter in my pocket—I was notified simultaneously by the E. B. Eddy Company, and the Canada Paper Company, that there had been a drop, and I now have made a contract for rolls at \$2.37½, the price in flats, or in reams, being \$2.62½.

Q. You better let us see these letters, I think. Just read these yourself. I do not know anything about these, Mr. Preston. Read us the first lot of letters. The first is from E. B. Eddy Company.

THE COMMISSIONER.—Read them by order of date.

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A. Three of them are dated 1st December last. The first is from William Barber and Brothers, Georgetown, dated December first, nineteen hundred, and reads as follows:

‘T. H. Preston, Esq.,  
‘Brantford.

‘DEAR SIR.—We have your favour of the 30th, asking for quotations on 100 tons news in rolls, and in sheets delivered at Brantford.

‘We quote you for rolls two and a half cents and for sheets, two and three-quarter cents. Terms three months, or three per cent cash, thirty days.’

This letter is produced as Exhibit P—5.

Now, there is another letter from the Consolidated Pulp and Paper Company:

‘The Expositor,  
‘Brantford.

‘GENTLEMEN,—In reply to your letter of yesterday asking us to quote a price on a hundred tons of our news in rolls and also in sheets, we will furnish you with the amount required, in carload lots, as desired, freight paid, as follows:

‘Rolls, \$2.50 per hundred pounds.

‘Sheets, \$2.75 per hundred pounds.

‘We are placing a new set of calendars in our mills which will shortly be in working order when we will turn out a very fine news. We shall be glad to receive your order and will give it our best attention. We could have our representative see you, if advisable.’

This letter is produced as Exhibit P—6.

There is also one from the Canada Paper Company:

‘Mr. T. H. Preston,  
‘Brantford,

‘DEAR SIR,—Replying to your inquiry of November 30th, we beg to quote you news paper in sheets two and three-quarter cents per pound, carload shipments; rolls, two and a half cents per pound, carload shipments, three per cent, thirty days, or three months. We hope to be favored with a continuance of your orders and will do our best to give you a satisfactory paper and to give your business careful attention. As you know we have been greatly pressed during the past year, and it has been impossible to avoid causing our customers a little anxiety regarding their supply. Increased facilities, however, and a somewhat increased supply will remove the acute pressure and we shall, we think, be able to give you the best of service, during the coming year. Hoping to be favored with a continuance of your orders, we are, yours truly, Canada Paper Co., Ltd.’

This letter is produced as Exhibit P—7.

And from the E. B. Eddy Company, dated December 5th, nineteen hundred:—

‘THE EXPOSITOR.  
‘Brantford, Ont.

‘DEAR SIR,—Answering the obliging inquiry in your favour of the 30th November, the uniform prices on newspaper in carload lots, freight paid or allowed to Brantford, are:—

‘Rolls, \$2.50; reams, \$2.75.

‘We shall hope to be favoured with your order for your requirements as we shall be ready to ship in a short time now.

‘We have instructed our Mr. McLaren to call and see you as soon as possible.’

This letter is produced at Exhibit P—8.



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There is a letter from the Riordan Paper Mills of Merriton, Ontario, dated January 9th, 1901.:

'THE EXPOSITOR,

' Brantford, Ont.

'DEAR SIRs,—We are in receipt of your kind favour of the 8th instant advising us that you will let your contract for news on or about the 22nd instant. Our Mr. Riordan will be at the mill Saturday or Monday, and if we can possibly make you any special inducement to give us your contract, we will be pleased to do so, but may frankly say that we have already booked contracts for the year 1901 for nearly, if not quite, our full production, and we cannot see our way clear at present to name any lower figure than that quoted by Mr. Charles, namely, \$2.75 per 100 pounds, in car lots for sheets, terms, three months or 3 per cent, thirty days. However, we will write you finally early next week, or if Mr. Charles can go down to see you, we will send him as we very much desire to do business with you, being the nearest mill to Brantford.'

This letter is produced as P—9.

There is also a letter from the Canada Paper Company of May 11, 1901.

'MR. T. H. PRESTON,

' Brantford, Ont.

'DEAR SIR,—Regarding your contract for news, we are pleased to say that we shall be able to make you a reduction on the car now on order, making the price two and three-eighths cents per pound, usual terms and conditions.

'Trusting this will not be unappreciated, we are, yours truly, Canada Paper Company, F. J. Campbell.'

This letter is produced as Exhibit P—10.

There are some more recent offers from the Canada Paper Company, that they will make the price \$2.32½ per 100, or \$2.37½ in the roll. I had a similar offer, I might say, from the Eddy Company at the same time, the same discount.

*By Mr. Barwick, K.C., resuming:*

Q. In the previous letters, it is apparent that in December, nineteen hundred, these four houses quoted you uniform prices?—A. Yes. It stated in one of them that the prices were uniform.

Q. And the Eddy Company state to you plainly that the uniform price on news paper in carload lots is so and so?—A. Yes; it was their traveller who came to the office in the last year or so, made the same statement that they could not give but the one rate.

Q. Do you remember any particular traveller coming to you?—A. Yes.

Q. Tell the Judge, will you please?—A. Mr. McDougall, representing the Canada Paper Company, Mr. Levison, of the Consolidated, Mr. Weldon, of the Eddy Company. They have all had the one story that they could not break the agreement. There was never any secret made about it at all.

Q. I would like to know a little more of the particulars,—what they explained to you, Mr. Preston, since the formation of the association?—A. They have all had the one story, that the paper makers entered into an agreement and they could not cut the rates, or could not give me any better than those arrived at by the combination or the association. I won't say they used the word 'combination.' I think, perhaps, they did, in some way.

Q. When did you first learn of the formation of the association?—A. It would be somewhere about the first of January, nineteen hundred, I should think. I am speaking now in the rough.

Q. From whom did you learn it?—A. It was a matter of common talk among both paper makers and the agents of the houses and publishers.

Q. You gathered it from men in the trade?—A. Yes, certainly.



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Q. You learned it from people who were selling paper to you ?—A. There was never any question about the existence of an association.

Q. Prior to the formation of the association, what were your prices ?—A. The last week, as I said, was \$2.20, and I think the rate of discount was 4 per cent. I am not absolutely sure of that. I think so.

Q. What would that mean, off a carload lot—can you figure that out for me shortly ?—A. I can hardly figure it out for you. I buy about four thousand dollars worth of paper in a year in news. I suppose the difference in price would be four hundred dollars ; it would be several hundred dollars anyway.

Q. Prior to the formation of the association, had the price which you mentioned been ruling for some time ? —A. The price had been fluctuating and there is always a good deal of competition for contracts. Usually when I ask for tenders for paper, the agents of the different houses would come. There would be a scramble for the contract, more or less shading of price. Now, when I invite tenders, I have had but a uniform price and no competition.

Q. What was the uniform price you had to take ?—A. They had the same story, that they could not give me but the uniform price, and there were penalties they could not afford to break.

Q. Have you ever attempted to buy paper from the United States ?—A. I have asked a quotation recently ; that is the only one.

Q. Have you had any difficulties placed in your way of getting paper from the States ?—A. No, I have not prosecuted that inquiry.

Q. How much printing paper do you use in the Brautford *Expositor* offices outside of news print ?—A. I could hardly tell you. Of course, we are doing job printing all the time for all lines. I could not tell you the cost of job stock without having my statements here.

Q. Say, in round figures, will you ?—A. I suppose my job printing papers would cost me about two thousand dollars a year.

Q. That is, in round figures ?—A. Yes, I could tell you exactly if I had any inquiries to be made.

Q. How do you describe that paper for print in the trade when you are buying it ? —A. News print, number three news is what we commonly purchase.

Q. But the other kind of papers you use in your paper trade, how do you describe that ?—A. The other terms would cover that, book papers, posts and the like ; even the brown paper that was talked of a few minutes ago I think could be called print paper, because it is used in printing offices. That is Manilla. It is printing paper in a sense that printers use the paper in trade. We don't do very much ourselves because we find we cannot put any printing on the bags and the like.

Q. I understood you, Mr. Preston, that the expression 'brown paper' came within the expression 'printing paper' ?—A. There are a large number of manufacturers do printing on paper bags ; we cannot do it.

Q. You want his Lordship to understand it is printing paper ?—A. Yes, this might be the expression for it. It is used for paper bags ; at least, is used by merchants to put their goods in, and reports for newspapers are often printed on Manillas.

Q. And grocers use large paper bags for flour ?—A. All trades use it more or less.

*By Mr. White, K.C. :*

Q. Newspapers are not printed on it ?—A. No, newspapers are not printed on it ; in earlier days our newspapers were printed on wrapping papers.

*By Mr. Barwick, K.C. :*

Q. Is there anything else you can inform his Lordship of ? You have told us all about everything you can remember ; can you add anything more to what you have said ?—A. I think not ; except I know the price of cheap print lines has gone up.

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We bought ourselves a considerable quantity from the United States, paying twenty-five and thirty per cent duty. That we never did until last year or so. The reason of that I cannot say, of course.

Q. You import from the States ?—A. Yes.

Q. What kind of paper do you import from the States ?—A. Papers for job printing ; book papers.

Q. Are they manufactured in Canada ?—A. Yes, they are manufactured and sold by the different houses here.

Q. Manufactured by members of this association ?—A. Yes.

Q. You paid the duty on the American papers, of course ?—A. Yes.

Q. And can bring it in to advantage in competition with the paper manufacturers here ?—A. Yes.

*Cross-examined by Mr. White, K.C., representing the Paper Makers' Association.*

Q. Are you a member of the Press Association ?—A. I am.

Q. I presume you are aware of the origin of this inquiry, and probably took some active part in it ?—A. I had nothing to do with it.

Q. But you knew of it ?—A. Yes, it is a matter of public knowledge.

Q. The complaint the Press Association had reference to, as I understand it, was news print. That was the subject of their complaint ?—A. I cannot say. I was not at the meeting when the question was brought up. Parliament was going on at the time, and I was at the House.

Q. You have told us you have a contract to-day at two dollars thirty-seven and a half cents ?—A. I have.

Q. With the discounts ?—A. Yes.

Q. When was that contract made ?—A. Well, in the month of May, I think.

Q. That is last May ?—A. Yes, about a month ago.

Q. Before making that contract you informed yourself as to the price at which you could buy paper generally in Canada and elsewhere, did you not ?—A. Well, this latter contract came in the way of a concession, I might say, from the house with which I was dealing.

Q. You were dealing with the Canada Paper Company ?—A. Yes, I had really made a contract with them under the association price.

Q. But you made that contract as any business man would do, as being the best price at which you could get the contract ?—A. Certainly.

Q. You did not go to the States ?—A. I wrote one firm on the other side.

Q. And the reply was not encouraging ?—A. Yes.

Q. You know that the prices on the other side are much higher than here ?—A. Yes. This reply I got was verbal to me.

Q. You concluded the contract with the Canada Paper Company ?—A. Yes.

Q. Do you remember what that price was that was quoted to you ?—A. The American price ?

*Counsel :* Yes.—A. I think it was two dollars and fifty-five cents.

Q. Two dollars and fifty-five cents there ?—A. I am not sure about that. I am rather inclined to think it was. I am not sure though.

Q. You have told us you carried on a job printing business also ?—A. Yes.

Q. And you figure your costs carefully ; you know approximately what the advance on cost is ?—A. I do not spend much of my time in connection with jobbing department.

Q. What do you consider a fair advance on cost ?—A. Twenty per cent ; that is what we usually estimate.

Q. That would apply generally on business, would it not ?—A. I presume so. That is our method of calculating. We don't always get it. We try to.

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Q. But anything under that you would consider would be a reasonable and fair advance ?—A. It would depend a good deal upon the nature of the business and the risk ; but generally speaking, I should say so.

Q. That would apply to manufacturers of paper ?—A. Well, I can hardly speak from their point of view.

Q. Are they under any special classification ?—A. Well, I should say the risks of the manufacturer of paper are not quite so great as those of the printer. He has fewer accounts, and they are supposed to be a better class of men than the indiscriminate accounts which come to the publisher. Of course I cannot look at the thing as a manufacturer looks at it.

Q. But as a general rule you should say that twenty per cent advance on cost would be a fair and reasonable margin of profit ?—A. Well, in our business.

Q. You have spoken of book papers ; had you any information that the book papers were included in the association prices ?—A. Not personally.

Q. You knew nothing of that ?—A. No, I do not buy the job stocks. I pay the bills, that is all.

Q. You say the association was formed early in nineteen hundred, as a matter of fact, the date is the twenty-first of February, Mr. Preston ?—A. I don't know. I said roughly.

Q. Is it not a fact that shortly before that time there had been an advance ?—A. There was a slight advance in my own of ten cents a hundred.

Q. Before the association was formed ?—A. Yes.

Q. And after the association was formed ?—A. Still more.

Q. Are you prepared to say that advance was due to the formation of the association ?—A. The two things were simultaneous.

Q. But you are not prepared to say there were other causes ?—A. No.

Q. You know paper advanced in the States ?—A. I don't know to my knowledge.

Q. But you told us you wrote to them and got discouraging reports ?—A. I told you of one particular case.

*Re-examined by Mr. Barwick, K.C.C., representing the Press Association :*

Q. You cannot bring in news paper to advantage now ?—A. Not from the quotation I got.

Q. Suppose the duty were taken off ?—A. Taking this particular case, I could not bring it in then.

Q. You could not bring in news print, then ?—A. No. Maybe there is a combination over there. They say there is a combination over there.

Q. What information have you as to that ?—A. Nothing but hearsay.

WILLIAM SMITH DINGMAN.

*Examined by Mr. Barwick, K.C., representing the Press Association :*

Q. You live in Stratford ?—A. Yes.

Q. And publish a newspaper there ?—A. I am principal proprietor of the *Herald* newspaper there.

Q. The *Stratford Herald* ?—A. Yes.

Q. What is the amount of your purchases of paper during the year, about ?—A. Our news paper purchases run from fifteen to sixteen hundred dollars, or a little over sixteen hundred dollars.

Q. That is what you call news print ?—A. Yes.

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Q. And your other newspaper printing, what do they come to ?—A. I did not look up that question particularly. I suppose six or eight hundred dollars.

Q. Six or eight hundred dollars a year ?—A. Yes

Q. What are the other papers used for ?—A. Jobbing purposes, printing of small work, letter heads, posters and all that class of work ; miscellaneous work.

Q. Books ?—A. No, we do not print books.

Q. When did you first hear, Mr. Dingman, of the formation of this Paper Makers' Association ?—A. It would be shortly after the fire, I think, or in the vicinity of the time of the fire at the Eddy Mills.

Q. When was that fire ? Just a little over a year ago, was it not ?—A. Yes.

Q. The twenty-sixth of April, nineteen hundred ?—A. Yes.

Q. That was the great Ottawa fire ?—A. Yes.

Q. How long have you been in business ?—A. I have been in business for myself for seventeen or eighteen years.

Q. Then you have a pretty good knowledge of the prices before this association was formed ?—A. A fair knowledge.

Q. Will you be kind enough to tell his Lordship what effect the formation of this Paper Makers' Association has had on your business. Tell us the course of business, as far as you know, before and since ?—A. The prices we had been paying for news print just before the combine came into operation were two and a quarter cents, or two dollars and twenty-five cents per one hundred pounds, delivered at Stratford. The effect afterwards was to raise the price at first to three cents, and subsequently to two dollars and seventy-five cents—two and three-quarter cents, with a discrimination against us in the matter of freight delivery.

The discrimination took the effect of the freight being paid free to certain points, which were called equalization points of which Stratford was not one, and we were asked to pay over and above,—to pay the local rate over and above the freight rate from the point of manufacture to this nearest equalization point.

The effect was that the London publisher would get his paper delivered at the same price per carload free of freight at London, while we would be charged the extra rate from London to Stratford.

It effected a discrimination against us of in the vicinity of ten to fifteen cents per one hundred pounds.

Q. That is since the formation of the combine ?—A. Yes. I objected to that, and the paper travellers regularly, and always we got sympathy from the travellers, but no satisfaction from headquarters.

I investigated the alternative of buying paper from the other side, and found that paper could be purchased over there at two quotations, one at two and one-eighth cents and the other 2·15; which, with the duty and freight paid, would deliver the paper in Stratford at a trifle under the combine price, with a discrimination in the matter of freight added.

Q. I do not understand the last remark : 'with a discrimination added' ?—A. With a discrimination against us.

Q. With the present discrimination you could have brought your paper in ?—A. Yes, I estimated.

Q. At a less price ?—A. At a slightly less price

Q. With the duty removed ?—A. No. With the duty added ; with the duty removed the price would have been very much less.

*By the Commissioner :*

Q. What would have been the exact price with the duty added ?—

*By Mr. Barwick, K.C. :*

Q. Have you this in writing now, what you are telling us ?—A. Yes.



Q. Well, answer his Lordship's question first ?—A. The price from Niagara Falls, New York, of paper would be \$2.12½ per 100 pounds, duty 54 cents, freight 12 cents, making a total of \$2.78½ per 100 pounds as compared with about \$2.85 under the combine regulation.

*By the Commissioner :*

Q. With the discrimination against you ?—A. Yes, with the discrimination against us.

Q. That would not apply to the London paper ?—A. No, he could get his delivered in London at \$2.75.

Q. You are situated near London ?—A. I am nearest London : it is the nearest alleged equalization point.

Q. What is the meaning of that word,—equalization ?—A. I tried to discover but have been unable to discover it.

*By Mr. Barwick, K.C. :*

Q. That is a point at which they deliver paper at a certain rate ?—A. Yes.

Q. It is a distributing point ?—A. No. I understand it was devised for the purpose of equalizing competition between the different mills so that one could not gain an extra advantage with customers who are contiguous to their own mills ; so that Georgetown, for instance, could not have any particular cinch on the paper users near by.

Q. Why ?—A. Because it was apparently arranged among the paper makers that Georgetown, for instance, should be a point where they would all be upon equal footing, and the various other equalization points would also be placed where they would be upon equal footing.

Q. You mean to say, where the paper would be the same price, freight would be collected at all these points ?—A. Yes.

Q. So that the price paid for paper delivered at London would be the same price as that paid at Georgetown ?—A. Yes.

Q. How many miles from Toronto is Georgetown ?—A. It is about twenty-five or thirty miles, where the Barber Paper Mills are.

Q. So that the Barber Paper Mills, twenty-five miles from Toronto, for delivery Toronto was an equalization point ?—A. Yes, I suppose so.

Q. The effect would be that exactly the same price would be paid for paper delivered from the Barber Paper Mills as it would at London ?—A. Yes.

Q. So that it was not a question of equalization to the buyer ; it was a question of equalization to the seller ?—A. Yes.

Q. What were the average prices you were paying prior to the formation of the combine ?—A. Two and a quarter cents a pound delivered at Stratford.

Q. Any allowances, such as wrapping ?—A. No, that was the net price, except for the usual discount for thirty days.

Q. Your net price was 2¼ cents, with what discount ?—A. I think it was 3 per cent for thirty days.

*By the Commissioner :*

Q. Two dollars and twenty-five cents per hundred pounds with a discount of what per cent ?—A. Three per cent.

*By Mr. Barwick, K.C. :*

Q. If paid for, cash in thirty days ?—A. Yes.

Q. And your price since the combine was formed is ?—A. At present it is \$2.75. There has been a recent reduction to two and five-eighths (2⅝).

Q. Per pound ?—A. Yes, per pound, two and five-eighths. There is a reduction,—\$2.62½ per 100 pounds.



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Q. Yes, but with no change in your freight arrangement ?—A. No.

Q. When did the reduction to \$2.62½ come ?—A. Within the last couple of weeks. I think ; but at all events I was notified of it within the last couple of weeks or thereabouts.

Q. You were notified ? How were you notified ?—A. I had letter quotations from three firms to that effect.

Q. You have a bundle of correspondence there, Mr. Dingman, have you not, on this subject ?—A. I have just a few letters here.

Q. Are they all arranged in order, chronologically ?—A. [Not exactly; there are some that are very pertinent and some are not.

Q. With whom did you particularly deal, Mr. Dingman ?—A. Our particular dealings of late years have been with the Canada Paper Company, the Eddy Paper Mills, and the Riordan Paper Mills.

Q. Did you buy by correspondence or from their travellers ?—A. Generally from their travellers ; sometimes by correspondence.

Q. Have you been informed by these travellers that they are governed by the rules of the association or combine, as you have been calling it ?—A. They have several times virtually admitted to me the existence of a combine ; whether they used the word combine, I don't remember.

Q. No, we are just calling it that for short.—A. But I have discussed the matter of the combine with them ; the various members of them.

Q. What explanation had they given you with regard to the workings of the combine as affecting their sales to you ?—A. They have, without exception, objected to this freight discrimination, which they found an obstacle to trade, or at all events, a complaint which they met very frequently on their travels.

Q. Have they told you that the association governed prices ?—A. I must be fair upon this point. My impression is that they have told me that, but I took no memorandum of these conversations, and I am not able to say absolutely, but I have a very strong impression that more than one has admitted that.

Q. You only have a general recollection, and would not like to say that any one has actually said that to you ?—A. Yes. I may cite a passage in a letter here from the Riordan Mills:

'We find Stratford is not a delivery point, and apparently the nearest delivery point is London. We have therefore allowed you the freight on the basis of f.o.b. cars, London. This is what the mills are doing and we cannot do otherwise.'

Q. That is a letter of the twenty-second of August, nineteen hundred, from the Riordan Paper Mills ?—A. Yes.

Messrs. Stratford Herald Printing Company.

'DEAR SIRS,—Your favour of the 20th inst. is received. We enter your esteemed order, and will ship in good time to arrive safely before September eighth.

'In regard to freights. We find Stratford is not a delivery point, and apparently the nearest delivery point is London. We have therefore allowed you the freight on the basis of f.o.b. cars, London. This is what all the mills are doing, and we cannot do otherwise. We will, however, make the contract price \$2.75 f.o.b. cars, Merriton, in car lots, or \$3.00, less than car lots, and deduct the freight on the basis of London delivery, as per last invoice.

'We are about to inquire whether Georgetown would be nearer as a freight basis, and will advise accordingly. As regards draft, kindly accept same, as we cannot make any alteration from the three months' terms, and as it has gone forward, will thank you to accept it.'

This letter is filed as Exhibit P—11.

Q. Now, you made some inquiries in the States with reference to the price of paper there, did you not ?—A. Yes.

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Q. Tell us what these inquiries were and read the letter as you go along?—A. There is a letter from Bradner, Smith and Company, Chicago, dated March twenty-eighth, nineteen hundred and one :

‘Replying to your favor of the 26th instant would say that we have forwarded your letter to our Mr. Barr, who may be able to call on you before he returns.

‘In regard to price on print paper in carload lots, would say, that we could quote you on paper to weigh 24x36, 28lbs. to the ream and heavier, either in rolls or in sheets, \$2.10 per cwt., f.o.b. Mill, Anderson, Indiana. Terms as usual. We do not think the rate would be more than 20c. per cwt., and we do not know what the duty would be.

‘We are, not working with any combination of any kind, and we would be very glad to help you in any way we could to buy paper at a lower price than you can get it from the Canadian mills.’

This letter is produced as Exhibit P—12.

I learned that the Inland Daily Press Association, an association of daily newspapers, particularly in Michigan and Indiana, had made a contract with this same firm, Bradner Smith & Company, to supply all their paper at \$2.18 per hundred weight, f.o.b. cars at the mill. That price to be for either flat or rolled paper. There is a copy of the contract that was sent me in the letter.

Letter from the Inland Daily Press Association, Michigan, Indiana :

‘Absence from home prevented my answering your letter at an earlier date.

‘I enclose you copy of contract which our association has recently made, making us a saving of from 25 to 40 cents per 100, over what we were paying previously.

‘The Cliff Paper Company, Niagara Falls, gave about the same quotations for paper on cars at Niagara Falls as we are now paying.

‘The proceedings of our meetings are not published, members being required to attend meetings in order to get the benefits thereof.

‘If the information herein contained is of any benefit to you, you are very welcome to same.’

This letter is produced as Exhibit P—13.

Q. Anything more, Mr. Dingman?—A. I have a letter also from the Cliff Paper Company, Niagara Falls, New York, of March twenty-seventh, nineteen hundred and one :

‘We have yours of the 26th, and would say that a carload of paper by our railroad’s classification is thirty thousand dollars. We can name you a special price on this of 2½c. f.o.b. cars, this city, less three per cent cash. We imagine, however, from the duty, that this would make it higher than you could get it for at home and 2½c. is lower than we are securing for paper here as we usually make a lower price for export business.’

This letter is produced as Exhibit P—14.

Q. Now, Mr. Dingman, what effect has the combine prices had upon your other papers besides news papers?—A. I am not so well prepared to speak on that because I did not purchase the paper myself, and I have not investigated that point so particularly.

Q. Is there anything else you can give information as to, besides what I have asked you?—A. There is a letter from F. J. Campbell, Canada Paper Company.

‘We beg to thank you for yours of the 22nd instant. We might say that the writer has always opposed the present freight arrangement, but the solons who control matters, not being so closely in touch with the trade, did not see it in quite the same way. We think, however, they are now coming to our way of thinking, and shall write you further in the course of a few days.’

This letter is produced as Exhibit P—15.

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*Cross-Examination :*

Q. You are being supplied at present, you say, by the Canada Paper Company ?—  
A. No, I did not say that.

Q. By whom ?—A. At present our paper comes from the Thompson mills at Newburg.

Q. Where is that ?—A. Near Napanee.

Q. The Consolidated Paper Company ?—A. Yes, it is under their control, I understand.

Q. Under contract ?—A. No, not under any contract.

Q. You buy it according to your needs ?—A. Yes.

Q. Had you contracts previous to 1901 ?—A. We had a contract for a time with the Riordan Paper Mills, and also with the Eddy Mills, and previous to that with the Canada Paper Company.

Q. When you use the word 'combine' as you have in your evidence what do you understand by it ?—A. What I understand by it is, that an association of paper makers has been formed for the purpose of controlling prices and forcing uniform regulations upon their customers.

Q. And your complaint against the present association is this question of freight rates,—that you don't get the same freight rates as people at London do ?—A. Yes, and what I think are unduly high prices.

Q. You think they are unduly high ?—A. I do.

Q. You are carrying on a jobbing business yourself ?—A. Yes.

Q. What advance on cost do you figure generally in making your estimates ?—A. It varies; generally in estimating a job I usually add fifty per cent to the job cost, the fifty per cent, including profit and share of the general expenses of maintaining the business, office expenses, &c.

Q. When you speak of general expenses you mean the cost of material, labour and the press work, &c. ?—A. Yes, and wages.

Q. And you add fifty per cent, to cover general expenses and profit ?—A. Yes.

Q. What do you consider a fair margin of profit in manufacturing business ? What would you consider a reasonable advance on the manufacturers' cost ? Would twenty-five per cent be too high ?—A. I might say this basis I speak of is in regard to small jobs of a few dollars at a time.

Q. Is not the output proportionate to the capital invested as a rule ?—A. Each individual job is taken up on its own footing, and a small piece of work necessarily requires a higher percentage levied upon it than a larger piece of work, which would consume a large amount of time.

Q. Take a large piece of work. What would you consider a fair percentage of profit on that ?—A. Thirty-three and a third per cent.

Q. Would be reasonable ?—A. In some cases.

Q. Would twenty-five per cent advance on cost be, in your opinion, a reasonable advance for a manufacturer to put on his goods ?—A. I am not prepared to lay down any abstract rules to govern all cases.

Q. Taking the manufacturers of paper in Canada, you know the output is comparatively small as compared to the States and other countries. Would you consider twenty per cent advance on manufacturers' cost an exorbitant and reasonable margin of profit ?—A. I have to object to your presuming that I know all about the situation, because I do not claim to be acquainted intimately on all points.

Q. You have been eighteen years in business and you must know something about the condition of the paper trade in Canada. Speaking as a business man, would you consider twenty-five per cent advance on cost to be an unreasonable profit ?—A. My answer to that is that I judge the matter rather by the comparison of prices elsewhere, and to my mind the comparison afforded by—

Q. Pardon me, we are speaking of profits. Do you know about the comparative profits elsewhere ?—A. I am answering it in the way it appears to me. To my mind,

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the comparison afforded by the much lower prices in the United States indicate too high profits here.

Q. Now, you have just said that you consider that a man who is turning out a small job should reasonably expect a higher rate of profit than a man who is dealing in larger quantities. Is that right?—A. Yes.

Q. You know, as a matter of fact, that there are several newspapers in the United States whose annual consumption of news print for each of these newspapers is greater than the total output of Canada. Do you know, for instance, that the *New York Journal* uses more in a year than is used in the whole of Canada?—A. I don't know, but I would not doubt it.

Q. What did you find—that there is an unreasonable difference between the prices which you had quoted to you in the States and the prices here?—A. I do not think there is any unreasonable difference.

Q. You have told us that the quotations you got from the States showed that the Inland Daily Press Association which is a combination of newspapers, near the mill out in Indiana, had made a contract of two dollars and eighteen cents, that is right, is it not?—A. I presume so.

Q. But you were also informed in your letter that there was a saving in that contract of forty cents on previous contracts?

WITNESS.—Forty cents is it?

Q. Forty cents, that would bring it up to \$2.60?—A. I might to what I stated a while ago. I have been informed in the last couple of weeks that the price in the United States is two cents.

Q. The letter says: 'I inclose you copy of contract which our association has recently made, making us a saving of from twenty-five to forty cents per hundred from what we have been paying previously.' You have no reason to doubt the correctness of this statement, have you?—A. No.

Q. Very well, you would bring the price previously paid up to about \$2.58 or \$2.60?—A. I have no doubt that those prices would have been paid by the smaller papers.

Q. Just let us deal with the facts as we have them. We have this letter, and this is a large consumer of paper, is that not right?—A. It is a collection of consumers of paper.

Q. They buy in carload lots, I presume, and get the best prices?—A. No doubt, I daresay.

Q. That is why they are associated together?—A. No doubt.

Q. They show here, there is a list of papers showing sixty-eight (68) newspapers, and you are informed that they buy, they make a contract in the name of the association. Now, they may be treated as fairly large consumers, may they not?—A. They are moderate consumers; they are somewhat like ourselves, I presume and other small city dailies.

Q. In the aggregate?—A. The aggregate would make a large order.

Q. And yet they have been paying anywhere from \$2.40 to \$2.60?—A. Apparently they do, and the price coming down has brought it to \$2.18.

Q. Do you know the discount they get in the States? What cash discount do they get?—A. It is stated on that, I think.

Q. Three per cent thirty days; sixty days net?—A. Yes.

Q. At the time they were paying these prices, that is, within the past year, I presume, what were you paying?—A. What is the date of that again?

COUNSEL.—This is March. I am speaking during the past year?

WITNESS.—The eleventh of December, nineteen hundred.

Q. What were you paying at that time?—A. I would have been paying then, I think, \$2.75, if I remember rightly. That would be \$2.75 with the freight discrimination. It depends on which particular order. Our old contract ran for some time after the combine.

Q. What was the contract price under the old contract?—A. The old contract price was \$2.25.



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Q. You were paying in Stratford  $2\frac{1}{2}$  cents on a consumption of from \$1,500 to \$1,600 a year, when this association in the States was paying from \$2.40 to \$2.60 and you think they were discriminated against unfairly ?—A. That was before the combine, that  $2\frac{1}{2}$  cent rate.

Q. I want to know if that would be an unfair price to charge you, \$2.25, when people in the States that consumed probably a thousand times as much paper as you were, and were paying \$2.40 ?—A. I don't know that they were consuming a thousand times as much as we were.

Q. Well, say sixty-eight times as much then, as there are sixty-eight newspapers in this Association. Would you think if you paid the same price that this combination was paying in the States that you were unfairly discriminated against ?—A. This was not a combination when they were paying the \$2.40.

Q. I am speaking of this price of the combination in the States, the Inland Press Association. Do you think you ought to get the same terms that they got ?—A. I think we ought to get something similar to what they got.

Q. And your theory about putting on a greater profit to a small order as against a large order does not hold good then when it comes to be applied to yourself ?—A. Generally carload lots are considered good orders. They would command very nearly the best prices. They are understood to command the best prices, unless it might be in the case of metropolitan dailies.

Q. You don't contend that you are a large consumer ? You are not one of the large consumers of news print in Canada ?—A. Not one of the largest by any means.

Q. One of the smaller ones ?—A. One of the medium ones.

Q. And you don't expect to get the same terms, according to your own theory, as large consumers would get in the States ?—A. I think, buying in carloads, I ought to get as good figures as any consumer, unless it might be the very large users, like the metropolitan dailies.

Q. And the evidence you have given was all based on that theory ?—A. And the difference between them should be very slight.

Q. And all your evidence is based on that theory ? Your complaint is based on that theory ?—A. I supposed it is based somewhat on that theory.

*Re-examined by Mr. Barwick, K.C., representing the Press Association :*

Q. Do you know what prices were paid in the States for paper before the association was formed there ?—A. Before that newspaper association was formed ?

COUNSEL.—Yes.—A. No, I am not positive.

Q. Do you know if prices in the United States are governed by the association ?—A. There is understood to be a Paper Makers' Association in the United States.

Q. Do you know when that was formed ?—A. I don't remember the date. That has been in existence for over a year.

Q. Just over a year ?—A. I am not speaking from definite knowledge.

*By Mr. White, K.C.:*

Q. You are speaking from definite knowledge ?—A. I am not speaking from definite knowledge.

Mr. WHITE, K.C.—I object to this, your Lordship, as the witness is not speaking from his definite knowledge.

*By Mr. Barwick, K.C.:*

Q. I want to know if you know what prices were in the United States when the association was formed in the States ?—A. No, I am not familiar with the state of prices previous to that.



ALEXANDER BUNTIN.

*Examined by Mr. Barwick, K.C., representing the Press Association :*

Q. What is the name of your house, Mr. Buntin ?—A. Buntin, Reid & Company.

*By the Commissioner :*

Q. Of Toronto ?—A. Toronto, yes.

*By Mr. Barwick, continuing :*

Q. Wholesale paper dealers ?—A. Yes.

Q. And jobbers, too ?—A. Yes.

Q. The jobbers of Toronto have had some complaint against this Paper Makers' Association, have they not, and made some formal complaint by a deputation in which you took part ?—A. You can hardly call it a complaint. The jobbers of Toronto are willing to amalgamate themselves with the Paper Makers' Association of Canada and with that end in view, we went down to interview them.

Q. Whom did you interview ?—A. We interviewed the Paper Makers' Association at the general meeting of the Paper Makers' Association.

*By the Commissioner :*

Q. When was that ?—A. In February, the first meeting they held in Montreal, in February, nineteen hundred, I think.

Q. Were you a member of the Association ; were you a member of the deputation, I mean ?—A. Yes, sir.

Q. You went down ?—A. Yes.

Q. Will you be kind enough to tell us what took place at your meeting, and what was the result of your discussions there ?—A. I went down to Montreal in connection with Mr. Gundy of the Gage Company here ; we were deputed by the wholesale dealers to go to Montreal and interview the Paper Makers' Association, with a view to making them a sort of sister association, to accept the wholesale dealers as members of the Paper Makers' Association, because the paper dealers were discriminating against the wholesale dealers in favour of the printers and publishers and the consumer.

That is, the paper dealers had intimated that they were not going to allow the wholesale dealer any margin of profit in handling their goods, only such small quantities that the paper makers would not direct, they would allow us to handle, but they were going to compel all the newspapers to buy on the same conditions as the wholesale men. Well, there was absolutely no possibility of the wholesale man staying in business under those conditions, so I went down to interview the Paper Makers' Association and ask them to do their business through the medium of the wholesale man with the exception of the newspaper trade, which we did not care to touch, because there was no profit in it, and the liabilities to be assumed throughout the country on the small lots and the margin of profit were so small, it did not pay the wholesale man to handle news paper for that class of work, although it payed the wholesale man to handle news paper—at least, what we call news print, No. 3 news print, for job work. For instance, we could not begin to sell any of these papers, like Mr. Dingman, of the *Stratford Herald*, or the *Brantford Expositor*; the wholesale man could not sell them on any margin, but what we could sell, we could handle news print in work where they required it, for dodger work : we get a fair margin of profit in that class of work, but not for news work, and it was to try to get them to make a discrimination in our favour that I went down to Montreal.

Q. Had they made a discrimination against you before you went down ?—A. They had not made any discrimination other than they would sell Mr. Dingman or Mr. Preston at exactly the same price as they sold me.

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Q. They put you on the same basis ?—A. Yes.

Q. How did your wholesale dealers in Toronto learn that ?—A. It did not take us long to learn that.

Q. From whom ?—A. Our travellers simply came in. They would come in to a man and he would say : 'What is the use ? You offer me print at such a price. I can buy from Georgetown or Riordan or Eddy at such a price' and when we send in our orders we find we can only buy them at such a price too.

Q. What did you go to the association for ?—A. To try and get them to give us an opportunity to handle the paper.

Q. What made you think that it was they that had anything to do with it ?—A. Because it was in all the papers : it was public property.

Q. That they controlled it ?—A. No, sir. This association has been practically in force,—well, I was a member of it in 1886, the Paper Makers' Association of Canada ; it is the same association.

Q. But with a new agreement ?—A. Re-organized.

Q. The association controlled prices in exactly the same way which it does now ?—A. Yes.

Q. And it was not formed for the purpose of keeping prices down, was it ?—A. Well, I don't know what it was formed for. It was an association the same as any other association. I don't know whether it was to keep prices up or down. I think it was a natural protection against the losses which the paper makers made.

Q. And the cutting of prices ?—A. Yes.

Q. It was a protection amongst the paper makers to prevent reduction amongst rivals ?—A. Well, there are always houses that will cut indiscriminately, not caring whether they make any profit themselves, thereby forcing other houses to either let the goods go to that house or sell them at a loss. We have had an evidence of that in Toronto very lately, that you have reference to here.

Q. The Consolidated Company ?—A. Yes.

Q. This company that went to pieces for want of credit ?—A. I would not say that ; that might be a little unfair.

Q. That is what Mr. Poole said ?—A. They ran their business on too close a margin ; in fact, they had not any margin at all. It is to prevent this sort of thing that it was formed.

Q. Did the system of fines exist in your time ?—A. Yes.

Q. When a man sold under agreement prices ?—A. Yes, as near as I can remember, in 1886.

Q. And you proposed in your talk at Montreal to come in and submit to fines in the same way ?—A. They did not give us a chance to go that far.

Q. Why ?—A. They told us they did not want us.

Q. Did they comply with your request and give you some concessions ?—A. No sir, we get no concessions.

Q. And it is the same position ?—A. We stand in exactly the same position.

Q. And the same as any newspaper office does ?—A. Yes.

Q. The association fixes the price and you cannot get apart from them ?—A. We cannot buy news anywhere ; we cannot buy news from the States that we could bring in here and sell.

Q. Why ?—A. Because they won't give it to us.

Q. They won't give it to you ?—A. None of the mills would hardly accept an order from us ; first of all the price, with freight and duty, was too high.

Q. Was there an evident refusal on the part of the mills, combined refusal to give you paper to import into Canada ?—A. No, they were too busy.

Q. How is it now ?—A. It is dropping now.

Q. Can you buy paper in the States now ?—A. Yes, I can. I cannot buy news and lay it down here any cheaper than I can buy it from the association here.

Q. What would be the effect of taking off the duty ?—A. You would ruin everybody in the business because you cannot discriminate on what is news.

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Q. But you can bring the paper in here in competition or make the paper makers come down to reasonable prices if the duty were taken down correspondingly ?—A. If you were going to bring it in here free of duty it would make a material difference, or if the Canadian manufacturer came down, but the American mills who sell to Canada will sell at less than they will to the States, because it gets a certain surplus off the American market ; their surplus comes in here. There is usually an allowance made to set off the freight and duty, and by that means they dispose of that surplus from the States.

Q. And make an allowance for exportation?—A. What they call it, is their export price. They put a different duty on that than what they do for home consumption.

Q. Do you import any other paper than news print ?—A. We buy all over the world.

Q. Are the prices of these other papers lower in the States than here?—A. There are a great many papers made in the States that are not made here.

Q. I am not asking of the papers ?—A. They are not the same value ; a paper made in Canada, for instances, the best No. 1 super-calendered book at the price the mills will charge is better than the paper in the United States at the same money There is more value in it. The only thing they can give you in the States, a paper that will do the work, give the effect, but has not the qualities or lasting powers, for less money.

*Cross-examined by Mr. White, K.C., representing the Paper Makers' Association :*

Q. You have been a paper maker as well as a dealer ?—A. Yes.

Q. How long were you connected with the manufacturing part of the business?—A. I served my time at the mills as a paper maker for three years.

Q. You had some acquaintance with the cost prices and selling prices at that time ?—A. Yes.

Q. You know of course now what the association prices are?—A. Yes.

Q. From your knowledge of the business, the cost of manufacture, &c., investment of capital, are the prices charged by the association exorbitant, or are they reasonable and fair ?—A. Well, I know that we stopped at our own mills when I was a machine tender; we stopped making news because we could not make it at a profit, at three cents.

Q. The price at that time was three cents ?—A. Yes.

Q. And you refused to continue manufacturing because it was made at a loss ?

*By Mr. Barwick, K.C. :*

Q. How long ago ?—A. Ten years, 1892.

*By Mr. White, K.C., continuing :*

Q. Of course, in your business you follow the fluctuation of the market ?—A. Yes.

Q. Assuming that this last agreement was made on the thirteenth of February, nineteen hundred, have you any recollection as to the tendency of the market at that time?—A. You did not know where you were going to buy at that time. I paid Mr. Campbell, of the Canada Paper Company, four cents for news, glad to get it, and sold it for four and a half cents, and my customer was glad to give me four and a half cents for it, because there was a scarcity of it. There were several reasons why it became scarce, but I was glad to pay them four cents a pound for news.

Q. During the past eighteen months or since February, nineteen hundred, you are aware that the demand for news print in the States has greatly increased?—A. Yes.

Q. Do you know the reason for that ?—A. No, I don't see why it should.

Q. Are you aware that the Spanish-American war increased the output of the news print by about twenty-five per cent, the demand for newspapers ?—A. Yes, I am aware of that.

Q. You know also in England, the late war in South Africa increased the demand for news print ?—A. Yes.



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Q. Have you followed the paper business here, the possibilities of increasing the supply ; do you know how the mills are working, are they working pretty full ?—A. I know they are all working full time. I know that orders are nearly all behind. That is, when I say that.—orders we have at hand and booked at the different mills are nearly all behind dates of delivery.

Q. Do you know the condition at the time of the fire in Ottawa, was there a surplus, or was it easy to get paper ?—A. There was a scarcity even prior to the fire on account of the difficulty to get stock, in getting chemicals. I know that from our different correspondence we had with English houses. In the second place, coal was scarce, and it was almost impossible for the finer grades of paper to get rag stock. The International bought it all.

Q. If the association had not been formed in February, nineteen hundred, do you consider the price of paper would have remained stationary?—A. No. The price of paper has gone away ahead since the association formed, from what the association made it ; the association price named for news less than carload lots was \$2.75. They never raised that, but I have had to pay four cents, down to \$2.75.

Q. And you have been selling to your customers according to that price ?—A. Yes, I carried just sufficient for an emergency.

Q. The object of yourself and the other members of the Paper Dealers' Association in approaching the Paper Makers' Association was to have them raise the price and give you the advantage, give you a discrimination?—A. We did not ask them exactly in that way. What we said to them, for instance : ' Let the wholesale buy everything, even to his news, and any quantity he may want at two and a half, the carload rate, either in rolls or sheets,' and their price for small lots, under a ton, was three cents at that time. Now, buying it at two and a half and selling it at three cents would give us a half cent margin, and we would make delivery on the same terms as the paper makers did. We could not possibly, as wholesale dealers, put in that paper in carload lots, because having to assort our sizes, because it would not pay us to get that in and sort it out, and it would not pay us to keep our stock complete, and the consequence was, we dropped it entirely.

Q. Now, the association price has been uniform for the past two months, with the usual discount ?—A. Yes.

Q. Have you followed the quotations in the States?—A. Yes, pretty closely.

Q. Have they uniform prices since February nineteen hundred ?—A. They are up and down ; they fluctuate ; they quote almost anything, if a man thinks he will get your order, an export order, he will pretty near figure out so as he will take it at any price.

Q. You have been manufacturing and you know what is meant by a side sheet in the manufacture of paper, when they make very wide paper, wider than is required, you cut off a side sheet. That is done in the States where they have very wide machines ; in filling an order they can run a side sheet ?—A. It is cheaper to run it that way than it would be to change their deckles.

Q. Do you know, as a matter of fact, that that side sheet is very often sold for export in the United States, most of it, at cost ?—A. From a machine tender's point of view, it is only worth less than half a cent a pound, because it is designated in the machine room as 'broke' and it is only taken into inventory as 'broke' at a half cent a pound.

Q. Is that the class of paper which is sent over here ?—A. I could not say that.

Q. Do you know what this class of paper was quoted for ?—A. I don't know. I know that most of the publishers here could hardly be quoted on that class of paper, because they are nearly all sizes and weights, and that side sheet can only be run with some other weight, so it is difficult to get some paper to run the same weight as that side sheet. For instance, 40 x 52, 80 pounds, run with a side sheet, gives you a double demi (40). A double demi forty is the stock size, sells well, and if you run tons of it, it is a safe selling line, but you could not run a 40 x 52 with some other size.

JOSEPH ATKINSON.

*Examined by Mr. Barwick, K.C., representing the Press Association :*

Q. You are the Manager of the Star Publishing Company ?—A. Yes.

Q. You publish the *Evening Star* ?—A. Yes.

Q. And your Company is a considerable purchaser of paper ?—A. Yes.

Q. At Toronto ?—A. Yes.

Q. And you have, I suppose, some knowledge of the workings of the Paper Makers' Association ?—A. Yes.

Q. What has the effect been upon your business ? Will you please tell us in your own words, Mr. Atkinson, how that affected your business as regards what prices were before the Paper Makers' Association came into existence and since ?—A. The first I heard of the Paper Makers' Association, it was mentioned to me as an inducement that I should close a contract which was then in negotiation ; that was in January, nineteen hundred. That contract I did close hurriedly, because I was told the association was in process of formation, and the contract was for one year at a renewal of the terms of the then expiring contract, which was at the price of \$2.23, net cash,—equal to \$2.23.

That contract began on the first of February, nineteen hundred, immediately preceding the formation of the association as I suppose. When the Eddy fire occurred we were obliged to look elsewhere for our paper. That fire made a very great shortage in paper in Canada for the time being, and the best that I thought I could do was to make a contract at \$2.57 delivered.

*By Mr. White, K.C. :*

Q. Your first contract was with Eddy Company ?—A. Yes.

That \$2.75 was a very high price, but we were face to face with the possibilities of a paper famine in Canada and I was obliged to take it.

That price we have continued to pay up to the present time, and the contract is now in force, will be in force for some little time to come.

However, there was one portion of the consumption of our paper which was not included in that contract. For that paper I have been looking about in the past few months for a supply. I have communicated with publishers in the States and they bought some paper from the International Paper Company, New York. The price of that paper was two cents at the mill, Corinth, New York. I got half a carload.

Q. What class of paper ?—A. It was the same as used in the *New York Herald*, Sunday edition, a much better class of paper, I consider than any being used in Canada that I had seen.

The freight upon the half carload was high, as it was more or less a sample order. I did not wish to order a car ; they sent me half a car at the same price, two cents and the freight added, forty-four cents from Corinth. I wrote the Company and they told me that that was due to my only taking half a car, but if I would give them further orders in carloads, the freight could be brought down to twenty-five cents a hundred, which would make the cost \$2.25 delivered in our office, for a quality of paper, as I considered, very much better than the paper which I am using, and better than that which I have seen used in Canada,—Canadian papers.

I also had a visit from the agent of the Manufacturers' Paper Company. That agent offered me in my office, to supply me with paper at \$1.80 f.o.b. near Watertown, with a freight rate of twenty-one cents, making the price delivered in our office \$2.01 without duty, per hundred pounds. That, of course with the duty on was really not much, because there was no use buying paper with that duty on, but without the duty would be a very considerable reduction.



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The next I heard about the Paper Makers' Association was shortly after this inquiry began to be talked about, when I had a visit from the representatives of a couple of mills.

Q. Canadian mills?—A. Yes, and I was asked if I did not want some paper, I said 'yes,' and one of the agents said to me : 'One of these mills has some paper they would like to sell you, and we would like to get your order and we will give it to you at \$2.50.' Well, I smiled and I said I did not think there was much of an advantage and did not think there was any use of talking about it and he said : 'That is the best you can do. That is the Association price, and that is all we can give you.' That, of course, I took to be an indication that at the time of that visit that the association price, which has since been reduced, was maintained by those two mills.

*By the Commissioner :*

Q. When was that?—A. I cannot say, but I recollect I had been in Ottawa in connection with this inquiry, and that is impressed on my mind by the supposition when I saw them, they came to talk the matter over with me. I do not recollect the date exactly.

Q. Within the last month or the preceding month?—A. I don't recollect the date exactly.

Q. That is about all you can tell us?—A. Yes.

Q. In your business, what have you found the effect of this Paper Makers' Association to be?—A. Well, the effect to me was that whereas on the twenty-fourth January, nineteen hundred, a paper mill was willing to make a contract and did make a contract with me at equal to \$2.23, that same mill was unable afterwards to make a contract or did not make contracts afterwards at less than \$2.50.

Q. What mill was that?—A. The Eddy mills.

Q. I am informed you were in Ottawa on the 10th of April; is not that the date?—A. I don't know the date: it was with the first deputation that waited on Mr. Fielding.

Q. Within the last three months?—A. Yes, quite so, representing the Press Association asking for this inquiry.

*By the Commissioner :*

Q. It was after the last resolution by the association?—A. Yes, it was on the occasion when these were presented to Mr. Fielding.

*By the Commissioner :*

Q. After this meeting?—A. Quite so; this meeting was about the 10th of April.

*Cross-examined by Mr. White, K.C., representing the Paper Makers' Association :*

Q. You have a contract now which has some time to run?—A. Yes.

Q. This contract was in force at the date of your interview with the Manufacturers' Paper Company?—A. Yes.

Q. Did he call on you to sell you paper?—A. Yes.

Q. Did you tell him you had a contract?—A. I might have.

Q. As a matter of fact, did you not tell him you had a contract before he quoted you these prices?—A. My contract does not cover all the paper I use, and so I need not necessarily have told him I had a contract, because I was prepared to buy paper, if I could have got it cheap enough.

Q. The quotations you have given us there are for news print?—A. Yes, but I had not contracted for the paper which I was seeking to buy.

Q. In the last instance, you say this representative of the Manufacturers' Paper Company quoted you \$1.80, f.o.b., Watertown, freight 21 cents, what was that for?—A. News print.

Q. And you were under contract for news print at that time?—A. I thought I had explained. A portion of the news print I use, I am under contract for, but there

is a quantity of news print which we use in our business for which I am not under contract.

Q. Did this quotation apply to the paper you were under contract for or not?—A. The contract did not cover the whole consumption.

Q. You used news print that you have contracted for?—A. We print four or five weekly papers besides our daily paper. We have contracts with certain publishers to publish their papers.

Q. Do they supply the paper?—A. We supply the paper.

Q. What does your contract cover, that contract that you have to-day?—A. It covers the requirements of the Toronto *Daily Star*.

Q. Nothing else?—A. As I understand it, nothing else. The people with whom the contract is made understand we are buying paper elsewhere for those other papers, and don't question our right to do that.

Q. What was your reason for not closing at this price?—A. At this price, \$2.01 plus 50 cents for duty, would make it \$2.51; that was not an inducement.

Q. As a matter of fact, you found you could not buy paper in the States any cheaper than you could get it here?—A. With the duty added.

Q. Of course, with the duty added, because there is a duty?—A. My complaint is there is a duty there, under the circumstances.

Q. Really, what you would like to see done, is the duty taken off or lowered?—A. I had no complaint against the duty until the association intervened to influence the price a year ago last January. I had no complaint against the duty, because I considered the rate I was then paying was not an exorbitant rate. I think I have been paying a very exorbitant rate for a year past.

Q. I presume you would be willing to allow the manufacturers a reasonable and fair profit?—A. Yes.

Q. You would not expect to get your paper at cost or under cost?—A. I would expect to get it at the price which the market and which the conditions warranted.

Q. That would include a fair profit to the manufacturers?—A. Sometimes a fair profit and sometimes no profit at all, according to the conditions of the market.

Q. What, in your opinion, would be a fair profit to the manufacturer of paper?—A. I would assume, if an American mill, which has to pay more for its pulp than the Canadian mills, can sell at \$1.80, that our Canadian mills ought to be able to sell at less than \$2.37½.

Q. And the margin of profit to the Canadian manufacturer, do you think would be fair and reasonable,—we will come to the other question later?—A. I don't know.

Q. You are not prepared to say?—A. No.

Q. But you are prepared to admit, that there should be some margin of profit allowed to the manufacturer who has invested a large amount of money in his business?—A. I am certainly prepared to say that a man cannot carry on business below the margin of profit, but quite often a man will sell goods below the margin of profit for one or two months and make it up some other way at some other time, so that if the market is left to itself, the manufacturers may be expected to make a profit, or not stay in business.

Q. You know the practice is, to make contracts for one year or more?—A. Yes.

Q. That suited you at the time to make your contract at the same rate?—A. Yes.

Q. Would that be fair to the manufacturers?—A. Not if the newspaper publishers had an effective combination which prevented any body selling them at a lower price.

Q. You have a Newspaper Association, I understand, a Press Association. There seems to be associations all around to-day?—A. It is not effective as to prices.

Q. So that really your complaint is more a question of the duty than of being charged an exorbitant price by the manufacturer in Canada, is that right?—A. Yes, it would be quite useless to have a grievance against a thing that would not be remedied. The grievance here consists in the fact that the price here is so much higher than we can get it for in the open market.

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Q. Yes, but if the result of it coming in from the United States would be to close up the Canadian mills, would you be in favour of that?—A. I would be quite in favour of running the risk.

Q. Do you think it would be in the interest even of the newspapers to have all the workmen engaged in the manufacture of paper, and the incidental industries such as cutting out the pulp wood and the manufacture of the pulp, manufacture of chemicals, &c., all that enters into the production thereof, thrown out of employment for the sake of giving the newspapers a matter of three or four cents in the price of paper. Would you advocate that seriously?—A. It would depend a good deal on how the manufacturers were getting at three or four cents. If they had combined, I would feel towards them very much like as I would towards a highwayman that took three or four cents forcibly out of my pocket, but if I met him on the street, I would say to him : ' You may have the three or four cents.'

Q. That term 'highwayman' rather grates, you know?—A. Well, I withdraw that.

Q. Let us suppose that the paper you are paying \$2.50 for costs \$2.25 to manufacture and deliver—it is delivered to you, is it not?—A. Yes.

Q. And you get a discount of three per cent, would you consider that would be an unreasonable profit to the manufacturer?—A. It would depend altogether on the output the capital required for the output.

Q. Now, just explain how it depends on the output?—A. Ten per cent upon capital invested of \$30,000 is \$3,000, but ten per cent on \$30,000,000 is \$3,000,000 profit. You see, the profit increases very largely as you increase the capital.

Q. But I suppose, first of all, it is necessary to find the capital?—A. Yes.

Q. Of course, a man must have the capital?—A. Yes.

Q. That involves some previous exertion that you have not taken into account?—A. Yes.

Q. What I am asking you is, whether you consider a profit, say of 10 per cent, an exorbitant and unreasonable profit for the manufacturer to make. Just say yes or no, if you can?—A. I don't think it is possible to say yes or no to that question.

Q. You have no definite opinion on that subject?—A. No.

Q. You had no complaint when you were paying \$2.23 net at that time; there was no association then?—A. No.

Q. You had all the benefits of indiscriminate competition, and that was the price it was costing you at that time?—A. That was upon a rising market.

Q. But still that was the price?—A. Yes.

Q. And the rising market was not caused by the formation of this association? There was a normal rising market?—A. Quite so.

Q. Now, to-day the price net to you of \$2.37½ is \$2.30 with the discount?—A. I don't know; I presume so.

Q. So that the difference to you to-day is 7 cents per 100 pounds, is the difference between \$2.23 and the \$2.30?—A. Yes.

Q. You consider that most unreasonable?—A. Yes, I consider that the market to-day is in a very much better position for the purchaser than it was a year ago last January. When you take into account the market in the United States as well as in Canada, the market in the United States is in a very much better condition for the consumer to-day than it was then, so that, in my opinion, the \$2.30 to-day is more than 7 cents higher relatively than the \$2.23 that we had a year ago last January, but that \$2.23 I paid was not the lowest price in Canada. I did not get the best price then. There were prices much lower than that within a couple of months time, so that the \$2.23 is not to be taken as a low water mark for non-association prices.

Q. But to-day you are getting a uniform price?—A. It has the virtue of uniformity.

Q. Uniform discounts too. Now, you say that \$2.23 was not the minimum price; it was not the maximum price at the time of this contract?—A. So far as I know, it was the highest price for paper, consuming anything like the quantity we consume. I was hurried to a conclusion by the Paper Association over my head.

Q. And also by the fact that you knew that the market was rising ?—A. The market had risen to \$2.23.

Q. And was still rising ?—A. Well I don't know. I was quite willing at that time to take my chances on the market rising and get the paper week by week.

### EVIDENCE TAKEN AT TORONTO, 5TH JUNE, 1901.

SYDNEY STEPHENSON.

*Examined by Mr. Barwick, K.C. :*

Q. You are the proprietor of the *Chatham Planet* ?—A. Yes.

Q. And are a considerable purchaser of paper, I presume, too ?—A. I buy in fair quantities.

Q. You have some knowledge, I suppose, of the workings of this Paper Makers' Association ?—A. I believe I have had.

Q. Will you be good enough to tell us what the results of your observations as regards the workings of that association are ?—A. My paper contract expired in the early part of last year. I was then paying \$2.10 delivered.

At the expiration of that contract, the next best price I could get was \$2.75 and I had to pay my freight.

Q. That you found was the general price everywhere ?—A. That I found was the general price everywhere amongst manufacturers with whom I had correspondence, I also discovered, that my competitor who lives fifty miles beyond me could get his paper delivered free, whereas my town not being a competitive point we were compelled to pay our freight in addition to the regular price of \$2.75, which made it very hard upon publishers like myself.

Q. You are speaking of Windsor ?—A. Yes, the paper was delivered, carried through Chatham, and delivered in Windsor free, but I was compelled to pay the same price as was arranged by the combination.

Q. Chatham not being an equalization point ?—A. Not an advantageous point.

Q. What was the price you were paying ?—A. Two dollars and ten cents.

Q. To whom ?—A. The Riordan Mills, of Merriton. I remonstrated with the paper mills, and the matter was left in abeyance for some time until an answer could be given to my protest, and I found that they were not able to change the arrangement that they compelled me to comply with.

Q. That is, the freight arrangement ?—A. Yes.

Q. To whom was that complaint made ?—A. To Mr. Stephenson, a namesake of mine, no connection.

Q. Who is he ?—A. He is the secretary of the Riordan Paper Company.

Q. Your complaint was made to him ?—A. Yes.

Q. Was that made by correspondence ?—A. Yes.

Q. Have you the correspondence with you ?—A. Yes.

Q. Allow me to see it, please ?

Copy of letter, March 22, 1900, produced, as P—16. Letter to Jenkins and Hardy.

'DEAR SIRS,—I am much surprised to find in the arrangements of your petitions of delivery of paper, Chatham should have been omitted, when such points as Sarnia and Windsor have been allowed, when double the quantity of stock is consumed here each year than at either of the points mentioned.



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'I would be glad to know the reasons advanced (if any) why such a conclusion was arrived at, and cannot believe the association is desirous of being a party to such a manifestly unjust act.'

Letter from Jenkins and Hardy, filed as Exhibit P—17, as follows:—

'March 22nd, 1900. *Re* Paper Makers' Association of Canada.

'We beg to acknowledge receipt of your favour of the 22nd instant, which we will lay before the association at its next meeting, when the matter will have due attention.'

Letter from Riordan Paper Mills Company produced as Exhibit P—18, as follows:

'July 10th, 1900. Dear Sir,—Our recent quotation for print paper was for car lots; if in less than car lots, price would be 3 cents f.o.b. Windsor. Terms three months of 3 per cent thirty days.

'Trusting that our figures are acceptable, and to be favoured with your contract.'

Letter to the Riordan Paper Mills Company, dated July 12, 1900, filed as Exhibit P—19, as follows:—

'DEAR SIR,—I am just going west, but upon my return will find your answer awaiting me.

'You say f.o.b. Windsor. Please explain if this means that you will allow me the same freight as if it was billed to Windsor, and that the paper will be consigned to this point, and if so, please give me an approximate on a car. I have offers at the same as you quote from travellers, but I have not discussed the matter with other parties up to the present.'

Letter to the Riordan Paper Mills Company, dated July 19, 1900, filed as Exhibit P—20, as follows:—

'DEAR SIR,—I would simply look upon such a discrimination as dishonest, and I can only express my amazement that the manufacturers of paper would be parties in such small-minded legislation. Individually, I can only assume that you opposed the enforcement of such a measure, and I have yet to meet a single representative of any paper mill in Canada who does not ridicule the motion, and say "Our hands are tied."

'I would rather lose double the amount than to know that I had to submit to such a ruling, however, I suppose I must submit to the inevitable and await my time until the tables are turned.'

Letter from the Riordan Paper Mills, dated July 20, filed as Exhibit P—21, as follows:—

'DEAR SIR,—Your favour of the 19th instant is received. We quite agree with you that there should be no discrimination in freight. Some time ago we applied to have Chatham put on the delivery list, only on your account, as we sell no one but yourself in Chatham. We are personally taking up this matter, and hope to report success. In the meantime, we are unfortunately not in a position to allow any different freight.'

Letter from the Riordan Paper Mills, dated August 17, filed as Exhibit P—22, as follows:—

'DEAR SIR,—We are in receipt of your favour of the 16th inst. The oversight on our part was in failing to advise you, that we could not fill your order by shipping it to Windsor. We took steps to learn if this could be done, and not violate existing freight arrangements. We found we could not do so and apparently did not advise you, as we fully intended doing.



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'We can sell you in no other way than invoiced, and as we are trying to have Chatham made a delivery town, trust you will appreciate our position in the matter.'

Q. Mr. Stephenson, you do a large job business, I understand?—A. Yes.

Q. Has the Paper Makers' Association affected you in your buying papers for the jobbing trade?—A. Oh, yes.

Q. Now, tell us in what way; explain that to us?—A. We are buying, of course, our jobbing papers largely outside of the country. We are buying in England and also in the States, and really I am not familiar with the current prices of papers in Canada as perhaps as much as I should be, as I buy very little paper in Canada for the last year and a half, in consequence of the increase in price.

*Cross-examined by Mr. White, K.C., representing the Paper Makers' Association :*

Q. So far as job papers are concerned, you find you can buy all your requirements more advantageously outside of Canada than you can here, notwithstanding the fact that there is an association?—A. Yes.

Q. Now, Chatham to-day is an equalization point, is it not?—A. Within the last three weeks only.

Q. Is it not a fact that it was changed in January last?—A. No.

Q. You are quite sure of that?—A. I am positive of it.

Q. Have you any other correspondence relating to this matter?—A. My invoices will bear me out.

Q. I am speaking of correspondence?—A. No, none that I know of. I think not.

Q. Have you a letter from the Canada Paper Company in January, 1901, advising you of the change?—A. I have not. I may have received one, but I am not aware of it.

Q. You don't recollect?—A. Change in freight rates in January?

COUNSEL : Yes; making Chatham a delivery point.—A. No, I have not.

Q. I might tell you for your consolation that that is a fact?—A. I think you are wrong. It is as far as London. I was advised the freight was made to London, not to Chatham.

Q. Now, when you are dealing so much with the United States in other papers, I presume you made inquiries as to buying your supply of news print there?—A. I have not, but I made inquiries as to the current prices of news in the States.

Q. You buy your paper as an ordinary business man would, where you can get it to the best advantage, and you have contracted for news print in Canada?—A. Yes.

Q. As a matter of fact, your contract is in Canada?—A. Yes.

CHARLES N. ROBERTSON.

*Examined by Mr. Barwick, K.C., representing the Press Association :*

Q. What is your position in the Ottawa Journal?—A. Secretary-treasurer of the company and business manager of the Journal.

Q. You have some knowledge of the Paper Makers' Association?—A. Contracts for the paper are made by myself for the company.

*By Mr. Barwick :*

I understand Mr. Robertson has written down the position in the form of a letter, and with your Lordship's permission, I would ask him to read that, and then hand it in to you. He summarized his evidence with a view of handing it to you.

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*By the Commissioner :*

Let him refresh his memory by looking at his notes.

*By Mr. Barwick, K.C. :*

Q. Tell us what the effect has been. Read that slowly.—A. The *Journal*, previous to the fire of April, 1900, had purchased its paper almost exclusively from the Eddy Company for some years. The price had gradually been reduced during this year. During 1896 the price paid was \$2.75 per 100 pounds; that is, of course, delivered at the *Journal* office, settlement being made by sight draft. In February, 1897, the price was reduced to \$2.65, the settlement being the same, and in June, 1897, it was further reduced to \$2.50. In August, 1897, it was reduced to \$2.35, and in August, 1898, one year afterwards, to \$2.30. In October, 1898, the Canada Paper Company tendered for the *Journal's* supply of paper at \$2 per 100 pounds, net cash, laid down in Ottawa at the *Journal's* office. The Eddy Company, through their representative, Mr. Hall, verbally tendered at \$2.20 less 3 per cent. The Canada Paper Company's paper on trial did not suit the *Journal* and the Eddy Company, on the 22nd of November, accepted an offer from us at \$2.03 per 100 pounds net cash.

Letter from the E. B. Eddy Company, of November 22, 1898, filed as Exhibit P—23, as follows:—

'DEAR SIRs,—This is to confirm the contract made between your good selves and us by your Mr. Robertson and our Mr. Hall this morning, whereby we sell and you agree to buy from us your full supply of No. 3 news in rolls for one year from this date (or if you prefer to the end of 1899); we to take advertising space in the *Journal* to the extent and value of \$240 per year, that is, \$20 per month, provided your purchases amount to 200 tons over the year. The two contracts, for paper and for space, to run concurrently.

'If the foregoing is correct and acceptable to and accepted by you, please so advise us by return of mail when our advertising department will at once send you copy for advertisement to be inserted.'

*Witness continuing :*

The price of \$2.03 was to run as per this letter, for one year, and we continued purchasing paper from the Eddy Company during this year, which ended on November 22, 1899.

At the expiration of the contract, the arrangement was not disturbed and we continued with the Eddy Company on the same price and terms up to February 14, 1900, when the Eddy Company's representative, Mr. Hall, called on the *Journal* and stated that our contract had expired, as we were probably aware, and that the Eddy Company would have to ask an increase in price. On being asked what the price would be, he stated an increase of 10 per cent, bringing the price up to between \$2.20 and \$2.25, and that we could obtain a contract for the year at that price if we wished.

On being asked whether his firm desired to have the matter settled at once, or if a few days could be given to consider the matter, he intimated that there was no haste, and being asked to call in two weeks, he stated that he would.

In the interval having been advised that a movement was under way for the formation of the Paper Makers' Association, which would probably increase the price, we accepted Mr. Hall's offer as per our letter of February 22, 1900.

This letter is filed as Exhibit P—24, dated Ottawa, February 22, 1900.

'MR. ALBERT E. HALL, The Eddy Co., Hull, Que.

'DEAR MR. HALL:—

'With reference to your request for an increase of 10 per cent in the price of our paper supply—the undersigned has gone over the matter carefully with our Mr. Ross,

and we see no occasion, nor have we any desire to look elsewhere for our paper. You were to call the last of the month or the first of March for our reply. We hope that if your firm cannot do better by us, you will at least retard for a time the putting of the price into effect. When you have put it into effect, if you will call upon us with any agreement which you desire to have us sign for the year's contract, we will sign it.'

Witness continuing :

In reply to this acceptance we were informed that the offer did not hold good unless accepted at the time. We endeavoured to bring home to the Eddy Company the fact that their offer had been made and had been accepted by us in good faith and besides seeing them, we also wrote them on March 7.

This letter is filed as Exhibit P—25, from the *Journal* Printing Company to the Eddy Company, of date March 7, 1900, as follows:—

'We have your favour of March 5th, and in connection with the conversation I had with you yesterday we beg to inclose our business manager's statement as to the view he took of the offer of your Mr. Hall on February 14th, to contract for our year's supply of paper at 10 per cent advance, i.e., at \$2.23.

'You will readily understand that had we not been perfectly sure that the order was open to acceptance until after March 1st, we would have closed at the time. We can understand your position when you assure us, that your arrangement with the Canadian Paper Makers' Association does not admit of your making contracts except at their rates. We trust that the fact that we accepted your offer in good faith and that had it not been for your arrangement with the Paper Makers' Association, you would have carried it out, and adding to this your often expressed desire to give us every assistance, will permit of your giving us this price, with the sanction of the Paper Makers' Association, or at any rate a substantial reduction in the present rates. We trust you (and they on the presentation of the case to them) will take the matter under favourable consideration. In the meantime, we understand that pending reference to the Paper Makers' Association, we have the option of a contract for a year, at \$2.50 per 100 pounds, dating from March 1st., subject to your usual trade and cash discount.'

By Mr. White, K.C. :

Q. You have personal knowledge of all the matters you are speaking of?—A. Yes, sir. I might add in that connection, of that dispute that arose, was the question as to whether Mr. Hall's offer should stand open until the 1st of March; he clearly made the offer so that it would stand open. He said he would call for our answer on the 1st of March. This was on the 14th of February, at least two weeks before. I looked at the calendar and asked him if he would call in a couple of weeks. The only object was to put the evil day off as much as possible.

Q. That is Mr. Hall of the Eddy Company?—A. Yes, I believe the Paper Makers' Association was formed on the 20th of February, and I had information that came to us through one of the employees of the Eddy Company. We were told this meeting was being held, and that the prices of paper would very likely go up, and we had better get an acceptance from the Eddy Company of this open offer, and the acceptance was sent to them and they stated that the offer was not made good for any length of time. It should have been accepted at once, and I said we inclosed with that letter, my statement, the business manager's statement. There is the statement we inclosed to the Eddy Company.

Statement of the *Journal's* business manager to the E. B. Eddy Company :

'OTTAWA, March 7, 1900.

'DEAR SIRS,—On or about February 14th your Mr. Hall called upon us and stated that since our contract had expired, it would be necessary to increase the price which

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we were paying for paper. When asked what the increase would be, he stated 10 per cent. Upon expressing the hope that the Eddy Company would give us time to look into the matter and give our answer, he stated that there was no desire to be urgent, and when it was suggested that he should call in two weeks, being the last day of February or the first day of March, he agreed to it.

'On going over the matter with our managing director, we arrived at the conclusion that no advantage could be derived by looking elsewhere, and that the increase was not an unreasonable one. Adding to this our pleasant relations with the Eddy Company, we concluded to accept the offer, which we did on the 22nd February. Much to our surprise, however, we were informed that the offer of your Mr. Hall was made subject to immediate acceptance. Your Mr. Hall said absolutely nothing about immediate acceptance, but, on the contrary, agreed to call in two weeks. We naturally presume, as we think any one else would, under the circumstances, that he would call for our reply if not sooner received.

'The above facts, added to the fact that had it not been for the agreement reached on the 20th February by the Canadian Paper Makers' Association, would have resulted in our obtaining a contract at \$2.23, will surely entitle us to consideration at your hands.'

After sending that letter with the inclosure, both Mr. Ross and myself called on the Eddy Company. I saw Mr. Rowley and Mr. Eddy together in their office. They stated that owing to the arrangement entered into with the Paper Makers' Association, and seeing that our acceptance of their offer did not reach them prior to that time, and that, in fact, so far as their firm was aware, they had nothing to show that such an offer was made to us. They, therefore, were compelled to repudiate any offer which their Mr. Hall might be considered to have made. During the conversation Mr. Eddy stated that they could not lay themselves open to the penalty which would be imposed by the Paper Makers' Association for the violation of the agreement, and it was brought out that that penalty was \$1,000.

Now, Mr. Eddy brought this out this way. He did not state plump open that there was a penalty of \$1,000, but on looking around he said: 'Now the price of commodities have gone up, and besides that, while we value your trade, we are not prepared to forfeit any sum of \$1,000 for the sake of taking you on, and breaking the Paper Makers' arrangement. The amount of \$1,000 was mentioned that time by Mr. Eddy. He did not mention that it was a fine. He mentioned they were not prepared to forfeit that amount to get our trade by breaking their rules.

*By Mr. Barwick (continuing):*

Q. What you mean to say is you inferred that it was a forfeit of one thousand dollars?—A. Yes. The amount of one thousand dollars was discussed afterwards with the Eddy Company, and they stated there was no fine.

The only conclusion we could arrive at was, since this was only a few days after their first meeting, the fine must have been arranged by that time, but there was a plain statement that there would be a fine if they did consider that.

Q. It appears from the evidence yesterday that the fine was \$500?—A. It was further stated by Mr. Eddy that there would be no way of covering up the fact that our acceptance had not reached them prior to the formation of the Paper Manufacturers' Association, which we understand was formed on the 20th February, and that they would do nothing to show that an offer had been made us and that this would be shown, as their business was open to the inspection of duly accredited representatives of the Paper Makers' Association. The Eddy Company would not bill us until the prices were fixed by the Canada Paper Makers' Association; a notice to that effect was sent us on March 5th.



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Notice referred to is filed as Exhibit P—27, dated Hull, 5th March, 1900, as follows :—

‘DEAR SIRs,—Inclosed please find specifications for paper shipped you on the 20th instant amounting to 5,006 and 4,964 pounds for which we will send you invoice as soon as the price and terms fixed upon by the Canadian Paper Makers’ Association have been advised to us for this paper product, but you may be sure that not only will you have as low prices, but the best attention, as prompt delivery and the most favourable terms and discount going, for we are, in this as in all other matters, always with pleasure at your service, and only regret that you did not take advantage of the opportunity offered on a rising market by contracting for your requirements over the year with,

‘Yours truly,

‘THE E. B. EDDY COMPANY.’

They wrote us on March 10 inclosing the terms.

Letter of March 10, from the Eddy Company, filed as Exhibit P—28 as follows :—

‘DEAR SIRs,—Inclosed please find invoice and specifications for shipment of roll news to you under date of 28th February, 3rd, 6th, and 9th instant, weighing in all 18,780 lbs., which, subject, if you please, to the approval of and confirmation by the Paper Makers’ Association of Canada, or otherwise to necessary alteration and advance in price we have invoiced you at \$2.50, and beg leave to say that as the uniform quantity price for roll news, as fixed by the C.P.M.A. is \$2.50 for car-loads ; \$2.75 for two ton and up lots ; \$3.00 for less than two ton lots, with an advance of 25 cents per 100 for similar quantities of ream news and a further advance or extra charge for frames or any frames news, we have invoiced you this lot at the minimum price in effect for the maximum quantity, and if you please to confirmation of our action in this connection on your behalf, as stated above ; and we have to add that if you are inclined to do so, we are ready to enter into a contract with you at current prices although the market is steadily advancing, for your requirements over the year 1900, and to say that if you will name a day when we may call upon you, we will with pleasure do so, meanwhile remaining Yours Truly.

P.S.—This will serve to confirm the conversation had with you and to acknowledge your letter of the 7th.’

WITNESS (continuing).—During all the time we had been getting our paper from the Eddy Company, it had come up in wagon-loads, the reason being that our office is situated less than a mile from the place where the paper is made, so no railway facilities would equal the wagon facilities, and, of course, it was developed that we would require to pay \$2.75 if we got it in wagon-load lots, and if we could take it in car-load lots we could get it at \$2.50. We were willing to give an order for car-load lots, but we wanted it delivered in wagon lots as our storage place was limited. They stated they would deliver it in wagon-load lots, but they would bill us at the car-load lot price, subject to the ruling of the Canada Paper Makers’ Association. The rules were that they wished to have the paper makers’ permission to bill us the car-load price for wagon-load lots, because wagon-load delivery was the only delivery that could be made to us in Ottawa, unless they put their wagons on and delivered a full car-load in one day.

We wrote them on the 12th March asking for information as to how they would act.

Letter dated March 12, 1900, from the Journal Printing Company, filed as Exhibit P—29 :—

‘DEAR SIRs,—We have yours of the 10th March. We understand that you invoice at \$2.50 per 100 lbs., subject to the permission of the C.P.M.A. to deliver in wagon-load lots. Also that you are ready to enter into a contract with us at current



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prices for our year's supply. You also intimated in your conversation that the option to enter into this contract at present current rates would hold till after you got a decision from the C.P.M.A. as to delivery.

'Please advise us if our understanding of the matter, as above, is correct. In this event we will be glad to have you inform us as soon as you have the decision of the C.P.M.A.'

On March 16, we were told by letter that a reply would be retarded until the return of their managing director who was attending a special meeting. That was in answer to this letter which has already been filed.

Letter of March 16 from the Eddy Company, filed as Exhibit P—32, as follows:—

'DEAR SIRs,—The reply to your letter of the 14th inst. will, if you please, be delayed until the return of our managing director, who is at present attending a special meeting of the Paper Makers' Association.'

In looking that over, it looked to us this way, that we would bind ourselves to the contract of \$2.50, and if the Paper Makers' Association ruled that we would require to take it in car-load lots, why, we could not do that, and as a result we would be tying ourselves to pay \$2.75. So we wrote them asking further particulars.

Letter March 14, 1900, to the Eddy Company, filed as Exhibit P—31, as follows:—

'DEAR SIRs,—We have yours of the 13th, but it does not make clear to us the points we desire to be informed on. May we ask your reply to the following:—

'1. Have we an option of making a contract with you for a year's supply at \$2.75 per 100 lbs. in wagon-load lots, or \$2.50 in car-load lots, delivered (less 3 per cent 30 days), and will this option hold good till after we hear from you the decision of the C.P.M.A. with reference to the question of delivery?

'2. If the C.P.M.A. decides to permit wagon-load delivery at \$2.50, will the amount delivered thus previous to their assent be \$2.50?

'3. If they do not assent, and we contract for car-load lot delivery at \$2.50, will what has been delivered to date be at the car-load rate of \$2.50?

'4. If we make a contract for a year with you at present or after we hear from you *re* C. P. M. A., and there is a decrease in price during the year, will we get the benefit of it?

'5. When do you expect a decision from the C.P.M.A.?'

This was the reply which we received from the Eddy Company of the 16th March:

Letter March 16, 1900, filed as Exhibit P—32, as follows:—

'DEAR SIRs,—The reply to your letter of the 14th inst. will, if you please, be delayed until the return of our managing director, who is at present attending a special meeting of the Paper Makers' Association.'

While these letters were going backward and forward, we, of course, were trying to see if we could not get a supply elsewhere in Canada. We tried the Canada Paper Company, the Riordan Paper Company, and, I believe, the Dominion Paper Company. Each of them regretted that they could not see their way clear to take us on, although previously they had been looking for our business.

Q. Have you got these letters?—A. They were personal calls I made.

Q. Did the representatives of each one of these companies call?—A. No, I called on three paper companies; in March I called on the Canada and the Dominion Paper Companies, and the third was Rolland, but if I remember right they were not making No. 3 news at that time.

Q. Now, that is rather interesting about this conversation. I would like to hear a little more about that?—A. The Canada Paper Company had tendered for our supply just previous to that. When I called I saw Mr. McFarlane, the manager.

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Q. What was their tender?—A. The tender that had been made a year previous by the Canada Paper Company was \$2.

Q. Did they give a later tender?—A. No, because we were under contract all the time with the Eddy Company.

Q. You went to the Canada Paper Company in Montreal. When was that?—A. That was in the first few days of March.

Q. Whom did you see?—A. Mr. McFarlane.

Q. Is he the representative in Montreal?—A. Yes.

Q. Tell us the conversation you had with him?—A. We wanted to know why he could not take us on. He said that they were full up; the increased circulation caused the newspapers by the Boer war had tended to take up all the supply that they had, and he also intimated that the cost of production may have gone up some, but the trouble was not so much the cost of production as it was that they had reached the limit of their capacity.

They were supplying the *Star* and other papers under contract, and the full production of their mill was taken up, and they could not see their way to let us have the paper at that time, although at the time of the Eddy fire they obliged us with some paper when we were short.

Q. The Paper Makers' Association was not discussed with Mr. McFarlane?—A. It was, I think. Yes, I am sure it was, but there was nothing brought out in the conversation dealing on this. If I remember, Mr. McFarlane was very careful in his conversation.

Q. What was the other company you went to?—A. I would not be positive. At the Dominion Paper Company the conversation was of a similar character; that they had no paper to spare.

Now, during a time, and the days following we had been trying to secure arrangements elsewhere; the Eddy Company intimated to us that they heard we were looking elsewhere for our paper, and as it seemed to us that it was a case of having to abide by the Eddy Company, if at all, we wrote them on March 23.

I might state that the Eddy Company seemed to be in possession of the information that we had been dickering with the other manufacturers. Of course they did not say so, but it was the only inference we could draw, and therefore to appease them we wrote this letter.

Letter March 23 to the Eddy Company, filed as Exhibit P—33, as follows:—

'DEAR SIRs,—In reply to yours of March 22nd, we beg to state that the *Journal* does not intend to make arrangements to get its paper from other than the E. B. Eddy Company pending your reply to our last letter. This reply, we would, of course, like to have as soon as you are in a position to let us have it in a favourable manner, i.e., after the P. M. A. has sanctioned the wagon-load delivery clause.'

WITNESS (*continuing*)—Lest it might be thought we were acting unfairly with them. I may state that we gave them as our intention that we were not looking elsewhere because we had been looking elsewhere and we could not get any paper in Canada, and it simply was a case of the Eddy Company or no one else.

Finally their representative called on the 12th of April, and we dictated a letter. I might say that their representative who called on us was their head paper-maker, Mr. Lumley, and not their usual representative, Mr. Hall. Mr. Lumley told me Mr. Rowley was out of town and the Eddy Company were open for business and if we wished to make them an offer to purchase paper at the Paper Makers' Association price, he did not see any reason why they would not contract with us. You will note that they would not give us a contract at \$2.50, but Mr. Rowley was out of town and Mr. Cushman was there, and Mr. Cushman might undoubtedly accept the offer we might make.

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The offer we made was this :—

Letter April 12, to the Eddy Company, produced as Exhibit P—34, as follows:—

‘DEAR SIRS,—If agreeable to you, we will close a contract with you for twelve months from date for our full supply of our number three news. Price, two dollars and fifty cents per 100 pounds, less 3 per cent for 30 day draft. We will have pleasure in acknowledging your acceptance.’

We received on the 13th of April an acceptance from them, signed by Mr. Cushman, Secretary-Treasurer.

Letter from the Eddy Company to the *Journal* of April 13, filed as Exhibit P—35, as follows:

‘DEAR SIRS,—We are in receipt of your proposal for contract for full supply of No. 3 news of the 12th instant to our Mr. Lumley and have pleasure in acknowledging the acceptance of the contract at prices and terms named by you therein.’

WITNESS (*continuing*).—I have a little statement here which I think I will read. It might not reflect very creditably on the Eddy Company, but it was the only deduction we could make.

Q. Leave that out. I only want you to state the facts of the case?—A. We had been getting our paper from the Eddy Company until the time of the fire, and this fire occurred on the 26th April, 1900. Of course, this fire destroyed all the plant and the mill and after that fire we sent out numerous applications for paper, but owing to the greatly inflated circulation at the time owing to the Boer war, most of the Canadian paper-makers had the entire output sold. Some of them wanted an increase in price owing to the shortage caused by this cause, and the wiping out of the Eddy Company’s plant.

C. W. Thompson, of Newburg, agreed to supply us paper at \$2.75, less 3 per cent, 30 day draft. This was the terms of the Paper Makers’ Association except that he tacked on 25 per cent additional. He promised to send us a carload on trial first and we could make a contract afterwards if we desired. The paper was not quite satisfactory, but it was as good as was available at the time and as he could not supply us with a carload at one time, it left us free, and we were not obliged to make a contract and tie ourselves indefinitely or for a year, so that we continued taking from him off and on until the close of September, when, owing to the unsatisfactory supply, we had to stop taking from him. During all that time he had sent us a carload and we were obliged to make a contract if we wanted to continue. He had sent us equivalent of three or four carloads, but they came in small lots. We telegraphed most of the paper manufacturers at the time of the fire and they did not care to take us on. Forde and Company of Portneuf said they would come to see us. The senior member came to see us after the fire. He said they had been making wall paper and he stated his machines were fitted up to make No. 3 news, and he said he would switch over to No. 3 as there might be a scarcity of No. 3 in the country and he could make money on it. I asked him what the terms would be. He shrugged his shoulders and he said: ‘Of course they have to be the terms of the Paper Makers’ Association.’ He said: ‘We have not been making paper, although we belong to them and I will have to make sure what the terms are,’ and I told him what the terms were, so after we told him the terms, we made arrangements of this character, much the same as with the Thompson Company, which he accepted.

Letter, April 30, 1900, filed as P—36, to Forde and Company, as follows:—

‘DEAR SIRS,—In conformity with the conversation held with your Mr. Forde, will you please book our order for a carload of No. 3 news to be 38½ inches wide and of a weight such that 100 papers of this width and 23½ inches in length (two sheets) may be obtained out of 13½ pounds.



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'We will ask you to be so good as to send us on this order, as soon as possible, about a dozen rolls, in order that we may try the paper. If we find it satisfactory we will ask you to send on the balance and it will be understood between us that should we desire we may have the privilege of entering into a contract with you for our year's supply of 38½-inch paper, the price to be \$2.50 per 100 pounds, f.o.b. Ottawa, less 3 per cent for thirty-day draft, and this price will also apply to the lot ordered above; the paper in style and finish to approach that given your Mr. Forde.'

It turned out that this paper was much too heavy. They had not been making paper and of course, had no expert paper-makers. After they had sent us a provisional lot, they sent us the balance of the carload. The difficulty was to send us the first few rolls and not bill the first few rolls at \$2.75, but that was gotten over by giving an order for a carload, of which they sent out first a few rolls.

During the month of August, 1900, the Riordan people started supplying us with paper at \$2.50, less 3 per cent, and we continued taking from their mill until December or January of 1901. Their supply was very unsatisfactory, and they stated that the trouble was with the lack of water. I believe there was a short supply from the Welland canal for one of their mills, and they sent us several very nice letters regretting that they could not overcome it and hoped we could overlook the matter, but one day when I was away from the office, we ran short of paper, and Mr. Ross cancelled the contract.

We had been approached several times by the Laurentide Company, and as late as December, 1900, their representative, Mr. Gascoigne, called on us and wished to know if we were at liberty to make a contract. We stated we were at liberty to make a contract. We said that the Riordan Company had failed in carrying out their obligations and that if we wished to cancel that contract, we could. So, when I told Mr. Gascoigne we were at liberty to make a contract if we desired, he wanted to know if the price would not interest us, and I asked him whether the price would be different from that of the Paper Makers' Association, and he said they could make a price different from the Paper Makers' Association, the reason being that they were not members of the Paper Makers' Association, and he was feeling around to see whether we would likely make a contract, and I was feeling around to see what the price would be, and he wished to know whether I could not make a contract now, and I told him the Riordan people had treated us very well and I did not feel like cutting them off short without another little trial, and when he heard that he said: 'You must not consider this is a quotation, but' he said, 'I would advise you to make arrangements now if you are going to make an arrangement.' He said: 'Mr. Alger has been approached several times to enter the Paper Makers' Association, but has not as yet joined, but I think he will join shortly.' He is the manager of the Laurentide Pulp Company. He said: 'I think he will join shortly and of course if he does join the prices will be the prices of the Paper Makers' Association, and you will lose your opportunity of getting it at a lower rate.'

I did not close with him at the time, and I asked him after whether he did not join the Paper Makers' Association, whether the price would go up. The price did not go up but became cheaper in fact, as the circulation of the papers was falling off and he said: 'No, if they join, they would require to hold to the arrangement; that there was a fine imposed for not holding to the arrangement, and' he said, 'Of course, if the Laurentide joined they would not be bothered by the fine, but they would want to live up to the rules of the Paper Makers' Association.'

Finally, at the end of January, when we broke with the Riordan people because they let us run short on two occasions and we had no paper, we entered into correspondence with the Laurentide Company, and as a result made a contract, and of course, this contract had to be at the Paper Makers' price, because they were then members of This is a side issue, I might say, that we had tried at the time of the fire to get paper This is a side issue, I might say, that we had tried at the time of the fire to get paper from the American manufacturers. We wrote several and we could not get any reply.

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That would indicate that we could not get paper over there. We wrote two firms in Watertown, which afterwards apparently turned out to be controlled by the International Paper Company.

We wrote three times to the International asking them because all these mills directed us to the International, but we got no reply in answer to the three letters we wrote them.

I mentioned this to Mr. Alger once, and the only reply I got was a smile. I asked him the significance of the smile, and he said they would not come into Canadian territory, and it did not bother the Laurentide Company at that time because they were shipping almost exclusively to the British market.

I might add that of the various letters submitted, originals to those produced are in this letter book if they are required.

*Cross-examined by Mr. White, K.C., representing the Paper Makers' Association:*

Q. You have no further letter from the International?—A. No, sir. We wrote them three times but got no reply.

Q. How long have you been in your present position as manager?—A. Between four and five years. I have been with them about eight years.

Q. You know the Journal, or the representatives of the Journal, are members of the Press Association of Canada?—A. Yes, sir, I am a member of the association and so is Mr. Ross.

Q. And you have been active in the legislation which has led to this Commission?—A. Mr. Ross has taken a more active part. He is the proprietor, practically, of the Journal.

Q. Does the Journal Company do job work as well as newspaper?—A. Nothing but newspaper, and we use nothing but No. 3 news in rolls.

Q. Now, these facts that were stated to you by Mr. McFarlane, that the supply of paper in Canada was running short, that the demand had been greatly increased by the consumption of the newspapers owing to the war, etcetera; you have no reason to doubt these facts, have you?—A. No, sir, not that the supply was fully taken up; we have no reason to doubt that. I have no doubt that the statement made by Mr. McFarlane that all the available paper which the manufacturer produced was taken up on account of the inflation of newspapers.

Q. Why did you say that within a very short time afterwards the Canada Paper Company were able to supply you?—A. They were very kind to us at the time of the fire. They shipped us four or five rolls by express to get our next issue out. We bought various lots at three cents.

Q. Was it not told you that they could not take a regular contract at that time; that this was a matter of accommodation simply?—A. I believe they probably said that.

Q. And how much did you get altogether?—A. I could not state positively, but during that time I think it was over a carload; probably less.

Q. You might state the circumstances under which you ordered this carload; how did you order it?—A. We telegraphed for some, and we wrote for others, and I was in Montreal, I think, and saw Mr. McFarlane about it. He was particular to explain that they wanted our contract, and wanted it very badly, because he stated the supply of paper for newspapers would not be so large very soon and he wanted to take us on. And he said finally that the trouble was not so much the question of cost as it was a question of having all their capacity taken up by present contracts.

Q. What other inquiries did you make at that time? You say that you saw representatives of various paper companies about March, 1900?—A. March or April, along that time.

Q. Did you make any other inquiries as to getting your supply from other manufacturers besides those you saw?—A. We wrote and telegraphed quite a number of places, but the reply, as a rule, was: 'full up.'



Q. Why did you go to the Rolland Company ?—A. We had never any dealings with them, but I wanted to know if they manufactured No. 3 news.

Q. And you found out they did not ?—A. Not at that time ; they stated they could if we wanted it and were willing to pay the price.

Q. What did you pay the Canada Paper Company ? What did you pay for your supply of paper after the fire ?—A. We paid three cents for a small lot they billed us at \$2.75. And Thompson, he stated he could sell all his output especially after the Eddy fire because the requirements of the paper in Canada, at least, the visible quantity was suddenly cut short and everybody was bothering him for paper.

Q. Is it not a fact that you found from your inquiries that the ruling price for this No. 3 news in Canada was higher than the prices that had been fixed by the Paper Makers' Association ?—A. No, sir, because just previous to the Paper Makers' Association, in fact, at the very time of the Paper Makers' Association—

Q. I am speaking of the time you bought after the fire occurred. I ask you if you did not find that the ruling price was higher than the prices fixed by the Association, that is, \$2.50 with 3 per cent off ?—A. Immediately after the fire it was, but not at the time the Paper Makers' Association was formed, because we had an offer at the time it was formed at a lower rate and that was jumped up because the Paper Makers' Association was formed.

Q. Are you prepared to make that statement that it was purely because the Paper Makers' Association was formed ?—A. Yes, sir, the Eddy Company told us that they would be glad to make a contract with us, but they could not on account of the price of the Paper Makers' Association.

Q. Is it not a fact in your experience that the price previous to the organization of the Paper Makers' Association had been steadily advancing, say for a year, or six months ?—A. Not in our experience.

Q. You are sure of that ?—A. I am sure.

Q. What was your contract immediately before that ?—A. Our contract was \$2.03 net, but that contract expired in November.

Q. What was the offer made you in November when your contract expired ; you looked around to make another contract ?—A. Our contract expired in November, and they never touched us.

Q. What offer did you get then ?—A. They told us the increase would be 10 per cent, that the price was going up ; they were at liberty to curtail that contract and they did not do so.

Q. When was the price advanced to \$2.23 ?—A. On the 14th of February, and they gave us ten days, through their representative, to consider it. On the 20th of February the Paper Makers' Association was formed and within three days we were told we could not contract except at \$2.50.

Q. What I want to know from you is, whether it is not a fact that at the time the Association was formed that the price of paper was advancing, that you know it ?—A. The only thing we have to go on, the only thing we know is that they told us.

Q. The inference is quite clear, if you don't want to admit it, you need not. It is quite clear from what you stated that the price was advancing in February, 1900. You know, as a matter of fact, that the price was advancing ; that was a rising market ; you have spoken of it as a rising market ?—A. The surest test of that was that we were willing to close this contract at 10 per cent advance.

Q. You did not close at that time ?—A. We closed within one week of that time. You merely asked for my experience and I have told you from my experience.

Q. I presume that facts stated in your letters are correct ?—A. Yes.

Q. Well, the letters speak for themselves ?—A. Yes.

Q. You were present, you say, at a conversation, or you had an interview with Mr. Rowley, I think, about this question ?—A. Yes.

Q. Was Mr. Ross present then, too ?—A. Yes.

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Q. And what was said about the association, the formation of this Paper Makers' Association ?—A. Do you wish what was said on both sides or on one side ?

Q. Take it on Mr. Eddy's side. Was any statement made by Mr. Eddy as to the reason for organizing the association, its object, etcetera ?—A. Mr. Eddy stated that while they had not so much trouble with No. 3, in other lines they had trouble, and it was simply a coming together of the manufacturers to create more stability in the market, in order to arrive at a standard of prices, so that they would not be cutting one another right along.

Q. Did he make any statement to you as to the amount of profits, etcetera, what amount of profit was put on by the association, the manufacturers' cost ?—A. Not that I remember ; I don't think so.

Q. You have had considerable business experience ?—A. My business experience has been entirely with the *Journal*.

Q. Have you never been a manufacturer at all ?—A. No, sir.

Q. Have you ever had occasion to know what a fair advance on the cost of production is to the manufacturer ; what percentage of profit should be allowed ?—A. If I have had experience ?

COUNSEL.—Yes ?—A. No.

Q. Do you know what is considered a fair margin of profit ?—A. The chief bother I have had was getting them as cheap as I could get them.

Q. No matter whether the manufacturer lost money or not ?—A. If he was willing to sell I was willing to buy.

Q. You have no opinion of what would be a fair advance on cost for manufacturers' profit ?—A. No, sir, I have been too busy, and if you know what the busy end of a newspaper is,—I have been too busy, and I have not had time to study these questions.

Q. Did you make any inquiry as to the prices of newspaper in the United States and elsewhere in connection with these searches ?—A. No, sir, we had no time to do that.

Q. Have you made any investigation since as to whether you could obtain your paper cheaper elsewhere ?—A. No sir. Mr. Ross has.

Q. You have no knowledge of the prices ruling in the States ?—A. Nothing more than I have read in the papers. Periodicals like 'Printer's Ink,' and so forth.

Q. You have no personal knowledge ?—A. No business knowledge at all.

JAMES HARDY.

*Examined by Mr. Barwick, K.C., representing the Press Association :*

Q. You are Mr. Hardy, of Jenkins and Hardy, the secretary-treasurer of the Paper Makers' Association ?—A. Yes, sir.

Q. Custodian of all its papers ?—A. Yes.

Q. Recipient of all deposits ?—A. Yes.

Q. I presume that you are the active man of the firm ?—A. Yes.

Q. Of the Jenkins and Hardy firm ?—A. Yes.

Q. You are the great Mogul of this agreement that deals with the question of fines and so on ?—A. The agreement speaks for itself.

Q. You are the Czar. When was this agreement formed ?—A. It was reorganized on the twentieth of February.

Q. When did your connection with the association begin ?—A. At that date.

Q. You brought about the reorganization, yes ?—A. No, sir.

Q. Who brought it about ?—A. Well, I don't know. There was a meeting in Montreal and I happened to be in Montreal some time previous to that and they asked

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me if I would mind going upstairs and seeing those gentlemen and explaining certain things to them. They asked me to come up.

Q. And the arrangement whereby you became secretary-treasurer of the company or of the association was made then?—A. Nothing until the 21st of February.

Q. It was discussed then?—A. Well, they were meeting.

Q. When was the meeting held, that meeting which you are speaking of, in Montreal to which you were invited upstairs?—A. Some time previous to that; perhaps two or three weeks.

Q. How many were present at that meeting?—A. About six or seven.

Q. And was the question of promoting the agreement discussed at that meeting?—A. No, sir.

Q. It was not?—A. No.

Q. Mutual defence and support was the subject of the discussion?—A. They had an association since 1888, I think was the time, and they had let it lapse through not properly prosecuting the objects of it, and they asked me if I would be willing to go in and take the secretaryship of that association, if it was put on a proper basis.

Q. And run the association for them?—A. Yes.

Q. Was any record kept of the meeting?—A. No, sir, not that I am aware of.

Q. Were any records kept of the meetings of the association after the execution of this agreement?—A. Yes.

Q. Where are they?—A. In my charge.

Q. I would like to see them, please?

Mr. WHITE, K.C.—I object to the production of the minutes. If my learned friend will state what information he wants on that, we will furnish it, but going into the minutes, it seems to me, is going too far. Your Lordship will start on the presumption that my clients are, as it were, innocent, that the Association is perfectly innocent and it is being carried on strictly under the terms of the law, and the first proof my learned friend should make, it seems to me, is to prove that the price is unreasonable. Then, it seems to me, if your Lordship finds that it might perhaps be contempt to go into the private affairs of the association, but, here are a number of manufacturers as it is admitted, who have joined themselves together under an agreement which was produced and the objects of the Association are very clearly set out in the agreement.

So far as the prices are concerned, it is simply to maintain a fair and proper price. The object of the association shall be the promotion of friendly business relations amongst manufacturers, their agents, &c., for mutual aid.

It is an organization of these gentlemen together for their mutual support, and it would be hardly right in a public investigation of this kind that the affairs of that association should be disclosed unnecessarily.

I submit, if there is anything pertinent to this inquiry that my learned friend desires to show, if he would state what it is, that extracts could be furnished, but to go on fishing through the whole of the books of this association, I think would be unjust and unfair.

Mr. BARWICK, K.C.—That is just the position I started with yesterday, my Lord, that I did not want to be put into. We are not here as prosecutors. We are here to investigate into the question as to whether this association is unduly enhancing the value.

THE COMMISSIONER.—You are not the prosecutor but you are the complainants.

Mr. BARWICK.—Originally we went to the Governor General in Council, and the Governor General in Council has reason to believe that this association exists through the complaint made, he has reason to believe that this association does exist. Now, I have no desire to make public the affairs of the association at all, but I do propose, and I ask your Lordship if you were conducting an examination, as sometimes these investigations are conducted, to send for these books, to examine these books to see what the

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object of the association is and what this association is doing. There is not the slightest doubt as it appears that it is to fix a price, below which paper makers shall not go.

THE COMMISSIONER.—I have no doubt that this court, constituted as it is, is entitled to see the minutes and take cognizance of them. Of course, the court would not make the whole contents of the minutes public.

I am commissioner here and in fact, it is part of my duty to examine and see this myself, and I will be the judge as to what part of the contents will be given over to publicity.

Mr. BARWICK, K.C.—That is what I propose to do, and I will show my learned friend everything.

THE COMMISSIONER.—Take communication of these minutes and see what will be pertinent to the inquiry.

Mr. WHITE, K.C.—I think my learned friend wants to prove the prices.

Mr. BARWICK, K.C.—I want to see the objects of the association.

Mr. WHITE, K.C.—My learned friend can only touch this association in so far as it affects his clients. Well, now, the object of this inquiry is limited to whether this Association has unduly enhanced the price of paper; that is whether they are charging more than is a reasonable and fair price.

THE COMMISSIONER.—The inspection of the minutes is necessary for that purpose, to show anything.

Mr. WHITE, K.C.—To show the prices.

THE COMMISSIONER.—I cannot foresee what I might see in these minutes.

Mr. BARWICK, K.C.—I want to know whether this question that was referred to in the Exhibit P—25, that referred to the *Journal*, whether that reference was made to him. I want to know what questions were referred to the association, what decision they made upon that. I want to see all their decisions. I wish Your Lordship to see, not what the objects of the association are, but what this association in truth has been doing. That is where I propose to go on a fishing inquiry, and I, of course, will keep faith and make nothing public which does not manifestly bear on the face of the inquiry.

THE COMMISSIONER.—My duty is to require the production of the minutes and see what in the minutes can be pertinent to this inquiry or not.

Mr. WHITE, K.C.—I respectfully submit that there should be at least a *prima facie* case made out by my learned friend. All the evidence has shown that there is a uniform price fixed; that is the only complaint.

The complaint is that this price has been uniform. That since the association was formed the clients of my learned friend could not obtain their paper for \$2.50. Well, now, the question at issue is, whether it is a fair price or not; whether it is a reasonable price.

THE COMMISSIONER.—I would not decide that point now, whether the case is made out as regards the existence of this combination. That will be the first part of my report. The second part will be what the effect may have been of that organization.

Mr. WHITE, K.C.—I think your Lordship will assume that this organization is properly organized. Now, why should the details be submitted to my learned friend and brought out in this inquiry unless they are pertinent to the issues we are investigating.

THE COMMISSIONER.—Counsel present in this inquiry are considered as part of the court. Everything examined by the counsel is supposed to be examined by the commissioner himself. We are all members of the same court. Counsel assist the court



in this investigation, and everything that is communicated to the commissioner must be communicated to the lawyer.

Mr. BARWICK, K.C.—And not necessarily to the parties I represent ?

Mr. WHITE, K.C.—I daresay any extracts can be produced from these minutes. It is not the desire to conceal anything, but simply in justice to my clients, I think the dealings of a number of gentlemen who have met together, as a perfectly legal and lawful association, should not be disclosed unnecessarily.

THE COMMISSIONER.—The same rule will apply as in other cases. The books are put before the court, and of course the court is judge whether any extracts are allowed in the case. The same rule applies here.

Mr. BARWICK, K.C.—More, my Lord. I want to go further, and for your Lordship to satisfy yourself as to what they have been doing with the fines.

Mr. WHITE, K.C.—There have been no fines, as a matter of fact.

*(Recess).*

Mr. WHITE, K.C.—In regard to the minutes, we have agreed that the full minutes shall be placed before your Lordship, and that you will make what extracts you require, or make such use of the minutes as you need. I submitted the whole thing to Mr. Barwick, and he has not made any selections of extracts, but there are certain matters, which I presume don't interest the commission.

Mr. BARWICK, K.C.—I would like to place the whole minute book in your Lordship's hands, and ask your Lordship's permission that the book should be handed back to Mr. White when you are through with it. I think the whole issue of the association affects this very question. What we have agreed upon doing is that it shall not go on the record, only such extracts as your Lordship thinks are necessary.

THE COMMISSIONER.—Mr. Walker will take charge of it, and I will look at it in Montreal.

Mr. WHITE, K.C.—We will furnish a copy, certified by Mr. Hardy.

*By Mr. Barwick, K.C., continuing examination :*

Q. This book contains a copy of all the proceedings of the association ?—A. Yes.

THE COMMISSIONER.—I will probably order copies to be made of such extracts as may be pertinent to the inquiry.

Mr. WHITE, K.C.—I will give your Lordship communication of all the minutes.

*Mr. Barwick, K.C., continuing :*

Q. Mr. Hardy, how much money did you receive in deposit by the members of the Association of Paper Makers ?—A. Six thousand dollars (\$6,000.)

Q. You hold that still ?—A. I hold five thousand seven hundred dollars of it.

Q. The minute book that you produce to-day contains records of all the proceedings of the association ?—A. Everything.

Q. Some fines were imposed upon members of the association for committing a breach of this agreement, P—4, and afterwards remitted, I think ?—A. Yes.

Q. As I understand from your explanation to me during the recess, you have never exacted the payment of a fine from any member of the association ?—A. Never.

Q. And the reason for that is, that there has never been any breach of the established conditions of the agreement, P—4 ?—A. Never beyond the one instance, where it was remitted.



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Q. That was remitted ; it was established, and on appeal from you to the association at a meeting the fine was remitted ?—A. Yes.

Q. But you under this agreement, P—4, you personally possessed the power to fine any member of the association, and resort to that money which you held in your hand for payment of the fine ?—A. Yes.

Q. And that power you possess to-day ?—A. Yes.

Q. Were you in any way connected with any paper company ?—A. No.

Q. You are chosen as an outside individual, independent, who will fairly and rigorously carry out the terms of that agreement without fear, favour or affection ?—A. Yes.

Q. And that is why you were chosen ?—A. Yes.

Q. Now, you gave me during the recess also, a statement of the sales of paper in Canada during 1900 ?—A. Yes.

Q. As 30,340 tons ?—A. Yes.

Q. What kind of paper was that ?—A. Print and wall paper.

Q. Your figures do not describe which is print and which is wall ?—A. No.

Q. These are the figures you gave me and these you understand are the correct figures of the sales in Canada of paper ?—A. Yes.

Q. Manufactured by Canadian mills ?—A. Yes.

Q. Have you any knowledge, Mr. Hardy, of a contract made by the Canada Paper Company with the *Montreal Star* ?—A. No, sir.

Q. In 1899 ?—A. No, sir.

Q. You don't know that ?—A. No, sir.

Q. You have never been told that ?—A. I have been told there was such a contract.

Q. Have you been told what the figures were ?—A. No, sir.

Q. Do you know whether the figures were under two dollars ?—A. I don't know.

*Cross-examined by Mr. White, K.C., representing the Paper Makers' Association :*

Q. Mr. Hardy, you were present at the first meeting of the association as re-organized under the agreement of February, 1900 ?—A. Yes, sir.

Q. Were any statements made in your presence or reasons given for the reorganization or the necessity of it ?—A. Yes.

Q. What was the object ?—A. It was imperative by reason of the increase in the price of raw material, and that in the past there had been competition, and everyone lost money on all their sales.

Q. What was this meeting you attended ; was it the meeting of the Paper Makers' Association of Canada ?—A. I understand it was.

Q. Have you any information as to the previous existence of that association ?—A. I now produce as Exhibit P—37 the constitution and by-laws of the Paper Trade Association of Canada, as printed in 1886.

Q. It was a meeting of this association that you were invited to attend in February, or shortly prior thereto, 1900 ?—A. I think it was.

*Re-examined by Mr. Barwick, K.C., representing the Press Association :*

Q. This document P—37 is the printed constitution and by-laws of the Paper Trade Association ?—A. Yes.

Q. And the operations of that association were not successful in preventing one paper company underselling another ?—A. I think there was some dispute between the members. That was the reason I was given.

Q. There was some dispute as to the personnel of the officers ?—A. I think so.

Q. The powers of fining being invested in a gentleman who was actually connected with one of the mills ?—A. I don't know, I am sure.

Q. You understood one of the officers who possessed the power of fining for breaches of the rules was connected with a paper company, and on that ground there was objec-

tion to his possessing these powers. That is why you substituted an independent man ?—A. I don't know that. I would not say that.

Q. What would you say about that ?—A. All I was told was there was some dispute among two of the paper makers, and one of them said he would not be bound by that constitution.

Q. So long as the gentleman named among the officers held that position ?—A. They did not give me that information. What I understood, there was some disagreement or difficulty between two of them.

Q. Two of them, one of them being an officer ?—A. I think so.

Q. So that officer, the powers he possessed are now possessed by you under this new agreement ?—A. Well, I don't know.

Q. Well, the powers of fining as he possessed before are now vested in you ?—A. I don't know.

Mr. WHITE, K.C.—I think that appears by the agreement.

*By Mr. White, K.C.:*

Q. Will you produce the list of the members of the Paper Makers' Association of Canada ?—A. I now produce as Exhibit P—38 the list of members of the Paper Makers' Association in good standing, as having paid their contributions to the funds of the association.

Q. Does this list represent the members of the association since the organization of the association in February, 1900 ?—A. Yes.

Q. These are the only members ?—A. These are the only members.

*By Mr. Barwick, K.C.:*

Q. Mr. Hardy, do you know anything of this arrangement whereby paper makers who were members of this association were to receive six dollars a ton on paper exported ?—A. Yes.

Q. What do you know of it ?—A. I know that there was an arrangement made which was never carried out.

Q. Was that agreement made in your association ?—A. Yes, sir.

Q. Discussed in the association ?—A. Yes, sir.

Q. But never carried out in the association ?—A. Never carried out.

Q. What was the proposal, Mr. Hardy ?—A. That those who exported paper should receive \$4 a ton instead of having to close down their mills two days a week. The production of paper was so much in excess of what the Canadian trade could take that it was discussed whether it would be better to pay that amount to the people who would export it or to close down their mills practically one-third of their time.

Q. And that four dollars a ton was to be paid by the members who did not export ?—A. Yes.

Q. And that was the *pro rata*, I suppose, by the non-exporters ?—A. Yes.

Q. Is that proposed under discussion now or has it been adjourned, or has it fallen through altogether ?—A. Fallen through altogether.

*By Mr. White, K.C.:*

Q. Do you know how that rate of \$4 a ton was arrived at? What was the reason fixing it at that particular figure ?—A. It was the freight they had to pay to come to these equalization points, and they thought it better to pay it in order to get to the railway companies in Canada.

Q. Who were to be the exporters ?—A. The mills near by.

Q. Near to the shipping point ?—A. Yes.

Q. And the rate of \$4 a ton was supposed to compensate the freight ?—A. Yes, sir.

## EVIDENCE TAKEN AT MONTREAL, 3rd JULY, 1901.

JOHN R. BARBER,

*Examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. How long have you been in the paper business ?—A. Since 1856.

Q. As a manufacturer ?—A. I followed my father in business.

Q. Are you a member of the Paper Makers' Association ?—A. Yes.

Q. Do you know when this association was formed ?—A. It was a great many years ago ; I don't remember how far back, probably about twenty years. I should think eighteen or twenty years ago.

Q. Of course you have naturally followed the price of paper and the price of the raw material ?—A. Yes.

Q. You are aware also that under the association certain prices have from time to time been fixed ?—A. Yes.

Q. What was the minimum price fixed by the association a year ago ?—A. Two dollars and fifty cents roll news.

Q. And the discount ?—A. Three per cent, no change was made in the discount whatever, but the time was shortened ; one month—it used to be four months, three per cent off, but it was changed to three months, three off.

Q. Prior to February, 1899, the ruling price had been below that ?—A. Yes, below \$2.50.

Q. Now, can you give the commissioner any idea as to the percentage of profit there would be in the manufacture of roll news at a minimum price of \$2.50 ?

WITNESS.—At what date ?

COUNSEL.—In February, 1899.

A. I have submitted sheets. I think you have a copy of them. I wish to put these in.

Mr. WHITE.—Mr. Barber has prepared some data, your Lordship, which he has furnished us, giving the details of his own business which will be submitted to your Lordship as the letters were previously, that is not made public. It seems to me the cost, &c., of his business should not be disclosed.

WITNESS.—I would be very glad to show them to the printers who are making this complaint, but not to other paper makers.

Mr. WHITE, K.C.—Your Lordship ruled that we might do that in the case of certain letters which were produced. They were communicated to the counsel on the other side, but not to the public.

Q. Do you remember, Mr. Barber, what was the price of paper, that is roll news, say in December ?

WITNESS.—Would you allow me to use these sheets ?

COUNSEL.—Yes, say in December, 1898, before the agreement of the Association was signed.

A. The market price which we sold *Globe* roll news at was \$2.40 a hundred. That was in 1898.

Q. And the discount was what ?—A. Three per cent.

Q. The same discount ?—A. Yes.

Q. Was that in large quantities ?—A. Yes, car-loads. Any quantity I wish to put in there.

1-2 EDWARD VII., A. 1902

Q. What was the price in 1899, the next year?—A. It went down to \$2.10. That is Eddy was supplying it at \$2.10. I could not make it at that price. It got down below a price at which I could sell it at a profit. I had an option of selling paper to the *Globe* at \$2.10, but I could not sell it. It was below the cost of production.

Q. Have you a contract with the *Globe* by which you could deliver it in unlimited quantities?—A. Yes, there was an open contract with the *Globe* to put in any paper I had to spare.

Q. And these were the prices?—A. Yes.

Q. Then in 1900 what was the price?—A. In 1899 the association price was \$2.50.

Q. It was along about that date, February, 1900, was the date that they signed the new agreement?—A. Yes. Of course a great change took place in the cost of raw material between 1899 and 1900.

Q. What was the difference?—A. There was the difference to make up between \$2.10 and \$2.50.

Q. Sufficient to make up the difference?—A. Yes.

Q. Can you give some of the prices of the raw material? Take pulp for instance. Can you give the price of ground pulp in 1898 and 1899?—A. In 1898 my contract for ground wood was \$18.00 per ton and sulphide pulp \$34.00 per ton. Of course there are two ingredients for making newspapers. The price of one was \$18.00 per ton, and the other \$34.00 per ton. Last year my contract for ground wood was \$23.50 per ton, an advance of \$5.50, and sulphide \$42.00 a ton, an advance of \$8.00 a ton. Besides the coal advanced from \$1.60 at International Bridge, to \$2.40, an advance of 80 cents on coal. It takes a ton of coal to make a ton of paper as near as possible.

Q. And as to pulp, how much does it take to make a ton of paper?—A. The usual calculation is 75 pounds of ground wood.

Q. Was there any change in the price of chemicals between 1899 and 1900?—A. No great change in the price of chemicals. Of course there was a great demand for news paper in the United States, which put the price up in Canada, but the change did not affect the cost of newspapers anything further than making the sulphite pulp.

Q. Did the price of paper advance between the years 1898 and 1900? Advance proportionately to the price of raw material?—A. No. The advance in Canada more than equalled one-half the advance in the United States on account of the cost of raw material.

Q. What had been the advance in the United States?—A. Paper in the United States advanced from about \$1.80. That was the lowest price at which contracts were made, up to about \$2.75, for the same newspapers, an advance equal to about one cent a pound. The advance in Canada was less than one half cent a pound during 1900. If there had been no association, the paper going into the United States could be sold at more in the United States under association prices than we could sell in Canada at.

Q. Was there a great demand for paper in the United States?—A. Yes, a demand that could not be supplied both in the United States and England.

Q. Were you selling over the association prices here in Canada?—A. Yes.

Q. You were actually getting more than the association price?—A. Yes, for nearly all my output.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. You were a manufacturer, I suppose, in all lines of paper, Mr. Barber?—A. Not all lines—cheap books and newspapers.

Q. Not all confined to what they call news print?—A. No.

Q. And you find one line more profitable than the other?—A. Yes, I find the book line much more profitable.

Q. But you would not be able to confine yourself altogether to that line?—A. No, the market is growing.

Q. But it is not enough to keep you going altogether?—A. No.



## SESSIONAL PAPER No. 53

Q. So you have to devote some of your capital to the manufacture of news print that you have found less profitable than the other line ?—A. My mill was at one time all book print, but I am changing as much as I can.

Q. How is your company operated ? By yourself ?—A. My own property.

Q. Nobody else interested but yourself ?—A. No.

Q. And it has been so operated for what length of time ?—A. The first mill started running in 1856. There are two mills ; one started in 1856 and the other in 1858.

Q. Then you built another mill when ?—A. 1858.

Q. You have operated these two mills continuously since 1858 ?—A. Yes.

Q. A period of over forty years ?—A. Yes.

Q. Not at a loss, I suppose ?—A. No.

Q. Then, has there been during all that time protective duty on the output ?—A. Yes, ranging from fifteen to twenty-five per cent.

Q. Twenty-five at present ?—A. Yes.

Q. That is the highest it has been during that period of forty years ?—A. Yes.

Q. And it has been as low as fifteen per cent ?—A. Yes.

Q. In the old days you did not use the wood pulp at all ?—A. No.

Q. And when did the use of that begin ?—A. It is perhaps twenty years.

Q. Prior to that what did you use instead of wood pulp ?—A. Straw and rags.

Q. Was it found that the use of the wood instead of straw or rags cheapened the cost of production ?—A. Yes, sir.

Q. Very largely ?—A. Thirteen cents a pound down to two and a half.

Q. And were there any other notable events in the history of the art of paper manufacturing during the last forty years in the way of cheapening the cost of production ?—A. Yes, manufacture of pulp by the sulphite process.

Q. That also worked a great cheapening ?—A. Yes, that made a great change.

Q. Were there improvements in the method of manufacture during that time ?—A. Yes, the machinery is made to run faster, reducing the cost of labour considerably.

Q. And in various ways then there has been a gradual cheapening during the last forty years in the cost of production ?—A. Yes.

Q. Was there any association among paper makers until about twenty years ago that you were aware of ?—A. No, sir, because the paper makers were short. The demand always exceeded the supply.

Q. When that association was formed had it any written constitution or was any outline made of its objects ?—A. As I remember it the first association was organized for the purpose of fixing the price on news as has been done recently. That was fixed at seven cents a pound.

Q. And that price ruled for some time until it gradually became less and less year by year as the cost of the production decreased ?—A. Yes.

Q. That was the purpose for which the Association was originally formed as you understand it ?—A. Yes.

Q. And the association in the course of years fell into disuse pretty much ?—A. Yes, the demand exceeded the supply.

Q. Of course when the paper demand exceeded the supply there was no necessity of having fixed prices ? The association was only called for when there was excess of supply over demand ?—A. Yes.

Q. To prevent competition—reducing of prices too much ?—A. You might put it in that shape.

Q. Then for how many years before 1900 when the association was revived had it been practically out of existence so far as the fixing of prices is concerned ?—A. I did not know that it was ever out of existence really. I don't think any year passed without our having one or two meetings.

Q. Is it not a fact that as far as the rules of the association controlling the prices are concerned it has practically ceased to have effect for some time prior to 1900 ?



1-2 EDWARD VII., A. 1902

—A. I think it has as far as I remember. I don't remember any fixing of prices for some years before 1900.

Q. For about how long prior to 1900 had prices been left to the effect of competition?—A. The last price I remember being fixed was seven cents.

Q. That was twenty years ago?—A. No, about fifteen years.

Q. And that price obtained for how long?—A. I could not say.

Q. But it gradually went down and down until it got below \$2.00?—A. There was some paper sold in Canada below \$2.00 I believe. I did not sell any.

Q. But not as low as \$1.60 per hundred?—A. No, I don't think it. I don't know, though.

Q. Did you ever sell as cheap as that?—A. If any one in Canada were selling paper at \$1.60 they were selling at a loss.

Q. I am asking you if you ever got down as low as \$1.60?—A. I never got down as low as \$2.00.

Q. And you cannot say whether the price in Canada ever fell below \$2.00?—A. I cannot say positively. I know nothing about it, except what I saw in the evidence given by Mr. Tarte before the commission.

Q. I am told that large quantities were sold at as low as \$1.60 in the course of the nineties, the years from 1890 to 1900. Would that be out of the question?—A. If any person told me that on the street I do not think I would believe it.

Q. You don't think that would be possible?—A. No.

Q. The cost of production has never got sufficiently cheapened to allow you to sell at that?—A. Not to sell at a profit. He might sell it at a loss.

Q. How low would you put the lowest price at which, under the most favourable conditions, prior to this agreement of 1900, paper, news print, could have been sold per pound, and yet realize to the paper manufacturer a profit?—A. Well, you are asking me a question there that I don't think I should answer, because I am not in the secrets of either of these large mills that make paper for export as well as for home trade.

Q. You are thoroughly conversant with the secrets of the business?—A. I know what it costs me to make my own paper. I buy my own sulphur; I buy my coal and my ground wood. There are mills in Canada where they don't do these things.

Q. I am asking you if you will give me the benefit of your knowledge and experience as to how low a price news print could be sold per pound and yet realize to the manufacturer some profit?

WITNESS.—Would that be considering the capital in the business?

COUNSEL. I want you to take into consideration first the capital?—A. I am not giving an opinion. I have no facts to back me up. I don't think there is any mill in Canada that could make paper anywhere under \$1.90 to \$2.00 and pay ten per cent capital on their mill.

Q. Would you place that at the minimum figure?—A. Yes.

Q. And that would be a mill of the best construction?—A. Yes, and grinding its own wood; buying this wood under the most favourable conditions.

Q. Your mill has never made its own sulphite?—A. No.

Q. You depend on what source of supply for your sulphite?—A. I buy it from the mills in the province of Quebec.

Q. And you buy it at association prices, the same as ordinary consumers?—A. I do not know that there is any association price.

Q. Is not that controlled by the agreement of you gentlemen of a year ago?—A. I think not.

Q. At all events it is from manufacturers who are parties to that agreement that you get your sulphite pulp?—A. No, I don't think the parties from whom I am buying my ground wood are in the association.

Q. Do you distinguish between ground wood and sulphite pulp?—A. Yes.

Q. You told me you do not manufacture your own sulphite pulp?—A. No.

## SESSIONAL PAPER No. 53

Q. You have to look for your supply of sulphite pulp to other manufacturers in Canada ?—A. Yes, during the whole year 1900 and up to a little while ago I bought my sulphite from the Maritime Pulp Company, which is not connected with the association or with any association in Canada.

Q. Your profit upon the output of news print would of course depend directly on the prices you have to pay for your material ?—A. Yes.

Q. And that price is very largely advanced ?—A. Yes.

Q. You gave figures ?—A. Forty-two dollars I paid last year for sulphite pulp.

Q. As compared with what ?—A. \$34.00.

Q. That was an increase of twenty-five per cent ?—A. Yes.

Q. A greater increase than there has been in the price of paper ?—A. Yes.

Q. Then the paper manufacturer who manufactures his own sulphite pulp would have that source of profit in addition to the source of profit which you would have ?—A. That is if he had no capital in his pulp mill, he would have.

Q. The fact would be that the paper manufacturer who made his own sulphite pulp would have that advantage of course ?—A. Less the profit on the pulp mill or the capital in the pulp mill.

Q. Less the proper interest on the capital invested in the pulp mill ?—A. Yes.

Q. And of you gentlemen who are members of that Association in 1900 about what proportion manufacture their own sulphite pulp ?—A. The Laurentide Pulp Company, the Riordans, are the only ones, I think of at the present time.

Q. Buntin and Sons, do they ?—A. No.

Q. Canada Paper Company ?—A. They do not manufacture sulphite at all.

Q. Dominion Paper Company ?—A. No.

Q. The Eddy Company ?—A. Yes.

Q. Fisher & Son ?—A. No.

Q. Forde & Company ?—A. No.

Q. The Laurentide, do you say ?—A. Yes.

Q. Lincoln Paper Mills ?—A. No.

Q. McArthur ?—A. No.

Q. Miller Brothers ?—A. No.

Q. Riordan Paper Mills, they do ?—A. Yes.

Q. The Royal Paper Mills ?—A. No.

Q. The Rolland Paper Company ?—A. No.

Q. Stutt & Son ?—A. No.

Q. Thompson is out of it now ?—A. Yes.

Q. He was not, anyway ?—A. No.

Q. Taylor Brother ?—A. No.

Q. Wilson Co. ?—A. No.

Q. They all buy except the Laurentide Company, the Eddy Company, and the Riordan Company ?—A. Yes.

Q. And they are amongst the largest manufacturers ?—A. Yes.

Q. Will you tell me if you buy, or if you tried to buy from either of these three ?—A. I am at present buying from the Riordan Company.

Q. At forty-two dollars ?—A. No, the price has gone down again.

Q. In the last three weeks ?—A. Yes.

Q. Contemporaneously with the reduction in the price of paper ?—A. Yes.

Q. Then prior to that time were the Riordans and these other members of the association charging you \$42.00 for their sulphite ?—A. They wanted that, but I could not afford to pay that. I made a contract with the Maritime Company at a little over forty dollars for a large portion of my supply for 1900. The Riordans were selling all their supply to the United States at a price that would net them more than \$42.00.

Q. So that it would be fair to say, as I understand your testimony, that the manufacture of sulphite pulp was a lucrative source of profit to the manufacturers who had machinery for it ?—A. It was, during the boom in the United States.

Q. Did the prices go up ?—A. Sulphite pulp went from \$1.60 to \$3.25 ; doubled in value inside of six months.

Q. Paper manufacturers who had the facilities of going into that line or that branch of manufacture would, as I say, have a very high profit during that time, and would still ?—A. He would if he sold his news at American prices.

Q. The price you say on news print in the United States has increased more in proportion than it has in Canada ?—A. Yes, that was a year ago. The prices have gone down again to the low level.

Q. Since when did they increase ?—A. The boom started early in 1900—in the fall of 1899.

Q. Not before that ?—A. No. I think early in 1899 it was selling as low as \$1.80.

Q. The trade in the United States is practically in the hands of a Consolidated Company ?—A. No.

Q. You know the International Paper Company ?—A. Yes.

Q. Formed about when ?—A. I think it is over two years.

Q. Incorporated with an enormous capital, taking over a great number of mills ?—A. 18 or 20 of the largest mills.

Q. And now having the bulk of the output of the paper industry in the United States ?—A. Of the newspaper ? No, they average probably sixty per cent of the newspaper output ; somewhere about that.

Q. Yes, and a little more than that. You might say seventy per cent ?—A. No. A number of new mills have opened up that are not in the Association since that company was formed.

Q. Do you know any concerns not in that association in this part of the United States ; in New York State, for instance, or in the New England States ?—A. I could not from memory name the companies that are in.

Q. Do you know any that are not in this section of the States or in the New England States ?—A. If I had the *Paper Trade Reporter*, I could pick out some.

Q. As I understand it, that company controlled the output of certainly seventy per cent of the paper makers of the United States ?—A. Even at the start they did not claim to control seventy per cent. They have been losing ground since on account of the new mills not being in the association.

Q. I think at the present time that out of the daily production of two thousand tons in the United States fourteen hundred was the output of these mills in the International Company ?—A. I think the output is a little more than that, and they have probably a little over twelve hundred.

Q. The increase in price in the United States followed directly on the formation of that association ?—A. The price went up in England more than it did in the United States.

Q. Perhaps it was the effect of the association in the United States that affected the price in England ?—A. No, that did not have anything to do with it.

Q. Notwithstanding the usual gradual decline in the cost of production for the last forty years, an equally uniform decline in price until about 1898, when the association was formed in the United States ; since then prices have gone up with a bound, and you have had what you call a paper trade boom ?—A. No. They went up on account of the Boer war and the Philippine war. It increased the demand all over the United States.

Q. You attribute it to that ?—A. Yes. I am sure the association was formed six to twelve months ago before there was any advance in the prices of paper at all.

Q. It would have to take a little time to go into operation ?—A. No. The war demand did not set in for from six to twelve months.

Q. When you speak of your present business arrangements with your customers you say three per cent off at three months is your rule ?—A. Three months credit with three per cent off for payment within thirty days.

## SESSIONAL PAPER No. 53

Q. Do you make any allowance to them for waste ?—A. When the buyer had control of the market we gave them pretty much what they asked for.

Q. When the buyer had control, or in other words when competition governed prices, you had to get off your output at the best terms you could make ? Now they return to you pound for pound and they get credit ?—A. Yes.

Q. When the association got control you quit that ?—A. Yes.

Q. At what price upon a pound would that advantage be equal to ?—A. In a proper newspaper office where some consideration was given to the people it would not amount to much. When that was sent back to the paper maker it amounted to considerable.

Q. Take an office which do what you are just describing. About what number of cents on a pound disadvantage to a manufacturer would it be ?—A. In a fairly well managed office it should not amount to five cents on a hundred.

Q. But in one of these offices where they would crowd you down ?—A. Where they had a bad press, and they had fifty pounds of paper on it, they would send it back to the paper maker.

Q. About how high would it come in such offices ?—A. It might run up to fifteen cents.

Q. So that item of advantage of the consumer would vary according to the conditions of the various offices from five to fifteen cents per hundred ?—A. Yes.

Q. Which of course the association has put an end to ?—A. Yes.

Q. Are there any other items of advantage to the consumer which the association has ended ?—A. I don't know ; I don't think of any.

Q. What was the rule as to discount in the trade prior to the association of 1900 ?—A. The terms of credit were four months, with three per cent off for cash.

Q. Which has been changed to three months ?—A. Yes.

Q. That is the only change ?—A. Yes.

Q. And the items of waste and discount are the only ones in which there has been any change as the result of the formation of the association ?—A. Yes, that is the only one I remember of.

Q. These calculations that you made in the sheets you have—were you putting them in at all ?—A. I wish to put them in to show what it cost me to put a ton of paper through my mill.

Q. They have been prepared from your books by some book-keeper ?—A. By myself personally, from my own private memorandum book, to show the cost of paper.

Q. Well now, you put down here as 1898 the cost of material for 100 pounds of paper, \$1.16 ?—A. Yes.

Q. Then you add to that wages ?—A. That is what I wish to keep private.

Q. Those are items you do not wish to disclose ?—A. Yes.

Q. What you have to pay for wages, etc. ?—A. Yes.

Q. I see an item here charged for superintendent and office ?—A. Yes, that is wages to the men in charge.

Q. What does the word office mean ?—A. Office expenses divided per hundred tons of paper ; the traveller, the bookkeeper and all the wages of the staff.

Q. Does it include anything in the way of rent ?—A. No.

Q. Simply wages and the disbursements in that respect ?—A. Yes.

Q. Wires ?—A. That is the wearable part of the machine.

Q. That is in the nature of depreciation to plant ?—A. No, it is not that exactly, it is wires that will wear out. You have to replace them every few weeks.

Q. They are not all consumed in the manufacture ?—A. No, not consumed, worn out.

Q. A considerable item here, at least comparatively for general expense account ?—A. That takes all the general expense account for which we do not keep a detailed account. The general expense account is everything not having an account of itself.

Q. You attend practically to the superintendency of your own mill ?—A. No, I hire a superintendent.



Q. Then is it the case that in this list of items there is nothing whatever included which would go into your own pocket as remuneration except the item of 'profit' at the end?—A. That is all.

Q. As to all the other items they would be disbursements out of pocket?—A. Yes.

Q. Then, do these items of disbursements which you have set down here include any return for the capital invested in the building?—A. None whatever.

Q. Or plant?—A. No.

Q. Or depreciation?—A. In a mill we generally calculate to keep the mill in working order all the time. As a rule we do not write off the depreciation of the mill. The wearable part we renew at the end of the year. It is worth just exactly what you started on.

Q. It comes in in the item of general expense and repairs?—A. General expense and repairs.

Q. Then, except that you do not wish these items which relate to your own personal business being made public there is no objection to this being submitted to the consideration of any accountant or skilled man on our side?—A. No. He would have to be a paper-maker to consider that.

This exhibit is filed as D—1.

*The above witness was recalled and examined as follows by Mr. White:—*

Q. In your experience as a paper maker, what would you consider a fair profit on the cost of production, a fair advance?—A. About one-half a cent a pound would be a fair return for the capital on most mills.

Q. Now, taking the price of \$2.50, the association price, was that rate of \$2.50 allowed to you, did it allow you that rate of profit?—A. Not quite. Very close to it at the present price of raw material. At twenty-five cents a hundred pounds profit, it would give me six per cent on the capital and about fifteen hundred dollars a year for myself. I think you will find in these statements I put in three years out of the four I did not get twenty-five cents a hundred pounds from the output.

Q. And in this statement you have put in, there is nothing allowed for your own expenses or charges or cost whatever?—A. Nothing whatever, and the entire capital in most papers exceeds the annual output. My capital is \$175,000 and my output is \$160,000. A great number of manufacturers will turn out three or four or five times the value of their capital. Very few paper mills turn out the value of their capital in a year.

Q. So therefore their profits must be relatively large to give them a fair return?—A. Yes.

Q. So that after all you are only asking for twenty-five cents a hundred, ten per cent advance on cost?—A. That would give six per cent on capital.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. Your figures if I recollect from this forenoon showed cost of production at \$1.94 or \$1.95?—A. That is for one year.

Q. What is the difference in the various prices here?—A. There is a slight advance in mill cost, on account of wires and coal and sulphite.

Q. The bulk of the increase is certainly in the cost of the sulphite and ground wood?—A. Yes.

Q. It rises from one twelve and a quarter to one forty-six and a half?—A. Yes.

Q. So that you were including in that estimate as we see, simply the cost of the raw material, the wages and the repairs?—A. That is all.



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Q. Do you, in getting rid of your output, make any difference with the customer as to the amount of his order, the size of his order ?—A. Oh, yes. The larger buyers have always got a little better prices than the small buyers.

Q. They get a reduction, that is always the case ?—A. Yes.

Q. And can make a better bargain with you than a small consumer ?—A. Yes. Of course you will understand in a newspaper the larger your order is the more profit you have.

Q. Then, there is something I neglected to ask you this forenoon; perhaps you can explain to us this system of establishing equalization points, of equalizing freight. Can you explain that to us ?—A. I cannot explain that to you as well as some of the others because it was something I never approved of and did everything I could to break it down. It was done to protect the jobber in the large cities.

Q. Just explain to us how it works ?—A. Up to the time of the last meeting of the association every printer and publisher in Canada had his paper delivered in his shop even the little country weekly or the larger city daily it was the same. Any price quoted was the price quoted in the printing office.

At the time the association was formed the jobbers to a certain extent controlled business and the jobbers said, 'We have no advantage in buying from you in carloads because a man ten miles out in London can get his freight just as cheap as we can. I want you to ship it out to me immediately.'

Q. That made the paper cost just that much more to the consumer ?—A. Yes.

Q. You did not happen to live at an equalization point ?—A. Yes.

Q. How many of these equalization points, as you call them, did you establish ?—A. There must have been between twenty and thirty. It was simply the mills protecting the jobber and the jobber had largely controlled sales.

Q. You were doing it to protect the jobber though the effect was to put a disadvantage upon the consumers who did not live at those points, and gave no advantage to those who did live at those points ?—A. They would get the regular freight.

Q. But they did not get any advantage ?—A. None whatever.

Q. It was a disadvantage to those others ?—A. But no advantage to the paper maker either.

JOHN MACFARLANE.

*Examined by Mr. White, K.C., representing the Manufacturers Association:*

Q. Mr. MacFarlane, you have been engaged for a number of years in the paper business in Canada ?—A. About forty years.

Q. And you are at present the president and managing director of the Canada Paper Company ?—A. I am.

Q. Your company is also a member of the association, the Paper Trade Association of Canada ?—A. Yes.

Q. Do you remember when this association was first formed or organized ?—A. I should say about 1879 or 1880, about twenty years ago.

Q. Were you connected with it at that time ?—A. Yes.

Q. Was the association continued up to the present time, or what changes occurred ?—A. It has been in existence ever since.

Q. Will you produce a memorandum being the agreement signed by the members of the Paper Makers' Association and dated at Montreal, the 22nd September, 1892, and state whether this signature 'John MacFarlane, Canada Paper Company,' is your signature, and whether you were a member of that association at that time ?—A. I was.

Q. This document provides that the following members of the Paper Makers' Association in meeting at this date have agreed on the following basis, giving the particulars of the agreement. They have then signed. Number three print rolls, carloads,  $3\frac{1}{2}$  cents ; less than carloads,  $3\frac{3}{4}$  cents ; in sheets,  $3\frac{3}{4}$  cents in carload lots, and  $4\frac{1}{4}$  cents in sheets less than carload lots.

That is signed by twenty manufacturers of paper, many of whom are still in the association ?—A. Yes.

Q. Can you explain why this association was organized ?—A. The principal object of the organization in the first place was, to promote the interests of the paper trade generally in Canada, and more particularly at that time we had an idea there was a question of free trade or protection, and we believed we had protection. If we had free trade it would be disastrous to the interests of the paper makers. That is principally what brought us together at that time. After that the question of making paper from wood came into existence and we wanted to cultivate the manufacture of paper from wood in the Dominion of Canada, because we believed it was better adapted for this purpose than any other part of the world, and we thought that in time we would be able to bring a large trade to the country. We have been working for that pretty much ever since. The question of prices has been a minor question in connection with the association, because I have always believed, and I believe, as the older I get, that no prices fixed could be maintained for any length of time unless you could get control of the output, or get control entirely of the manufacture, and consequently I have always looked upon the fixing of prices as only temporary, but there were larger interests which always took my attention. We wanted to build up a large trade in Canada, and we thought we would be able to do that. That was one of the principal factors to the members in the trade, which they thought would be beneficial to us.

Q. As you say, other matters were discussed at different times ?—A. Yes, by convention in Ottawa and other places.

Q. There appear to be about twenty mills in the list of 1892. The list produced by Mr. Hardy shows that there are only twelve mills at present in the association under the new agreement. Can you give us any idea how many paper mills there are in Canada outside of this association altogether ?—A. There would be about fourteen outside of the association, that have not joined the association.

Q. So that here are more mills outside than in the association ?—A. Yes, I take it to be so.

Q. In the beginning of 1900 it appears that the association fixed the price at \$2.50 per hundred pounds, with the usual discount of three months or three per cent. Can you explain why that price of \$2.50 was fixed, and why it was fixed at a higher rate than paper had been selling for before, as there is evidence that paper had been sold at \$2.10 and \$2.20 before that time ? Can you explain why it was that the association fixed the minimum price at \$2.50 ?—A. Yes, there is no mystery about it at all. About ten or twelve years previous to that year the price of paper had gradually gone down from perhaps ten cents per pound to two and a quarter. I am speaking now from memory, not what I know as an absolute fact. The price went down to an unprofitable figure. There was in consequence of the South African war—the Cuban war first, and the South African war immediately following—there was an improvement in business. Business had been very depressed for a number of years, getting worse and worse down to 1898 or 1899. There was an improvement took place in 1899. Prices went up. The demand for paper increased very much, particularly news paper, on account of the interest taken in these two wars. I have made out rough statistics, and find that in Great Britain and all over the English speaking world the consumption of news paper increased 25 per cent through the war calling for that much more paper. At the same time, strange to say, there was a long continued drought in Norway and Sweden, which was the largest pulp supplying country in the world for the United States and England, and there was a drought extending over the northeastern part of the United States and into Canada, which prevented the manufacture of pulp in these countries,

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so that pulp became short, and the demand for paper became long, and the consequence was that the price of paper advanced, and we could not get paper to supply them at any price. It was not a question what we could sell it at. It was : Let us have it for heaven's sake at any price. The matter of cost was only an incident at that time in the United States and Canada, because we could have sold all the paper outside of the market at a better price than we were getting here.

We said we would not sacrifice our home trade, and we must keep our people as good natured as possible until the conditions change again, and we figured our price at \$2.50. That price would not cover the price of raw material, because they were up as high as fifty per cent, but we thought it was better to fix a price so as to keep everyone happy and contented, but in one or two instances we failed. I never looked seriously on this thing at all. There was only one or two people outside who thought they had a grievance. We never felt it amongst our regular customers at all.

Q. Do you know if sales were made after the price had been fixed at \$2.50 at higher prices, sales of news print ?—A. Certainly, there were lots of them. We sold as high as four cents ; we could have sold more if we had it ; we had none to spare.

Q. The minimum price fixed by the association of \$2.50 applied to all purchases in carload lots ?—A. Yes.

Q. The chief complaint appears to have been from purchasers who buy, say \$1,500 or \$1,600 worth of paper a year ?—A. Yes.

Q. What would have been, apart from the association altogether, the price they would have had to pay ?—A. They would have had to pay over three cents if they had to depend on the market at the time. They would have had to pay over three cents.

Q. Have you followed the advance in prices in the United States during the same period ?—A. Fairly well.

Q. Has it been relatively the same as that in Canada or greater ?—A. I think it has been a little greater. For a short time their wants were more acute than ours.

Q. Have you any idea of the amount of capital invested in the paper business in Canada ?—A. Close on twenty million dollars.

Q. About eighteen or twenty millions of dollars ?—A. At least that. I have not made a calculation. I should say at least that. It very often depends on how the figures are arranged. I don't think that twenty millions would more than pay the cost of the companies existing to-day.

Q. What would be the result on that amount of business in Canada of a reduction in the duty on paper to-day ?

Mr. AYLESWORTH, K.C., objects to this question.

Question allowed by the Commissioner.

A. It would be very injurious to the trade.

Q. And if paper were placed on the free list ?—A. It would be wiped out—disastrous.

Q. Apart from this \$20,000,000 investment, approximately what labour is there ; how many men would be employed in the paper business ? Can you say roughly, taking the paper business and the businesses that lead to it ; that is, the manufacture of pulp, lumber, &c. ?—A. I am not prepared at the moment to answer very correctly.

Q. Would it run into the thousands ?—A. Yes, I should say five or six thousand anyway.

Q. When you say five thousand you are speaking of the men employed about the mills ?—A. Yes.

Q. Apart from this is it not a fact that there are large numbers of men employed in getting out this spruce wood ?—A. There would be as many more in the woods. They are not employed all the year around ; they are employed during the winter months.

Q. Can you give any explanation of the prices that were quoted—such prices as \$1.70, \$1.80 and \$1.90 in the United States for delivery in Canada ? One witness said he had been offered paper in the United States when the association price was \$2.50 he had been offered paper there at \$1.80 and \$1.90 for delivery in Canada ?—A. It was simply to keep the mills going until something happened to make them better.



Q. Was that the ruling price in the States?—A. No, it was not.

Q. Have you any knowledge of the effect of the exportation of American paper on the English market?—A. It has just now about nine mills closed down there in England—shut down.

Q. As a result of what?—A. Sending paper, surplus paper, from the United States to England. The others, of course, are feeling it very badly. The paper trade is in a bad condition there now.

Q. You have a knowledge of what is considered in general business a fair margin of profit?—A. That is a question that would be different with different companies. Of course some of them do business on a very large scale, and they can take a lesser percentage of profit than a small mill, but if you should see the mills favourably situated, if they get twelve or fifteen per cent profit they ought to be happy. That would be a fair profit.

Q. At \$2.50, the minimum price, would manufacturers get that profit during the past two years if they sold their paper at the minimum price?—A. Not unless their mills were favourably situated to manufacture the paper. Some of them could not make it at that price at all with a profit.

Q. A question has been raised as to the difference in the allowance of waste paper returned as waste allowed for paper, and the fixing of this rule by the association afterwards, can you tell me why that was done?—A. Yes, that has always been a burning question between the newspaper consumer and the paper manufacturer. Perhaps fifteen years ago there were perhaps very few Webb presses in the country, and when papers were put in reams and bundles and tied up with strings there was no waste. After it became a custom to use roll papers, through perhaps poorer management in some of the newspaper offices than others, there was a great deal of waste. Some of the offices made a great deal of waste. Then a question arose between the newspaper proprietor and the newspaper manufacturer as to who should pay for this waste. He would say it was the fault of the paper, and of course the pressman would say it was the fault of the paper maker, and the paper maker would say it was the fault of the pressman.

As the manufacture of paper in Canada increased there has been an over-product pretty much for a number of years. This put prices down and down, and in the competition to sell that paper, one paper man would allow one advantage, and another would allow another, and they became so that they would allow anything the newspaper man asked of them. So that as a result they were allowed to send all their waste paper back and charge it back to the paper maker at the price he charged for sound paper. When it got below a profitable rate, they said: 'We will have to stop that. We are making paper at a loss, and this is being shoved back on us and we are suffering a heavy loss.' They took up the rule that had been adopted by the printers on the other side and had been recognized as a law for some time before we took it up.

Q. In the case of the ream paper, of course you had to supply the wrappers and twine?—A. The wrappers were always counted out to be paid for with the paper, and the twine costs a great deal more. It costs 10 cents a pound, and we would only get 2½ cents a pound for it. The wrappers are worth generally 3 cents a pound, so we are losing on them. Now, we expect the paper people to pay for their wrappers when they get their roll paper, because we have to put them on to keep it clean until it gets to their place.

Q. Are you aware that as far back as 1890, a certain agreement had been made by the members of the Paper Makers' Association with regard to controlling the output?—A. There has been discussion of the kind, but it has never been put into practice.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association:*

Q. You have been in the business of manufacturing paper for some twenty years back, I suppose, Mr. MacFarlane?—A. I have been at it all my life.

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Q. And the first time there was any association among the manufacturers was in 1879 ?—A. As near as my memory serves me. It was not in the shape of an organization. We used to meet together and discuss different things. Of course, they are scattered all over the country, run away up into the country.

Q. But at the time the question of free trade became a burning one was the time the association was formed ?—A. I don't think it was formed at that time, but we got together and talked about that.

Q. You gave us that as the date that the organization was formed, and you gave us as the object of the association, the furtherance of the protection of that business ?—A. Or any other incident that might arise. There was another question that was always brought up ; that was freights on the railways and various questions of that sort.

Q. Then at that time, did you agree together at all as to the prices ?—A. In 1879, I think, there was some sort of understanding, roughly speaking, that we would not sell a certain kind of paper under a certain price, but as I say it was not closely organized, but we would meet and discuss these things and they would fall through afterwards.

Q. That was not the object primarily of your association, and that was not the result ?—A. It was only one of the objects ; if the prices were favourable at the time they would not be discussed. If they were going down to an unfavourable basis, we would discuss them very warmly.

Q. Had your association continued as a living reality from that date to the present ?—A. It has always had its officers.

Q. Was it not felt to be pretty much a dead organization for some time ?—A. Except for four or five years, we did not meet. Some branches of the association met, but we did not meet all together, but there were no manufacturers' meetings, I mean.

Q. When were these years ?—A. I think from about 1895 to 1899, but there were several meetings during that time, while the International Commission was sitting. We tried to bring the influence of that organization to bear on the Quebec and Ottawa governments, as to what would be done with our pulp wood, and we have had some very interesting meetings with that end in view.

Q. This paper which Mr. White produced to you is dated Montreal, 22nd September, 1892, and is headed 'prices and terms of prints and manillas' and signed by some sixteen to twenty different manufacturers. Was that the first document of that kind that ever was brought up, so far as you know ?—A. No, it was not.

Q. What was the occasion of drawing this one up ?—A. Because we wanted to get the prices uniform.

Q. Had you any such document before, fixing the prices ?—A. We have had a number from time to time.

Q. What is the history of this particular one in 1892 ?—A. To get the prices uniform.

Q. You mean you found your people were not practically adhering to the prices theretofore fixed ?—A. I could not tell you.

Q. Cannot you tell me what the occasion of getting up that paper was ?—A. It was amongst the papers of the old association.

Q. That fell into disuse ?—A. No, it did not fall into disuse.

Q. Why do you call it the old association ?—A. Because there was some new rules and regulations made at the Windsor Hotel meeting last year, in 1900.

Q. A revival ?—A. No. We never died.

Q. For five years not been meeting actively ?—A. There was no new president appointed for five years but the organization continued in existence.

Q. Do you mean to say that the different prices which were fixed by your association agreement in September, 1892, were adhered to until 1900 ?—A. No, I do not. I could not tell you.

Q. Were they adhered to by the manufacturers who signed this document for any length of time ?—A. I should take it for granted they were.



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Q. For how long ?—A. I could not tell you. I might say that I have always looked upon the fixing of prices as a minor consideration in the organization.

Q. Perhaps while you had that opinion, other manufacturers looked upon that as the all important feature of your organization, or of your existence. Can you tell me how long these prices were adhered to ?—A. Generally for a few years.

Q. Since then there has been no fixed price, since then ?—A. I have never followed the fixing of prices.

Q. Was there any regulation, as now exists, for the fixing, imposing penalties on people who made breaches of the regulation ?—A. It has been talked of since we were in existence, but I do not think it has ever been put into practice.

Q. It is a very living reality now ?—A. I do not think it is a reality now.

Q. That is, simply because you all adhere ?—A. Very likely.

Q. What was the occasion of the revival in 1900 ?—A. The occasion of the revival was, as I said, of the instance that arose for the demand of paper, which caused the high price and the extra cost to make it.

Q. You were not going to increase the supply at all by this meeting ?—A. The supply was increased.

Q. Do you suppose that this meeting would have in any way a tendency to increase the supply ?—A. No, their output would be whatever they pleased.

Q. I rather gather, if I understand you correctly, in your evidence to my learned friend, Mr. White, that the effect, if not the object, of that meeting in 1900 was to keep the prices down ?—A. It was to make uniform prices.

Q. To keep them down ?—A. We put them up.

Q. You say they would have gone over three cents if it had not been for your association ?—A. So they did.

Q. Your view of that meeting of 1900 and that binding agreement you entered into was, to prevent the prices going up as high as they otherwise would ?—A. No, sir ; it was to make uniform prices, to charge our people in Canada the same prices.

Q. You think the consumer here would have had to pay fifty cents more a hundred if it had not been for your agreement ?—A. Quite satisfied. And some of them did pay more, and they wanted more paper at the same price and we did not have it to give to them.

Q. Do I understand you right, that there were some fourteen mills in Canada outside of this agreement of nineteen hundred altogether, who never came into it ?—A. Yes.

Q. Where are they situated ?—A. I think I can give you the names of most of them.

Q. The Laurentide Company ?—A. They are in here. They never have acted in it.

Q. Russel A. Alger, junior, is signed here ?—A. They are not in it.

Q. That is one of the fourteen anyway ?—A. Yes.

Q. The Royal Pulp and Paper Company, Cornwall Paper Company, Kinleith Paper Company, St. Catharines, John Fisher & Son ?—A. I don't know. I did not follow the proceedings of the association very closely. But they make some class of paper, possibly a class of paper which they make is not controlled by this agreement. Stutt, Lazier, Walker, Patterson, Reid, Craig & Co., they were in existence at that time ; they have failed since, but they were not in the association at that time. There are three or four other smaller ones that I have not got.

Q. And there are some of them situated in the maritime provinces ?—A. I have only counted one in the maritime provinces.

Q. So out of the twenty-six mills in Canada you have twelve actually in and fourteen out ; that is your calculation ?—A. Yes.

Q. Although some of these fourteen, as I now understand, did sign but never made their deposit ?—A. That I understand from what I see.

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Q. That regulation of making deposits and subjecting members to penalties if they made breaches of the regulations fixed by the association as regards the prices is, if I understand right, altogether a new feature, first introduced in 1900 ?—A. Without having the papers before me, I could not say.

Q. Did you ever yourself make a deposit ?—A. We have always made a contribution.

Q. A contribution is a very different thing from a deposit, from a \$500 deposit. Don't you understand my question ? I want you to say whether prior to 1900 your association called for a deposit, of a substantial amount like \$500, and imposed a penalty on members who departed from the price fixed by the body ?—A. Speaking of what took place previous to 1900, I think they called for a deposit of \$1,000.

Q. Did they get it ?—A. I don't think so.

Q. Did they ever, prior to 1900, impose a penalty of \$500 on the members who did not live up to the regulations ?—A. It was never done.

Q. Nineteen hundred was the first time that became a practical living thing in that respect ?—A. I won't say that.

Q. You have no knowledge of it ever being carried out before 1900 ?—A. No. With regard to these mills in the association, I would like to add that there are other mills called in the association that are also not in the association for some of their mills, for instance, the Canada Paper Company, have three mills. The association, only as far as the association price goes, governs one of the mills ; the other two mills are free to sell at what they like.

Q. They do not make the paper which is subject to this agreement as to prices ?—A. We do not. Sometimes we used to make it, and we can turn off on it to-day if we liked, but we only expect one of these mills is governed by that agreement, but if we made news print in the other two, it would be governed by the same agreement.

Q. For how long prior to 1900 would your judgment be that the price as to news print had been going down regularly ? You said for years, how many years ?—A. Probably fifteen years with an occasional go up again under conditions something like what arose lately.

Q. That has been a result of cheapening in the cost of production ?—A. Over-production.

Q. There had been a corresponding lessening from year to year in that direction ?—A. No, a proportionate lessening.

Q. There had been a lessening though ?—A. Yes.

Q. As you began to use pulp in place of rags ?—A. If there had been a great lessening there would not be a mill in existence in the country to-day.

Q. Would you kindly answer the question. I ask you whether that diminution in the case of raw material had not been primarily the result of using pulp instead of rags ?—A. Partially, yes.

Q. Then there had been an improvement, I presume, in machinery, improved processes ?—A. Not any improved processes, but in machines to produce larger product.

Q. So that as a result of the change from rags to pulp and of other processes, there had been a gradual diminution of prices up to 1900 ?—A. Yes. Not only owing to that, but to other things.

Q. They had got down to as low as 2 cents a pound and even lower ?—A. No.

Q. Had your price in your own factory never gone below 2 cents ?—A. In some particular instances we have ; in some special cases ; not as a trade price.

Q. How low had they ever got as a general trade price ?—A. We have not sold under \$2.15 as a general price.

Q. But making some special bargain for a lower figure depending on the special circumstances ?—A. Yes.

Q. And that price of \$2.15, was it coupled with these other circumstances of disadvantage to the manufacturer that you refer to, in the way of allowance for waste returned ?—A. I do not mean to say our average trade price is \$2.15.

Q. You speak of that as a general ruling price?—A. I said we sold sometimes as low as \$2.15, and in some particular instances we sold less than that again.

Q. I understood you to assent to my statement of the price which would go down practically to two cents a pound?—A. No, sir.

Q. What figure do you put it at as a general rule, that is, for news print paper, prior to the ruling of the Association in 1900?—A. About \$2.25.

Q. You called that the general ruling price?—A. Yes.

Q. At which you were making a living profit?—A. Well, we thought we were.

Q. With a duty of 25 per cent?—A. Yes.

Q. That was the amount protecting you then?—A. That is the amount of the duty. 25 per cent.

(*Recess*).

Q. Apart from being engaged in the paper business, the manufacture of paper, your company also manufactures pulp?—A. We do.

Q. You manufacture both the sulphite and the ground pulp?—A. We don't manufacture sulphite; we manufacture soda pulp, by a chemical process.

Q. During the past three years, it is in evidence that the price of this chemical pulp has increased very considerably?—A. Yes.

Q. Can you give us the figures approximately?—A. You mean the cost or the selling price?

COUNSEL.—The selling price?—A. We have not sold any, so I cannot give you that, but we buy some, and I can give you the cost of it; what we have bought has increased about seven or eight dollars a ton.

Q. Is there any association or combination amongst the pulp makers?—A. Not that I know of.

Q. What advance has there been in the cost of raw material for chemical pulp?—A. In the soda, which is largely used, there is about thirty-four or thirty-five per cent advance in the wood.

Q. The wood is worth about fifty per cent more than it was two years ago, pulp wood?—A. Yes.

Q. Any other raw material?—A. Bleached powder; that does not enter into the cost of sulphite but it does into soda, increased twenty-five per cent; ground pulp, which we have bought, has increased nearly fifty per cent, from twelve to eighteen dollars. It was worth about \$12 two years ago, and it has increased to \$18.

Q. Has the cost of production increased proportionately to the price of ground pulp?—A. That would be particularly on account of the wood; the pulp wood is the main thing with the ground pulp, and the price of the wood is worth about 50 per cent higher now than it was two years ago, that is spruce pulp wood.

Q. In connection with the Paper Makers' Association of Canada, are you aware of any agreement with paper makers in the United States as to prices, &c.?—A. None whatever, that I know of.

*Re-cross-examined by Mr. Aylsworth, K.C., representing the Press Association:*

Q. Do you mean you were not aware of any, or are you in a position to say there is none?—A. I am in a position to say there is none, or I would know of it.

Q. You were asked as to an agreement as to prices; is there any agreement or understanding between your association on the one part and the International or other American association on the other part, that each shall keep to its own territory?—A. None that I know of. I never heard of any.

Q. And there would be, according to your view, nothing in the way of free interchange of commodity, they selling in the States and you selling here, except the freight and duty?—A. Nothing whatever.

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Q. Nothing that you are aware of?—A. Nothing whatever.

Q. I suppose you do know as to the cost of news print, your association price is just a few cents more than the amount with freight and duty added, for which the same material can be laid down from the American manufacturer?—A. I don't think it has any connection.

Q. A mere coincidence?—A. I think so.

Q. That ought to signify, I suppose, that the duty was just so much in the pocket of the Canadian manufacturer, if the American manufacturer can produce and lay it down here, paying the duty, which is the same material, for the same figure?—A. They make a slaughter price for Canada.

Q. They won't do it, but if they can do it it means that the Canadian manufacturer has 10 or 25 per cent duty as additional profit?—A. I don't believe any one doing a healthy business could do it. I know as a positive fact that they will offer to sell paper in Canada at less than it is profitable to sell in the United States.

Q. Does your acquaintance with the trade of manufacturing paper in this country or in the United States suffice to enable you to say whether you can manufacture here as cheaply as they can?—A. We cannot.

Q. Why not?—A. Because we have not the same conditions under which to manufacture as they have in the United States.

Q. Where have they an advantage in cheapness of manufacture?—A. In the United States they put up a plant for the express purpose of manufacturing news print. That plant would cost probably \$1,000,000, and it is made for making one class of paper only. You could not put that up in Canada, because the Canadian trade would not want it at all. There is not a market for it, and consequently you would lose. The United States, when their market over-produces, ship their over-produce to England. I have known them to carry as much as \$50,000 over-produce to England, and sell it at what they could get to keep their own market clear.

If we put up a plant of that kind to make only news print, we would then have to look for our market in England, and ship our product there and compete with the over-product prices in the United States.

Q. You are not answering at all what I ask. All that you have said might be interesting as a manufacturers' standpoint, but let Mr. White bring out such answers. What reason is there, if any, why American producers can produce cheaper than Canadians?—A. Because he has a larger number of consumers.

Q. That would be the only reason? His raw material costs as much as yours?—A. I presume so.

Q. And he has to lay out money for what costs him as much as it costs you?—A. Yes, I think it would.

Q. So that if you have an equal profit, there would be no reason, except a wider market, why he could undersell?—A. No. In other words,—I will help you—if the United States will give us free trade, we will go free trade with them.

Q. I am not discussing the general question of free trade at all. With reference to these matters that you have been further questioned about, your mill does not manufacture sulphite pulp, but what you call soda pulp?—A. The proper name for this pulp is cellulose.

Q. Are they equivalent?—A. Yes.

Q. They are, one or the other, required in the manufacture of news print?—A. Either one or the other.

Q. And the price of that compound is largely increased since when?—A. Since 1898.

Q. Since about contemporaneously with the increased demand, and with the increased price of paper?—A. The increased price of raw material.

Q. Now, a great many of the larger paper manufacturers manufacture their own sulphite?—A. Yes.

Q. Most of the large ones?—A. Yes, we do.



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Q. Those who do not have to buy from those who do?—A. Not from paper mills who make sulphite, but those who manufacture.

Q. If they had a sufficient sale of it, it would seem to be a remunerative line of business to engage in?—A. It would from the seller's standpoint, but the buyer would not buy from a competitor in paper making.

Q. Are there any factories in Canada where sulphite is manufactured except paper factories?

WITNESS : Manufactured exclusively, do you mean?

COUNSEL : Yes.—A. There are several.

Q. Where are they?—A. There are two in Chatham, New Brunswick, one near St. John and Hawkesbury.

Q. What is the output of the Sault Ste. Marie mills?—A. They have not finished their sulphite product yet.

Q. Are those other places you mentioned engaged in the manufacture of pulp?—A. Cellulose pulp only.

Q. Which they ship to the paper manufacturer?—A. Yes, to the paper manufacturer only.

Q. And the price of their wares is what has gone up?—A. Yes.

Q. Has there been any increase in the price of ground wood?—A. Yes, a large increase.

Q. As to that also, the paper factories are generally speaking, not purchasers; some of them manufacture their own?—A. Some of them manufacture their own and some of them have to buy.

Q. Do any of the paper manufacturers buy their ground pulp?—A. Yes, quite a number.

Q. And also their sulphite?—A. Yes, some of them are placed in that position.

Q. But the great majority manufacture their own?—A. I would not say the great majority but a great number of them.

Q. The later mills?—A. Yes.

Q. They manufacture both these things?—A. Yes.

Q. Then, what reason is there for this large increase in the price of the soda or sulphite pulp?—A. Principally the cost in the raw material in manufacturing. There are also chemicals in the compound.

Q. What chemicals?—A. Soda. We use about 1,000 tons a year. That has gone up 50 per cent in the last two years particularly.

Q. Where do you get that?—A. It comes from Great Britain.

Q. Then has there been an increase in the cost of the pulp wood, in the tree?—A. Yes, a very large increase.

Q. In this country?—A. Yes.

Q. Due to what?—A. Due to the increased consumption, and scarcity at the most economical points to procure it, and American competition is taking this wood out of the country. That is a part of the cause.

Q. Do you mean this wood is exported in the United States?—A. Largely, yes.

Q. And the producer for that reason has increased the price?—A. Yes, the wood is getting scarce at the most economical points to procure it.

Q. Bleaching powder, you mentioned?—A. Yes.

Q. Is bleaching powder used in the manufacturing line then?—A. Yes, largely.

Q. Give me an idea of what quantity of bleaching powder, the percentage, I mean, I don't mean,—well, that would give me what I want. Compared with the value of your output per annum, or per day, how much would you lay out for bleaching powder?—A. We buy about 500 or 600 tons a year of bleaching powder. It used to be \$20 a ton; now it is about \$30; that is about 50 per cent increase.

Q. What I want to get at, I want to know how much percentage of the cost of your production is bleaching powder?—A. That particular article would not apply to the subject you are discussing now. We use that in soda pulp.



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Q. That goes into the manufacture of news print paper?—A. Yes.

Q. Now, what I want to get at is, compare the outlay of your factory for bleaching powder with the total value of your output, what is the percentage?—A. You mean bleaching powder as applied to print paper?

Q. I mean for all the paper in which it is used?—A. It seems to me there is no connection. We make twelve thousand tons of paper a year and over 6,000 tons of this is not interested at all in this question.

Q. What I want to get at: You are putting forward here the increase in the cost of raw material as a reason for the increase in the price of your output. Now, I want to take the whole value of the output of your factory in which you use bleaching powder and tell me what percentage of that total output would be referable to the total cost of bleaching powder?—A. I don't see how I can answer that question very well.

Q. Take your total output if you will, you say 12,000 tons, in which you use bleaching powder. Then what would be the cost price of that to the consumer for that many tons of paper?—A. To some consumers it would amount to  $\frac{1}{4}$  cent a pound, and some nothing at all. For instance, in writing papers, in fine papers, where that goes most largely, it would amount to  $\frac{1}{8}$  c. or  $\frac{1}{4}$  c. a pound, and the newspaper I would not count it of much consequence, but I would make a strong argument with regard to soda.

Q. You mentioned bleaching powder having gone up in price. Now, that does not figure at all in the cost of producing news print?—A. Not much. I would not base an argument on it at all.

*Further questioned by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. You spoke of the condition in the United States as to the production of news print. Can you give me any example as to why it should cost more in Canada than in the States? Do you know of any large papers in the States that have contracts?—A. I have in my mind's eye a number of mills erected in the United States exclusively to supply certain newspapers.

Q. That is to supply one newspaper?—A. Yes, during the excitement of the Cuban war, there were several papers in the United States that used as much as 150 tons a day, one newspaper. In Canada the whole product was not over 125 a day, or fifty or more different papers, in sizes, weights and shades. Now, if you put a mill, a plant to make one hundred and fifty or two hundred tons a day,—most of them are making as much as 200 tons a day of that class of paper. They start on the first of January and run to the thirty-first of December, making the same paper all the time, the same conditions.

Q. There is no loss of time?—A. No, but there is a saving in material. We have to change our machines in the mills, perhaps three or four times a week, and every time we change the paper there is a loss of material.

Q. What is that news print mill, what is the capacity of it to-day?—A. The largest mill we have is 20 tons a day, and we find it difficult to keep that going.

Q. What would be the investment in that mill, what would the paper machines cost?—A. About sixty-five thousand dollars (\$65,000).

Q. The one machine?—A. Yes.

Q. And the other plant in connection with that?—A. The other plant would cost about \$330,000. That mill would cost us about that.

Q. You say you would have to stop that machine to change it three or four times a week?—A. We have to change it.

Q. What would be the number of hours lost?—A. We reckon to lose an average of four hours a day. We tried to get twenty hours; if we can get nineteen we are doing pretty well.

Q. Can you give us an estimate of the value of these four hours you think would affect the cost. What would be the value of say the four hours, including the interest on the machine and the investment? You have the men's time and the loss, &c., say

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applied roughly to a pound of paper?—A. Well, I assume if we could run that machine continuously only on paper such as they would do in the United States, I would be glad to make paper at a  $\frac{1}{4}$  c. less than we are doing now.

Q. You think with the stoppage of your mill and the loss of time, &c., it would be worth  $\frac{1}{4}$  c. to you?—A. I am quite satisfied it would be worth  $\frac{1}{4}$  c. more to us.

Q. Is it not a fact that in some of these machines in the States, there are very large machines making a paper of an extra size, and there is a side sheet that can be sold at a greatly reduced price?—A. That happens in all mills where the machines are very wide. If the machine is 160 inches and you have a machine 140 inches, you have 20 inches to spare; it would be more economical to run the machines 20 inches vacant, because you are wearing the centre rolls and the wires; the machine has not been worn evenly, and the machine does not cost any more, only the cost for labour.

Q. As a matter of fact do you know that is what occurs in the States very often when they are offering it at less; it is on account of these extra sheets?—A. Yes, that is the reason, I think.

Q. Would that account for these low prices that have been cited?—A. I think it would account for some of them.

WELLAND D. WOODRUFF.

*Examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. You are connected with the Lincoln Paper Mills I understand?—A. Yes.

Q. In what capacity, are you president?—A. No, I am manager.

Q. What is your average output?—A. We make about twenty-four tons a day.

Q. Where are your mills situated?—A. In Merritton and St. Catharines. One in Merritton. We have two mills.

Q. How long have you been in the business?—A. I went into the paper business in 1881.

Q. When was your news print mill erected?—A. In 1887.

Q. You are manufacturing news print now, of course?—A. Yes, sir.

Q. What is the condition of the mill, is it up to date in every particular?—A. In every particular it is up to date.

Q. Conditions favourable to manufacturing?—A. Yes, sir, water power.

Q. Has it been remodelled since 1888?—A. About two and a half years ago I remodelled it and speeded it up to put new wires in.

Q. You are a member of this Paper Makers' Association of Canada?—A. Yes, sir.

Q. Have been for some years?—A. Yes, sir, the paper mills have been since 1880. I think they joined somewhere around there. We erected our mill in 1878.

Q. You are aware of course that the minimum price fixed in 1900 for news print was \$2.50 with the usual discount, 3 per cent off thirty days?—A. Yes.

Q. Were you in favour of that price being fixed at the time?—A. Yes, sir.

Q. What were the reasons that induced the paper makers to adopt that price at that time?—A. Supply and demand. That the cost of supply and demand of the raw material advanced and enhanced the value of our raw stock to go into this. To make a profit we had to advance.

Q. You are aware in 1898 and 1899 paper had been sold at a lower rate than this?—A. Yes.

Q. Is it your experience that \$2.50 at the time fixed, has yielded undue profits?—A. No.

Q. From your experience, if you were investing to-day, from your experience, if you were investing the amount of money required to erect a paper mill, would you con-

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sider that an attractive investment?—A. No, sir, there is not a good enough return for the money invested; from a manufacturing point it is a poor paying business.

Q. At the prices you are getting?—A. Yes, sir, for the manufacturer.

Q. What is the approximate cost of a mill such as yours?—A. Well, we have in the neighbourhood of \$200,000 invested.

Q. That is simply for the manufacture of news print?—A. Of paper.

Q. You don't manufacture pulp?—A. No, sir, buy our own material.

Q. Can you tell us what your raw material costs, sulphite and ground pulp?—A. I put in a statement D-3, showing the cost of sulphite pulp, the cost of ground wood pulp, and the averages per ton in 1899, 1900 and 1901 month by month.

Q. Are these figures taken from your books?—A. Yes.

Q. You know they are the correct prices that you are paying?—A. Yes, there are the invoices to show.

Q. Now, during these three years, during the months that are showing in this statement, D-3, did the price of paper increase proportionately to the price of the raw material?—A. No, sir.

Q. What changes were there in the price of paper?—A. We were selling our paper on an average of about two and a quarter cents.

Q. Were there any other conditions besides the cost of the raw material which led to the advance in the price of paper? For instance, was the price of paper affected by the war, by the supply of news print, &c.?—A. By the supply and demand, it was affected very greatly.

Q. Can you say as to whether the re-organization of this association had anything to do with the advance in the price?—A. No, sir, I don't think it had.

Q. You are satisfied that the price would have advanced independently of the re-organization of this association?—A. Yes, sir.

Q. Did you follow the price of paper in the United States during that period?—A. Yes, some, not very largely.

Q. Did it advance proportionately to the advance in Canada, or was the advance greater in the States?—A. The advance was greater than the association price.

Q. How did the conditions of manufacture compare in the United States and Canada?—A. Well, there is very material difference, their consumption is so much larger.

Q. What is the total consumption of Canada?—A. The total consumption of Canada is about 30,000 tons a year.

Q. What is the consumption of one of the large journals in New York, for instance?—A. The *New York Journal* or *New York World* is about 33,000 tons a year.

Q. That 30,000 tons, does it include anything besides news print?—A. I think it takes in wall paper and news print, and there is included in this patent medicine sheets.

Q. The *New York World* is more than that?—A. About 33,000 tons last year, I think.

Q. You heard the evidence of Mr. MacFarlane as to the lost time, &c., by the stoppage of your machine and the change in size and weight, &c., and agree with his evidence?—A. Yes.

Q. Four hours a day would be the average loss?—A. Yes, about that, to change and make lighter weights.

Q. Would that be equivalent to about  $\frac{1}{4}$ c. a pound?—A. Yes, it would be that, I should think.

Q. Now, when this minimum price was fixed to  $2\frac{1}{2}$ c., that was intended to apply to all consumers throughout Canada?—A. Yes.

Q. It applied to the largest consumer in earload lots as well as the smaller ones?—A. Yes, it was all  $2\frac{1}{2}$ c.

Q. Would it not be natural that small consumers in ream lots, would pay more than large consumers?—A. Yes, and large consumers, such as any of those large papers here, the *Star* or the *Globe*, that is one size and one weight, they would use from four

to seven tons of paper a day, and the small consumer uses a few reams a day, and they are all different sizes and different weights.

Q. You heard the evidence in Toronto, I think, of Mr. Dingman and Mr. Preston ?  
—A. No, I did not. I heard a part of Mr. Robertson's evidence, that was the last part of it.

Q. But you have been aware of the existence of this association since you have been in business?—A. Yes, sir.

Q. Were the prices discussed previous to 1900?—A. I did not attend the meetings. I was there as assistant manager. Mr. Phelps, who is now dead, was the man who attended all previous meetings.

Q. Are you aware that there are a number of paper mills in Canada outside of the association?—A. Yes.

Q. How many?—A. Somewhere between fourteen and fifteen.

Q. You heard the list given by Mr. MacFarlane?—A. Yes.

Q. You have a knowledge of them?—A. Yes, I know them.

Q. These mills can all make news print?—A. Any paper machine can make news print.

Q. Are you aware that some of the people who have been making news print in the past have gone out of business?—A. I heard so.

Q. Do you know the firm of Alexander Buntin & Co.?—A. Yes. Rolland, J. C. Wilson & Co., they have all given it up on account of the low prices.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. Your mills are owned by a company, are they?—A. Yes.

Q. Joint stock company?—A. Yes.

Q. Does it pay a dividend?—A. Yes.

Q. And has for a good many years?—A. Well, we did pay a dividend ; we met with some bad losses in the way of fire and cyclone.

Q. Did it pass the dividend then?—A. We did not pay any dividend during these years until we made up our losses.

Q. How long were you without paying a dividend?—A. Between five and six years.

Q. What period?—A. Previous to two years ago.

Q. And recommenced the dividends about 1899 or 1900?—A. Yes, in September three years ago our mills were destroyed by a cyclone that passed there ; we met a heavy loss there.

Q. You had to rebuild out of your rest?—A. We had to rebuild out of our pockets.

Q. Then you have made no estimate, apparently, of the cost of production ? The estimates that you handed in was the cost of raw material?—A. No, I have not got any.

Q. This estimate of the cost of raw material, which you have here, you have simply taken from your books, showing what you have been paying during each month since January, 1899?—A. Yes, sir.

Q. Then I see that your cost of sulphite, for instance, was from January, 1899, to September, 1899, uniform at \$32 a ton?—A. Yes.

Q. And then it rose at once to \$36?—A. Yes.

Q. Any reason for that that you know of?—A. Why, the cost of the chemical wood, the cost of chemicals, the cost of wood.

Q. You don't produce that?—A. I am not a producer of chemicals.

Q. You are not a producer at all ; you simply know that your supplier increased the price he asked of you, from \$32 a ton, which he had been content with during the first nine months of 1899, to \$36 a ton?—A. I don't know whether he was content or not ; he took it.

Q. Then, I see in February, 1900, it went to \$42?—A. Yes.

Q. Why that extra six dollars?—A. Supply and demand.

Q. There was no association that you know of among the producers of sulphite?—A. No, sir.



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Q. That was just regulated by the law of supply and demand ?—A. Yes.

Q. Demand increased ?—A. I cannot say. Yes, I think demand increased some during the war.

Q. Demand did increase on you, I mean all the paper manufacturers ?—A. Yes.

Q. And that would make the demand for the raw material that you used, increase ?—A. Everything that we know of increased during 1899.

Q. That would be, of course, one of the universal laws of supply and demand ?—A. Yes.

Q. As the demand increased, supposing the supply did not increase correspondingly, you would find prices go up ?—A. Yes.

Q. Why did not you people in the association leave the uniform laws of supply and demand regulate the cost that you were charging ?—A. We did ; we made a uniform price. We could charge what we wanted.

Q. When did you find it necessary to combine yourselves under a penalty not to sell below that figure when the demand was increasing ?—A. It was a fair profit on the workings.

Q. What I cannot understand ; will you please explain to me the object of imposing a penalty on any one of your members who would undersell that figure, when the demand was increasing ?—A. When we made that price, it was a fair price for news. The demand fixed the price.

Q. Why fine a man for going below the price that you were selling at ?

WITNESS : Why fine a man ?

COUNSEL : Yes, why fine him ?—A. I did not have anything to do with the fining of the men.

Q. You were present at the meetings and you understand what motives caused your association to fix the minimum price ?—A. Because it was a fair price.

Q. Why not let the laws of supply and demand regulate it ?—A. So we did. We passed regulations fixing the minimum price for our goods and whoever could get more than that was making that much more profit.

Q. You imposed on any one of your members who transgressed that rule and sold under that rate, a penalty, and I cannot understand why you should do that, if you were letting supply and demand regulate it. Can you explain to me why you did that ? Why were you afraid that some of your members might be tempted to undersell ?—A. I don't know as I quite understand that.

Q. We have heard after your association had been for years in existence, we have heard on the 21st February, 1900, a very rigid, new agreement entered into, men depositing \$500 in a common fund to bind themselves to each other that they would not sell under a certain figure?—A. I consider our old agreement was just as binding as that.

Q. But apparently your association was not content with binding its members in honour; they wanted the deposit of a certain amount of money?—A. That is always safer.

Q. I want to know why that penalty was imposed, when you had a rising market for supply and demand?—A. It was not fixed so much by that. It was fixed so that no man would be tempted to take and cut another man.

Q. So there would be a counter-temptation ?—A. To bind a man's honour.

Q. To bind his pocket as well as his honour, his interest as well as his honour?—A. Of course.

Q. Of course the increased demand you were then feeling did not in any way increase the cost of production?—A. Yes.

Q. How?—A. In the raw material.

Q. To you people who did not manufacture your own raw material?—A. Yes.

Q. You just bring us here the increased cost of sulphite and ground wood?—A. That was my raw material.

Q. But the majority of the large mills manufacture their own pulp?—A. No, there are only a few of them.

Q. Take those who do and who belong to this combine of yours, they of course did not feel any increase in cost of raw material?—A. I think they did.

Q. In what respects?—A. The wood itself.

Q. How? Did the wood itself go up in price?—A. No, sir, there was a shortage of water all over America.

Q. A shortage of water-power?—A. No, sir, a shortage of water; they could not get out their logs to market.

Q. The cost of raw material did not uniformly increase, because we find while the cost of sulphite increased in 1899, we find the cost of ground wood went down from \$17 to \$12.50 for August and September?—A. Yes.

Q. That does not arise in the cost of raw material at all. That of course, was not an increase but a diminution in the cost of that raw material?—A. That was in 1899.

Q. That was at this very time when you are speaking of the increased cost of getting the pulp wood to the mills?—A. No.

Q. Why not?—A. You get your pulp wood earlier in the spring to the mills. The shortage came after that. When they went to the wood to cut, it had been for the next year.

Q. Was not this period of drought that you speak of during 1899?—A. The hot months have nothing to do with the getting out of the logs. It is cut in the winter and floated with the rains in the spring.

Q. When was this period of drought that you speak of?—A. The latter end of 1899.

Q. Do you mean the fall months?—A. Yes.

Q. These are not the months of the year during which they float wood down the streams at all?—A. But those are the months when the men in the woods can tell what they can get out.

Q. I cannot understand how the drought is applied to the floatation of wood to the factories, how the drought of that period of the year could affect the matter at all. It is floated to the mills in the spring and that is all over by June?—A. Yes.

Q. And then you don't recommence until the snow comes again?—A. Yes, but if they have no snow in the woods and cannot get in there during the earlier part of the winter when they go there, it certainly causes a shortage of wood.

Q. Then, the drought that you speak of could not have affected the price of ground wood in August or September, 1899?—A. I was speaking about after the August and September of 1899. After that I don't think it affected that.

Q. Then, let us exclude the drought altogether. I find from your figures that in September and August, 1899, there was a reduction from \$17.50 to \$12 a ton in the cost of that ground wood?—A. Yes.

Q. That was not any increase in the cost of raw material there, but your only increase was the cost of sulphite?—A. Then it advanced after that; it advanced very heavily.

Q. Then, your mills manufacture news print particularly?—A. No, we have our other mills which manufacture what we call manilla made from rope and jute.

Q. The pulp-wood does not come into that at all?—A. It is a separate mill.

Q. One of your mills is devoted to news print altogether?—A. No, I made news print, and what we call wood manillas.

Q. In that mill?—A. Yes, it is practically the same, only it is for the dry goods trade.

Q. Does this agreement of yours of last February relate to the output of these other mills or to anything except the output of news print?—A. Yes. It takes in the manillas; we call it wrapping. There is news and wrapping.

Q. It just relates to those two lines?—A. That is all.

Q. Does it cover the whole of the output?—A. Well, paper, yes, and wrapping.

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Q. Then, you think that the association had nothing to do with the advance in prices?—A. No, I think the prices would have advanced if there had never been an association.

Q. That makes it all the more difficult for me to understand why you should have gone to the trouble to require a deposit from different signatories to bind your people so formally not to undersell?—A. It was for the mutual benefit of all manufacturers. Our association was not formed to undersell each other.

Q. It had existed in that shape for twenty years?—A. Yes.

Q. And then, for some reason or other, you reorganized or entered into this new form of agreement of February, 1900, and you want to tell us, as I understand, in your testimony that that had nothing to do with the contemporaneous advance in prices?—A. That our association had nothing to do, or do you mean the prices were fixed?

Q. I understood your evidence to be that in your judgment the association had nothing to do with the advance in prices, was that right?—A. I don't think, on the general advance in prices, that our association had anything to do with it. News print would have advanced if we never had an association.

Q. Let me understand. Do you mean that the agreement which you entered into in February, 1900, had nothing to do with the advance in price, or merely that the circumstances of your being banded together had nothing to do with it?—A. It meant if we had no association whatever, supply and demand would put news print beyond 2½c. a pound.

Q. That is, in other words, the demand had so increased, each manufacturer would be able to get more than 2½c. for his print?—A. Yes.

Q. It would not have cost him any more except the cost of the raw material?—A. Yes.

Q. And the difference to him would be an additional profit?—A. Yes.

Q. That leaves it unexplained why you should enter into this bond with each other and as to that, is there anything further you can tell me with regard to that?—A. No.

Q. Were you at the meeting when it was decided on? You thought it a thing in the interest of your business to go into?—A. Yes.

Q. Was that the first meeting you had attended?—A. I did attend one or two meetings with Mr. Phelps in the city of Montreal. No, before February we had an agreement.

Q. You had an agreement among the producers?—A. Yes, in other lines, not in news print.

Q. But in other lines of production?—A. Yes.

Q. And did you have it under the sanction of the penalty in the same way as this?—A. No.

Q. This was a new feature?—A. An improvement.

Q. To whom are we indebted for that new feature?—A. I cannot say that.

Mr. WHITE objects to this question as being irrelevant.

THE COMMISSIONER.—I do not think that you have any interest in asking that.

Q. You speak, Mr. Woodruff, as Mr. MacFarlane did, of the time lost in changing the mill from one size to another?—A. Yes.

Q. Let me know, without going into these details of your business at all about how much of your output would be taken by, say your largest customer in the line of news print?—A. Oh, I don't make news print as a rule on a contract for any of the large papers. I could not keep any stock of various sizes. I make some rolls and sheets to keep it in stock for various sizes in the trade through the country.

Q. Take Ontario, for instance, the size of the ordinary rural newspaper is uniform?—A. No, different sizes and different widths.

Q. There is not much difference in the width in the column?—A. No, I mean the sheets would be different sizes and different weights. Some papers run 23 x 35 and 24 x 36, 28 pounds, 30 pounds and 32 pounds, and so on.

Q. The different customers of yours take different kinds of articles from you?—A. Yes.

Q. But your customers from year to year are tolerably uniform ?—A. No, I cannot say that.

Q. When you have a good customer, he is likely to stay with you unless he is dissatisfied ?—A. I try to keep him as long as I can.

Q. You have some contracts from year to year ?—A. No, I have not.

Q. Take your largest customer and tell me how long it would take you to turn out all the news print that customer would require for a year's consumption, or six months' consumption ?—A. Well, I think the largest customer I have been selling lately has been the *British Whig* of Kingston, E. J. B. Pence ; he uses four carloads a year.

Q. How long would it take you to turn that out ?—A. Eight to ten days.

Q. In eight or ten days you would be able to supply him ?—A. Yes.

Q. Don't customers, like him, in fact, don't the majority of your customers buy six months' supply at one time ?—A. No, not on contract.

Q. But in one order ?—A. I cannot say that they do.

Q. Take the *British Whig*, that is a fair sample, the Kingston city newspaper, and probably a dozen newspapers in Ontario with equal circulation, some probably larger, would not such men take six months' supply at once ?—A. He doesn't.

Q. How much is his habit ?—A. He buys a carload at a time.

Q. Which would run him about how long ?—A. About three months.

Q. So that four times a year would be as often as he would get any renewal ?—A. That is as often as I have sold him.

Q. Would that be an average thing, that the newspaper men would get in three months' supply at a time ?—A. Some of them do and some don't.

Q. Some get more at once, some of them supply themselves for six months ahead ?—A. Some of them might. I cannot tell if any customer supplies himself for six months ahead, I don't know of any.

Q. If you have a set of customers tolerably uniform, do you wish us to understand that in making the change you would necessarily have to make in your machines to supply such customers, you would lose one-sixth of your whole working time ?—A. Yes.

Q. Lying idle while you are making the change ?—A. The whole mill lies idle while you are making the change on the machines.

Q. That would make one day out of six, the year round ?—A. Yes.

Q. You said there were some mills outside the combine, do you know whether, in fact, these mills make news print ?—A. Yes.

Q. And they don't undersell you ?—A. I don't know.

Q. You have not heard of it in your business, have you ?—A. Yes, I have heard of it.

Q. You have heard of some of them underselling ?—A. Yes.

Q. To any extent ?—A. Yes.

Q. To what extent ?—A. I have heard of the Laurentide Company underselling.

Q. To what extent ?—A. They have sold in Canada below our association price.

Q. Do you mean your present association price or your association price prior to a month ago ?—A. Two and a half cents. I am speaking of prior to a month ago.

Q. When you were selling at two and a half cents, they were underselling you ?—A. Yes.

Q. To what extent ?—A. I cannot say ; it is only hearsay. I cannot prove it.

Q. But giving the best information you can give me, was it at the time you were asking two and a half cents, according to association figures, they were selling at some smaller figure ?—A. Yes.

Q. You cannot tell me the figure ?—A. No.

Q. You cannot remember or you have forgotten ?—A. I cannot tell you ; it was somewhere below 2½c.

Q. I don't suppose you want to suggest that they were selling at a loss ?—A. I don't know ; I never went into their books ; they run their own business.



## SESSIONAL PAPER No. 53

*Re-examined by Mr. White, K.C., representing the Paper Manufacturers' Association :—*

Q. Before that last agreement was signed in 1900 what had been the condition of the trade amongst paper manufacturers ?—A. The trade for the last previous six months had been in a good healthy state. We considered it so. We were advancing prices right along on it.

Q. Your selling is largely done by travellers ?—A. Yes.

Q. It is one of the objects of your association to give these travellers uniform discounts, to control the travellers ?—A. Yes.

Q. Before this association was reorganized, had the travellers certain discretion ?—A. Yes, they did in some respects.

Q. How were they exercising them ?—A. By what the newspaper man would tell him. The other fellow would tell him the day before what he would offer the paper at. The newspaper men were working the travellers for all they were worth.

Q. That was unsatisfactory to the manufacturer ?—A. Yes.

Q. Of course, if you run off, as in the case of the *British Whig*, if you run off a year's supply in ten days, you would have to carry that and there would be a loss of interest ?—A. I would have to have large storehouses to carry that ahead.

Q. It would mean a very large cost on production ?—A. Yes.

Q. There would be no economy in making this year's supply in 10 days and storing it, as against changing your machine—A. Not at all.

*Re-cross-examined by Mr. Aylesworth, representing the Press Association :*

Q. You are running day and night ?—A. Yes.

Q. And you have been for how long ?—A. Since 1878.

Q. That is a general thing with paper manufacturers ?—A. Yes.

## EVIDENCE TAKEN AT MONTREAL, 4TH JULY, 1901.

WILLIAM D. GILLEAN.

*Examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. Mr. Gillean, you are the assistant managing director of the Canada Paper Company of Montreal ?—A. Yes.

Q. Have you been engaged in the paper business some years ?—A. May be thirty-five years.

Q. Your company is a member of the Paper Trade Association ?—A. I believe so.

Q. During the year 1900 the Association fixed the price of news print in carload lots at 2½ cents, with the discount three months, with three per cent off thirty days ?—A. Yes.

Q. What was the market price, or the general condition of the market at the time, in the previous year to that, that is in the year 1899 ; what was the state of the market in Canada ?—A. The state of the market. The price was lower ; the demand not so large.

Q. During the year 1899, were you making contracts for news prints with various newspapers ?—A. Always doing, every year.

Q. What is the practice in regard to these contracts ? For what terms are they generally made ?—A. Newspapers make from one to two years. There are exceptions beyond two years, but one to two years is the general rule.

Q. Did the price increase the following year, 1900 ?—A. Yes, remarkably.

Q. What was the cause of that increase ? Was it due to the formation of the association ?—A. I think not.

Q. Explain to us how ?—A. The extra demand on account of the two wars, and the drought that season of water, consequently a lot of mills were obliged to shut down that were run by water-power.

Q. That would affect the output ? It would reduce the output of the mills running by water-power ? Not having a sufficient supply of water they had to close down or run short ?—A. Yes.

Q. Apart from that what was the cause ?—A. The high advance in raw materials.

Q. You mean the pulp wood and chemicals ?—A. The three kinds of pulp, pulp wood, coal and other factors connected with the manufacture of paper.

Q. Can you give us any idea of the advance in pulp wood, about the percentage, roughly ?—A. I think pulp wood advanced about 25 per cent.

Q. And coal ?—A. Well, I can tell you more about coal. In 1887 and 1888 our coal, what we used for drying purposes cost us \$4 a ton laid down at the mill. Our last supply in 1900 cost \$5.90 laid down showing an advance of about 50 per cent for coal.

Q. What price were you getting for paper in 1900 ? What was the market price, after the formation or the reorganization of this association ?—A. Two and a half cents.

Q. It was the minimum price fixed by the association ?—A. Yes.

Q. Was that lower than the market price or were you getting higher prices ?—A. No, in many cases we were selling for less.

Q. Were you also selling for more ?—A. In many cases, more.

Q. How were you selling for less if the association price was fixed ?—A. Contracts made in 1899 to run over 1900, and contracts made the year prior, which we were obliged to carry out over 1900.

Q. What I want to get at is : What was the market price apart from the price fixed by the association ? What would you consider the market price would have been if there had been no association ?—A. It would be fully that price, probably a little higher on account of these conditions.

Q. Did you follow the prices in the United States during the year ?—A. Yes, pretty closely.

Q. Can you give us the figures ? What was the market price in the United States in 1899-1900 ?—A. The market price for news print in 1899, ran from two to two and a quarter cents.

Q. Can you establish that by any trade journals. Have you any data for that ?—A. I have for 1900 ; in 1900 the prices advanced materially.

Q. Give us the price for 1900. We are speaking of news print only ?—A. Here is the *Paper Trade Journal* for May 23rd, 1900, which is considered a reliable authority regarding the paper trade in the United States, and the prices they give as a rule are fairly correct. Here is the price in May, 1900. Speaking of news print running from 3 to 3½c.

Q. Is that under the same conditions and the same quantities ? Is the price fixed by the quantities ?—A. Two and a half.

Q. Does that give a shading price ?—A. You are speaking now of the price that would compare with \$2.50 fixed by the association ?

Q. Here is June, yes, June, 1900 ?—A. The price then 2½c. to 3c. That is ¼c. reduction in June. Now we will take October 3, 1900, news print ruling in New York was then 2½c. to 2¾c. That is three periods of the year.

Q. During that year were you an active member of the association ? Were you in the executive yourself ?—A. Not on the executive but I was a member representing our company of course.

Q. Did the Canadian association increase the minimum price during that year from \$2.50 ?—A. No, it remained stationary.

Q. Although the ruling prices in the States were higher ?—A. Yes, also in England.

## SESSIONAL PAPER No. 53

Q. What were they in England ?—A. I have nothing to show you, but I can give you what a prominent newspaper man informed me during 1900.

Q. What were the prices ?—A. Ramsden, a large paper manufacturer in Lancashire, informed me that they were getting last summer for news print from a penny halfpenny to two pence ; prior to that he was selling paper at a penny and a penny farthing, and it jumped up from one-half to three-quarter cents in England, and he is a paper maker who makes three hundred tons a week.

Q. And you believe the prices were higher in the States and in England than those fixed in Canada ?—A. Yes.

Q. During 1900 did you sell any paper to Mr. Tarte of *La Patrie* ?—A. Yes.

Q. Were you under contract with Mr. Tarte ?—A. No.

THE COMMISSIONER.—Speaking of Mr. Tarte, his evidence has never been concluded ?—A. He was to be here to-day.

*By Mr. White, K.C., resuming :—*

Q. Mr. Tarte was examined as one of the first witnesses in this Commission and he referred to having purchased certain paper from you. Will you please explain the circumstances under which this sale was made and at what prices, &c. ?—A. In April, 1900, Mr. Tarte was under contract with a paper company who unfortunately met with a fire.

Q. You are referring to the Eddy Company ?—A. Yes. He then was driven to his wits' end for paper. He appealed to me as a favour to give him some paper to keep him going until he could make arrangements.

Q. What was the condition of the mills at the time ?—A. They were all very full on account of the demand.

Q. The demand had increased and it was very difficult to buy paper ?—A. Yes, so I helped Mr. Tarte with two or three carloads to help him out. There was no question of price at all ; otherwise he had great difficulty in getting it. To keep him going, I supplied it.

Q. It appears the price charged was 3c. ?—A. Yes.

Q. Did you tell him the price was 3c. because of the existence of the association ?—A. No, not at all.

Q. Did Mr. Tarte understand at the time that the price was 3c. because of the difficulty of obtaining paper, and that was the market price, not because of the existence of this association at all ?—A. Not at all.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :—*

Q. Your company, of course, has joined this association ?—A. I believe so.

Q. And did so since it was formed ?—A. Yes, I think so ; shortly after.

Q. And has remained a member from that time until this ?—A. Of course there has been an association for many years.

Q. But the old association, we are told by the manufacturers, has been merged into the present one ?—A. Yes.

Q. And was there any such fixing of prices before the reorganization or the agreement of 1900 ?

WITNESS.—In the old association ?

COUNSEL.—Yes.

A. Oh, the prices and terms of contract were always discussed, responsibility, &c.

Q. That is not what I asked you. I ask you if there was any fixing of prices under a penalty on those who did not adhere ?—A. I cannot remember as far as penalty is concerned.

Q. What was the idea in introducing that feature into the long established association ?

WITNESS.—The penalty ?

COUNSEL.—What was the idea of introducing that feature of fixing prices and requiring a deposit of \$500 as a security ?—A. I believe to keep faith with one another, as far as terms and responsibility are concerned.

Q. You were making the terms of credit a little more favourable to the seller and a little more disadvantageous to the buyer ?—A. Oh, I think not.

Q. What was the ordinary term of credit prior to February, 1900 ?—A. Three and four months.

Q. What discount for cash ?—A. Three per cent, sometimes five per cent ; not on news print, I don't know of any case.

Q. I speak subject to correction, but I think several witnesses spoke of getting five per cent for cash ?—A. We never gave it.

Q. You gave three per cent on news print with four months period of credit ?—A. Three and four.

Q. Frequently four ?—A. Yes.

Q. Well, then the effect of this agreement which you were all binding yourselves to keep to in February, 1900, was to reduce that period of credit to three months uniformly, and impose a pretty heavy penalty upon any member who did not adhere to the price which the association established. What was the object of that ?—A. The object was, to those in the association who agreed to those rules so far as credit terms, and cash discount and the matter of waste on white paper and other papers, to see that they would agree, I suppose, largely to make it more binding, but it was never carried out to my knowledge.

Q. Was it never carried out ?—A. No fine or penalty.

Q. There was never a case where a man was called on to be fined ? They were always willing to adhere to the prices ?—A. Yes.

Q. Did you correct your mind as to the objects with which this was done. You cannot give any better explanation as to the object ?—A. It was to maintain prices, terms and responsibility.

Q. To benefit the members of the association ?—A. It must be some benefit.

Q. And it was not at all to keep down the price ; you could trust the buyer to do that for himself ?—A. He would look after that himself.

Q. I rather understand from your explanation to Mr. White that your view of it is that prices would have been higher if it had not been for this association during the twelve months of 1900, do you mean that ?—A. It might have been.

Q. Anything might have been. Do you mean it to be understood, in your judgment, that they would have been ?—A. If you fix a certain price, you feel bound to carry it out. If there is an open market it depends on circumstances.

Q. It does not seem to me that is answering what I asked you at all. I am asking you if you mean to convey the impression that in your view, this association kept down prices, that they would have been higher if there had been no association ?—A. I think in some cases they would have been.

Q. There was no maximum price fixed by the association. You can go as high as you liked ?—A. Yes.

Q. Explain to me, if you can, how, in any instance, the fact of that association existing could lower the price ?—A. It could not lower the price.

Q. It would not have that effect ?—A. No.

Q. Well, you spoke of the market price in 1900 probably being a little higher than the association price ; was there any market in Canada, as a market, fixing the price outside of the association price ?—A. Not as far as Canada was concerned.

Q. But as far as Canada was concerned there was no other price other than the association price ?—A. No.

Q. What were you referring to in answering me in 1900 the market price was probably a little higher than the association price. Was that in other countries ?—A. In other countries.



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Q. In the United States in full operation in 1900 the International Association ?  
—A. Yes.

Q. Had been then for fully twelve months ?—A. Yes.

Q. In co-operation with the Canadian association ?—A. Not to my knowledge whatever.

Q. Have you been an active member personally or actively attending at the meetings of the Canadian association ?—A. Oh, quite a few meetings.

Q. You have been present at the majority ?—A. Quite a number of them.

Q. Have you been present when communications were read with the International ?  
—A. Yes.

Q. And they were not acting in any way hostile with you ?—A. No.

Q. It would be quite right to say they were acting in accord with you ?—A. I think not ; I don't think they did.

Q. What was the purpose of corresponding with them if you were not acting in harmony ?—A. I had no knowledge of their asking us in any way to work with them at all.

Q. Then you were writing and arranging for conferences ?—A. There was a letter passed ; the company wanted to have a conference with us, but I don't think it was ever carried out.

Q. Was there never any conference ?—A. Not to my knowledge.

Q. Nor any arranged by letter ?—A. I think not.

Q. As to neither of you invading the territory of the other or anything of that sort ?—A. Never heard of that.

Q. Supposing there were any outside circumstances like associations to affect the prices either in the United States or Canada, which country would you say, from your knowledge of the business, ought to be able to produce paper more cheaply, having regard, I mean, to the natural advantages of raw material, cost of carriage, &c. ?—  
A. It depends on conditions.

Q. Could it not be said generally, either in Canada or the United States, that the one country could—suppose there was nothing to regulate prices more than the natural play of supply and demand—produce more cheaply than the other ?—A. Given the same conditions we ought to be able to produce as cheaply.

Q. What do you mean by conditions ?—A. Quantity and demand.

Q. Raw material ought to be cheaper here, I suppose ?—A. It is fully as cheap.

Q. Costs more to get the raw material to the factory in the United States than in Canada ?—A. Well, those who export it, or those who take it over. That does not refer to those who have their own mills in the United States.

Q. There is limited production, not unlimited, in the United States ?—A. They are getting wood there yet.

Q. Suppose you take a factory equi-distant from the source of supply, so far as the source of spruce is concerned, one situated in Canada and the other in the United States—can the United States factory produce its output any more cheaply than the Canadian manufacturer, supposing they have an equal haul of their wood ?—A. The same cost of raw material ?

Q. I am not saying anything about the cost of it. Is it any more expensive to bring a supply of wood to the factory in the United States than in Canada ?—A. I think not.

Q. There ought then to be no advantage in favour of the United States producer, so far as this pulp wood is concerned ?—A. Not much.

Q. Would there be in respect of any of the other raw material ?—A. I think not.

Q. Taking it generally, the Canadian manufacturer ought to be able to produce quite as cheaply as the United States ?—A. Yes, if it had large orders, the same side orders.

Q. Then you speak of the cost of raw material, in your evidence to Mr. White, of difference between the cost of coal comparing the year 1900 with 1880 ?—A. I think 1887 or 1888 I said.

Q. Why that comparison ? Did you mean 1898 ?—A. It was 1898. It was a mistake.

Q. You mean to say in two years, from 1898 to 1900, there was an advance in coal of nearly fifty per cent?—A. Very near.

Q. Has the advanced price continued ?—A. It is still in effect now.

Q. Was it unusually low in 1898 ?—A. No, a fair price.

Q. Four dollars ?—A. Four dollars at the ruling price.

Q. It had been higher than that before ?—A. Yes, but it got down.

Q. That particular year, it was a little low ?—A. I think that price followed two or three years.

Q. So long ?—A. I think so.

Q. My recollection is that all coal was cheaper that year than it has been since ?—A. Two or three years it remained fairly low.

Q. But prior to that time, it had been up to the level of the present prices ?—A. I think not. We are speaking of steam coal. It is not house coal.

Q. Take a factory such as yours, consuming the quantity of coal you do, and having an output such as you have told me, how much increased price would it call for to equal a rise of say \$2.00 a ton in the coal you consume, suppose all your other expenses remain uniform ?—A. That is a question I cannot well answer, because I don't look after the practical part of the business.

Q. You could not advise us how much of this price is properly referable to coal ?—A. I could not say that.

Q. Why did you select these particular dates that you did for prices you quoted from the United States market during 1900 ? Were they simply hap-hazard ?—A. Different periods of the year.

Q. Did you note any other dates ?—A. No, I just looked over about a dozen copies. These are different dates and different periods of the year.

Q. You have the issue of the 24th May. How often is this paper issued ?—A. Once a week.

Q. Did you bring these three numbers simply hap-hazard or did you look at any other numbers ?—A. I looked at other numbers.

Q. Why did you select these ?—A. Because those, I find, fairly represent the periods of each of those years.

Q. I notice one of these is 24th May and the other the 6th June only a couple of weeks apart, then you go clear to October ?—A. Well, I had nothing prior to May.

Q. Why did you not bring all that you looked at ?—A. These were, I thought, fairly representative of the prices at the time.

Q. Were there prices in others you looked at and even lower prices ?—A. No, sir, I did not find any lower in any I looked at.

Q. How many did you look at besides those you brought ?—A. About a dozen all told.

Q. You did not find any higher or any lower ?—A. No.

Q. They were all about uniform ?—A. Yes.

Q. These three were not uniform ?—A. Over these periods. You see the price in May was higher than in June ; in October it was lower than it was in June.

Q. You must have found some that were higher or lower ?—A. Some higher ; I did not find one lower.

Q. That looks as though they were pretty absolutely uniform from one end of the year to the other ?—A. That represents the highest and the lowest.

Q. How do they quote the variation, in  $\frac{1}{8}$ 's of a cent ?—A. Quarters, I think.

Q. So they range since that time from  $2\frac{1}{8}$  to 3c. ;  $2\frac{3}{8}$ c. in October ; 3c. in May ?—A.  $\frac{1}{8}$ c. the range is in these three different dates.

Q. These were the general ruling prices in that periodical, in the markets of the United States for this quality of paper ?—A. Yes.

Q. There is no indication as to the conditions of the contracts under which these prices would be taken ?—A. No.

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Q. Have you any knowledge on that point ?—A. No.

Q. You don't know what their custom is as to waste ?—A. No.

Q. Or whether they have any rule as your association has as to equalization points for freight ?—A. I could not say.

Q. Does your knowledge of the trade enable you to tell me whether England produces all of its own paper, or whether it has to be imported ?—A. Oh, it imports some.

Q. Free of duty, I suppose ?—A. Free of duty.

Q. So that the quality being equal, the price of the manufactured paper there could be by the manufacturer made equal to the price imported ?—A. It could be.

Q. And I suppose the price of the imported would in your view, largely regulate the English market ?—A. Oh, to a certain extent.

Q. So that if your association here and another association in the United States did put up the price, the English manufacturer would get the benefit of it ?—A. Partly. Well, to a certain extent. Of course, there is home consumption.

Q. How large was this contract of yours with Mr. Tarte ? For what quantity ?—

A. Oh, I think we sold him two or three carloads to keep him going for a short while.

Q. Perhaps two or three carloads ?—A. Yes.

Q. No written contract, just telephone conversation ?—A. Yes.

Q. And you just made the price three cents uniformly all around ?—A. Yes.

Q. That was just a sort of scarcity price ?—A. I thought it quite a fair price.

Q. Half a cent more than your association price ?—A. That paper we sold him we might be getting more than  $2\frac{1}{2}$  cents for it.

Q. What I want to know, was whether you were doing it as a favour to him, or whether you were charging him scarcity prices ?—A. He appeared quite pleased to get it.

Q. He had to get his paper or stop his publication ?—A. Well, he put it that way to me.

Q. And if you charged him 4 cents he would have had to pay it and look happy ? At any rate, 3 cents was the price you made ?—A. We charged him three cents.

Q. There were no considerations of any kind, no advantages to you or disadvantage to him connected with the transaction ?—A. No, it was simply a straight bargain of 3 cents a pound for that quality of this paper.

*Re-examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. Will you look at this trade journal again and give us the highest and the lowest prices in that trade ?—A. The lowest price is  $2\frac{1}{2}$  cents and  $2\frac{3}{4}$  cents.

Q. The lowest is  $2\frac{1}{2}$  cents ?—A. Yes.

Q. What is the highest ?—A.  $3\frac{1}{4}$  cents.

Q. When you said, in answer to my learned friend, in all the papers you examined, those were the lowest and the highest prices, you meant prices fluctuated between  $2\frac{1}{2}$  cents and  $3\frac{1}{4}$  cents ?—A. Yes, I looked at those at random.

Q. You found no lower than  $2\frac{1}{2}$ c. and no higher than  $3\frac{1}{4}$ c. ?—A. No.

Q. The term 'International Association' was used in referring to the United States production, do you know of any International Association in the States ?—A. No, there is an International Paper Company.

Q. That is an incorporated company ?—A. Yes.

Q. Are not there other companies in the States ?—A. Several others.

Q. Is it not a company that controls all the output of the States ?—A. No.

Q. There are many mills outside of that company ?—A. The Great Northern is equally large.

Q. Did you say equally important ?—A. Not quite, but almost as large.

Q. You never heard of any arrangement or understanding between the Paper Makers' Association and this International Paper Company ?—A. Never, no knowledge whatever.

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Q. Had your company ever tried to buy paper in the States during the year 1900 ?  
—A. They did.

Q. Were you buying any large quantities ?—A. We tried to buy in April or May, 1900.

Q. What quantity did you try to buy ?—A. 500 to 1,000 tons.

Q. At what price ?—A. They wanted 3c., and as a favour they would make it 2½c.

Q. What discount ?—A. About the same, 2½ per cent.

Q. You were asked if the effect of the association was to lower prices. Is it not a fact that you knew that all the members of your association were bound by this uniform price of 2½c. ?—A. Yes.

Q. And it would be useless to ask higher prices ?—A. Yes.

Q. But have the effect of lowering prices, because otherwise you might have got higher prices, you said the prices you obtained on several occasions were higher than that ?—A. Yes.

This agreement that has been referred to and produced as Exhibit P—4, provides that although the deposit is \$500, the power to fine the accused member is an amount not less than \$50 and not more than \$500. Do you know of any fines ever having been imposed at all ?

WITNESS—Or paid ?

COUNSEL.—Or paid ?

A. Not to my knowledge.

Q. So that the penalty is not necessarily \$500 ? It is from \$50 to \$500 ?—A. Yes.

Q. Will you explain a little more fully what you mean by the different conditions in regard to long runs of paper in the States and Canada as affecting the cost of production ?—A. There are some newspapers in New York use altogether in one year as much as we make in Canada all told of news print. There are some mills in the States fitted up with probably five or six machines, will probably run from the first of January to the thirty-first December on probably one or two sizes of paper without any change.

Q. The same quality of paper and the same grade of paper manufactured on this machine from year's end to year's end ?—A. Yes.

Q. Is there any newspaper in Canada can keep a machine running from year to year ?—A. Not one in Canada, not to keep one machine going.

Q. Of course the loss is in labour, &c. ?—A. The changing, shutting down and starting up again. If you could give an order that would run for a month you could do that at a shade less than when we are running for a week or so.

Q. What is the capacity of your news print ?—A. It runs from twenty to twenty-four tons a day.

*Re cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. With reference to the International, you say it is an incorporated company, as you understand ?—A. Oh, it is one of these large concerns.

Q. It is what we call vulgarly 'a trust' ?—A. No, it is one corporation.

Q. It is an incorporated company, formed in the year 1898, I am told ?—A. It is.

Q. And with a capital of some \$55,000,000 ?—A. Somewhere in that neighbourhood.

Q. And formed for the purpose of taking over and operating paper mills that were then running ?—A. Yes.

Q. Doing so to the extent of some fifty odd mills in the different parts of the United States ?—A. I would say thirty or forty.

Q. I understood they started with twenty-four and afterwards acquired some thirty or more ?—A. Possibly.



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Q. At the time that company was formed their output constituted 85 per cent of the total output of the paper manufactured in the United States ?—A. At that time.

Q. The Northern Company that you spoke of came into operation within the last twelve months ?—A. Yes.

Q. And any other companies there are in the United States are of a formation since the International fused all the mills that were in operation since that time ?—A. Since, and some prior to that time.

Q. But taking it as things stand now, the output of the International is more than two-thirds, nearly three-quarters of all the mills of the United States ?—A. Oh, no. Well, as far as I think, about probably 60 per cent. I judge from my knowledge.

Q. I thought 70 per cent would be nearer right ?—A. I would say 60 per cent.

Q. From 60 to 70 per cent ?—A. Well, about 60 per cent.

Q. Then you said that association had not, did you say, had not imposed, or had not exacted any fines from members for infractions ?—A. I have no knowledge of any fine being paid.

Q. You had knowledge of some being imposed and remitted, had you not ?—A. No, I don't think any fine had been imposed, to my knowledge, I do not think so.

Q. I thought I observed in looking over the minutes some fine imposed and remitted ?—A. That might be ; I might not have been at that meeting.

LOUIS J. TARTE.

*Continuation of cross-examination of Louis Joseph Tarte by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. You were to produce a number of letters which you said you had, and you said you had a basketful ?—A. No, I did not say a basketful.

Q. With regard to the correspondence you had from the States and elsewhere as to prices, are you prepared to produce those now ?—A. Here is what I am prepared to give. I am prepared to give here the card and the name of the party and the paper mill that offered me paper sometime ago at \$1.85. That gentleman was in my office and saw me several times.

Q. Is that a Canadian mill ?—A. No, American. I have no quotation from that mill of \$1.85, or delivered in Montreal here, freight and duty paid, at about \$2.45, less 5 per cent.

Q. A. C. Scrimgeour ? He is representing the Manufacturers' Paper Company ?—A. That was offered to myself and my manager in my office.

Q. Do you remember what date ?—A. Yes, about the month of May, 1900.

Q. The Manufacturers' Paper Company is in the International Company ?—A. Well no, not so far as that representative told me.

Q. As far as your knowledge goes ?—A. As far as my knowledge goes, yes.

Q. Well now, where are the other letters which you had, Mr. Tarte ?—A. What is it you want ?

Q. You gave us a lot of quotations ; you said you had a lot of correspondence ?—A. Yes, I had a lot at the time. I said also that I had asked the International Paper Company and some American mills to quote me prices in Canada, and I found out the price had gone up, and I had been refused quotations from some Americans and subsequently I had been informed by travellers of the Canadian mills and elsewhere, American newspapers, that the Canadian mills were combined with the American mills.

Q. Who told you that ? Give us the names of some of those gentlemen who told you that.—A. Here is a letter from the International people, which refused to give me quotations. I produce as P—39, letter dated New York, May 11th, 1900.

Q. What are the names of those gentlemen who told you that the United States International Company and the Canadian Manufacturers' Association were in accord ?—A. I had some friends in the newspaper line.

Q. Don't you remember their names ?—A. Yes, Hermann Rodger, of New York.

Q. That is the gentleman referred to in that letter ?—A. Yes. He told me he was liable to think they were combined, and then a few days after that—

Q. Is he a jobber ?—A. No, he is a very big newspaper publisher, the New York Stein Zeitung. There was a representative of one of the American mills came here and he could not give me a quotation—that the Otis Falls mills, as far as I remember and several mills had combined and they had decided with the Laurentide or the representatives of the Laurentide not to come into Canada to quote prices where they were quoting. That was the reason why, if the Laurentide was in position to fulfil my contract, they would not quote.

Q. Where was this contract at \$1.85 to be supplied ?—A. From the United States Manufacturers' Paper.

Q. Where are the mills ?—A. I forget.

Q. Was that price of \$1.85 delivered in Montreal ?—A. I said \$2.45 less 5 per cent ; subsequently to that, that was one of the first conversations I had. This gentleman told me if I was willing to give them my business they would do still better.

Q. And you did not arrange with them ?—A. I was in no hurry ; I am getting paper at 2c. now and am perfectly satisfied.

Q. So you had no more exact information about any arrangement than this statement of Mr. Rodger's ? That was the only exact information you had ?—A. We wrote to some of the mills in the United States and they would not give us quotations.

Q. There may have been other reasons for that ?—A. There might have been, but I had a letter—I telegraphed to New York, to Parsons Paper Company and we were to be supplied with a quotation ; we were supplied with a quotation at one time. I forget the price now ; I could not find that correspondence this morning. Subsequently after we were told they had more than they could fill in the United States they were not anxious to quote in Canada, and what led me to believe they were combined was that letter I had from the International people, who had promised to give us quotations on a certain date, and instead of doing that, they sent this letter, and I found it very funny that the International Paper Company should have been acquainted with the affairs of the Laurentide.

Q. You say one of these quotations was from the Parsons Company ?—A. I said the International to supply us. When it was time to give us quotations they answered me back that they knew the Laurentide was ready to take my order.

Q. What was it you said about the Parsons Company ?—A. I asked a quotation from them.

Q. What kind of paper do they produce ?—A. They produce all kinds.

Q. Are you sure they produce news paper ?—A. Yes.

Q. Did you ever buy from them ?—A. No.

Q. Is it not a fact that they simply run their mill exclusively on fine writing paper ?—A. I don't know ; I had been told they were handling news also.

Q. But to your own knowledge ?—A. I found out from American firms and agencies, &c., as far as my ability could guide me, the names of the manufacturers of news print in the United States. I say that Parsons quoted me at once, and they gave me a quotation at first for paper. I forget the price they offered to give me news print here at.

Q. Have you the letter ?—A. No ; I could not find it.

Q. Have you any other letters ? Let us have these letters you refer to.—A. I was asked to produce the contract I had with the other company, and the contract I had with the Laurentide. The Laurentide contract is filed as P—40 ; Eddy Contract, filed as P—41.

Q. That is in quantities of about 40 tons a month more or less, price 2½ cents a pound delivered to user's office in Montreal, terms cash on delivery ?—A. Yes.

Q. And the other contract is the 10th July, 1899, \$2.05 per 100 pounds, all white waste to be returned and allowed for a contract price, terms of payment, 3 per cent off thirty days, four months, your option ?—A. Yes.

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Q. This reference you made here to another advantage you had in the way of advertising, what was the nature of the advertisement?—A. Woodenware, &c., advertising matches.

Q. Entirely outside of the paper business?—A. Paper also, I think, but very seldom, I think.

Q. And then you have no other correspondence verifying these prices which you gave us as having been quoted in the States?—A. No.

*Re-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. You spoke of getting your paper now at 2 cents?—A. Yes, sir ; I have offers now from Canadian manufacturers for 2 cents. There is another paper in Montreal has been offered the same thing.

Q. That is your own present contract?—A. No, I am under contract now.

Q. When was this contract made?—A. I have not made a contract, but I can get paper at 2 cents. I am waiting till I get through with the Laurentide to make a contract. I have been offered paper at 2 cents right this week, so has another paper in Montreal.

Q. Of Canadian manufacture?—A. Yes.

Q. You are at present under contract still with the Laurentide?—A. Yes.

Q. So until that contract expires, you have no need of any further supply?—A. No ; I can get paper anyhow from other mills at about 40 cents a 100 pounds less than I am paying to-day to Canadian mills. In fact I have been buying paper from other departments for my paper, for which I am not under contract.

Q. How much longer has your contract with the Laurentide to run, do you say?—A. I think about two months or three months more.

*Re-cross-examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. Who offered this paper at 2c.?—A. I would not like to say.

Q. Was it a member of the Paper Makers' Association?—A. No, sir.

Q. It was not a member of the Paper Makers' Association?—A. No, sir.

Q. Mills outside?—A. Yes, I was offered a contract.

Q. By some one outside the Association altogether?—A. Here is the offer I got this week: I got the offer to be supplied with paper, starting September or October, at 2c. and the man offered to deposit \$10,000 to the credit of our company to guarantee he would execute the contract.

Mr. WHITE, K.C.—I would like to have the name, your lordship.

*The Commissioner :*

Q. Have you any special reason for not giving the name?

A. Yes, that gentleman has come here and he is investing money in Canada now, and I have been requested not to give his name.

*By Mr. White, K.C. :*

Q. Has he mills in operation?—A. Yes, he has some business in Canada now ; he is a manufacturer in Canada, but doesn't live in Canada ; he lives in New York.

Q. I would like to insist on having that name?

THE COMMISSIONER.—I would not like to interfere in private business.

*By Mr. White, K.C. :*

Q. You say some of these mills are working to-day?—A. Yes, sir, in the Province of Quebec, prepared to deliver me paper in October when my contracts are through.



J. D. ROLLAND.

*Examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. Mr. Rolland, your firm is a large manufacturer of paper and you have been in the business for a number of years ?—A. About fifteen years.

Q. You have a very wide experience I understand in all matters connected with the paper business ?—A. Yes.

Q. Is your company manufacturing news print to-day ?—A. We are not manufacturing news print in rolls.

Q. You have the necessary machinery to manufacture news print ?—A. Yes.

Q. You could manufacture it ?—A. Yes.

Q. Will you please explain to us why it is when there is an Association in Canada and the minimum price fixed at \$2.50, you are not in business ?—A. I am not manufacturing news print because we are not in position to manufacture at a paying price. It is only mills who have their supply of ground wood and chemical pulp that can manufacture news paper at a paying price. Our having to buy all those from the manufacturers, we cannot make it pay even at the price which is fixed by the market, the market price.

Q. In your experience is 2½c., the price fixed by the Association, an exorbitant price, a high price ?—A. I could not manufacture paper at that price, having to buy all the requirements.

Q. You are aware, are you not, that the ruling prices have been very much higher in the past years, during the past fifteen years ?—A. Naturally ; ground wood, which we bought at the time for \$18, last year we had to pay as much as \$24. Chemical wood, \$35 ; we had to pay as much as \$40.

Q. You have had a large experience also in connection with the Colonization Society, of which you are President ?—A. Yes.

Q. With regard to getting out of this pulp wood ?—A. Yes.

Q. How have the conditions changed in the past few years ? Take it in 1898, 1899, 1900 ?—A. We manufactured some paper for newspaper in sheets. Our price at that time was 3c. and 3½c ; we made some for which we charged 4c.

Q. When the price was 3½c. ?—A. Well, it changed in 1900, when the price of pulp wood went up in 1900.

Q. And the price went up to 4c. ; that is the price you are getting now ?—A. Yes.

Q. Between 1898 and 1900 ?—A. Yes.

Q. Was that due to the increased price of the raw material ?—A. Yes, I have a good deal to do with the wood pulp. Well, about every year since, the price of wood pulp has augmented, particularly in 1899 ; there was a great deal of wood cut in the shanties and immediately the snow went away and wood could not be got out.

Q. That was due to the lack of water in the spring ?—A. Yes.

Q. It was left in the woods ?—A. Yes, it was a loss to a good many settlers, on account of such a small quantity of wood being brought up to the mill and the larger cost to the pulp manufacturer.

Q. As a matter of fact you remember that in the year 1899, there was a drought ; there was a scarcity of water and that increased the price of the pulp wood ?—A. Quite naturally.

Q. Did it also make a shortage in the quantity of the wood ?—A. Certainly. Some of these pulp mills did not get 50 per cent of what they expected, and what they paid out money for.

Q. They made advances to cut the wood ?—A. Yes.

Q. Did that make a shortage in the quantity of paper that was manufactured ?—A. Yes.

Q. These causes would all tend to put up the price to the consumer of paper ?—A. Yes.



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Q. You consider that the price advanced because it did advance as a matter of fact, from causes altogether apart from the formation of this association, or was it due to the formation of the association ?—A. Not at all. The association had nothing to do with bringing up the price of chemicals and everything pertaining to paper, machinery, felts and wires, and iron and steel, and everything that was used on our machines went up from 10 per cent to 25 per cent.

Q. Of course we cannot be held for the combine of steel or whatever it is, in the States ?—A. No, but the price of wire and all these things went up.

Q. Even at the present prices, would you consider it advisable to go back in the manufacture of news print in rolls ?—A. There are only a few mills in Canada that can manufacture news paper to-day at the present rates.

Q. They must have the best conditions ?—A. They must have their limits, and they must be able to manufacture their chemical pulp and have the new machines to make this paper at a paying price. Otherwise they fail ; practically since January, three or four paper mills have failed. They had not the proper means of getting their wood pulp.

Q. To secure these mills and hold them would mean a very large investment of capital ?—A. Yes.

Q. What would be the effect on the trade in Canada of a reduction of the duty ?—A. It would ruin many paper mills ; would throw out of employment about 5,000 people who are employed in this business.

Q. You speak of failures, the association has not prevented these mills from failing ?—A. No, since the first of January five mills have gone out of existence. They could not make a profit at the price fixed by the association and the market price.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. Of course, these failures may have been due to lack of capital or anyone of numerous causes that might be suggested ?—A. Well, the principal point for me is that the first material had gone up in price, and they had not the new machinery to manufacture the paper.

Q. In your own mind, do you mean you attributed their failure to the causes you mention ?—A. I do.

Q. Was one of the four or five you had in mind, a company in Toronto, called the Consolidated Pulp Company ?—A. They were paper merchants, but there were two mills in Newburg and Napanee.

Q. The Newburg Mills and the Napanee Mills were both merged in that company ; they had both been sold to the company ?—A. I believe so.

Q. And they were ripe for failure for years ?—A. I don't know.

Q. I think their accounts demonstrate that. With reference to your own manufactory, you do not manufacture the news print paper in rolls ?—A. No.

Q. Do you in sheets ?—A. We made some until last year.

Q. Have you ceased manufacturing in sheets at present ?—A. We have.

Q. You have still the machinery, you can resume at any time if you see fit ?—A. Yes.

Q. But for the present you find more profit, I suppose in other lines of manufacture ?—A. We cannot manufacture in sheets at the market price.

Q. And the reason of that is because you have to purchase your raw material ?—A. All the raw material.

Q. How many mills are there in Canada which manufacture their own ?—A. I believe there are five or six.

Q. All in this association ?—A. I could not say precisely, but I should say there are five or six mills.

Q. Let me know what they are—the Eddy Company ?—A. Yes, that is one. The Laurentide and the Canada Paper Company, the Riordan and the Royal Pulp. There might be some others, but I don't know.

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Q. These are the principal mills which manufacture their own pulp ?—A. Yes.

Q. And the cost of that to those who don't manufacture it has gone up within the last two years very much ?—A. Two or three years.

Q. Gone up more in proportion than the cost of news print, I suppose ?—A. I believe so.

Q. The result of it being that it would only be such self-producing mills that could manufacture news print to advantage ?—A. With new machinery as they have.

Q. Then, do you deal in news print ; do you sell it, buy and sell it, at your mill ?—A. The mill does not buy paper.

Q. No, but your business ?—A. I do buy some sometimes.

Q. You buy from the producer and sell again ?—A. Yes, when I have orders.

Q. And do you have your men travelling, soliciting such orders, asking such orders ?

WITNESS.—For print paper ?

COUNSEL.—Yes.

A. No.

Q. Only supply orders which offer themselves to you ?—A. Offers which come to us, and sometimes the customers we have, if they want it, the clerk will offer the paper.

Q. Not doing it at a loss ?—A. Oh, no.

Q. And selling at the association price ?—A. We sell at a higher price, because I have a higher grade. Having a better quality, I get a better price.

Q. I don't know if I understand. Has not the association fixed the price for each grade, according to its quality ?—A. There are but few want to have a special quality ; few could make it.

Q. Do I understand you right in this way, that you don't deal in news print paper, the price of which is fixed by the association ?—A. Well, this is not news, not print paper ; we make some book paper.

Q. I am not speaking of that ?—A. News paper, as a rule, we don't make it.

Q. I was told that you dealt in it, that you sell it and buy it from some other manufacturer and sell it again ?—A. We do, but we don't make the ordinary news paper.

Q. I am not asking as to your making it or manufacturing it ?—A. Nor buying it ; we don't make or buy.

Q. You don't buy or sell ordinary news paper ?—A. No.

Q. The paper that you buy and sell is print paper but of a higher quality ?—A. A higher quality than the regular news print.

Q. So a higher price than the association fixes ?—A. Yes.

FRANK HOWARD WILSON.

*Examined by Mr. White, K.C., representing the Paper Manufacturers Association.*

Q. You are a member of the firm of J. C. Wilson & Company ?—A. Yes.

Q. Have you been in business sometime yourself ?—A. Personally, twelve years.

Q. Your firm, of course, is established by your father ; he has been in business a great many years ?—A. Thirty.

Q. Where are your mills ?—A. Lachute.

Q. Are they equipped for the manufacture of news print ?—A. Yes, they could make it.

Q. Have you been manufacturing news print ?—A. We make very little of it now.

Q. Did you use to make it ?—A. Yes, we did make more than we do now.

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Q. Will you explain the reason for your going out of the manufacture of news print?—A. The price is so low that we cannot afford to make it.

Q. In 1900 the association fixed the prices at \$2.50 per 100 for carload lots; did you go back into the manufacture then?—A. No.

Q. Why?—A. We figured that was the very lowest it should have gone to in 1899, and we would not make it in 1900 at that figure.

Q. You figured in 1899 when the raw material was lower by 25 per cent or 50 per cent, that \$2.50 was the price it should have been fixed at then?—A. Yes.

Q. Would this give you a large profit?—A. Nothing extra.

Q. And you did not go back to the manufacture when this price was fixed?—A. No, we manufactured a little but very little of it.

Q. Can you give us an idea of the price you were getting in 1900?—A. In 1900 we are getting all the way from 3c. to 3½c.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. When had you gone out, practically gone out of the manufacture of news print?—A. In either the end of 1898 or the beginning of 1899.

Q. You practically made none during 1899?—A. We did make very little of it.

Q. Nothing of any account?—A. No.

Q. You were not by any means quitting your output but you were directing your energy into different lines?—A. We never make any money out of news print. We had the mills all there ready, but we turned out other grades of paper.

Q. Then you did not entertain the idea of resuming news print in 1900; could you have done so without expense in the way of changing machinery?—A. We could have, yes.

Q. It would not have been any expense to get new machinery at all; you had all the machines on hand?—A. Yes.

Q. You had occupation for them in other lines?—A. Yes.

Q. And at more remunerative figures?—A. Well, we thought so.

Q. You don't manufacture your own ground wood?—A. Yes, sir, we do.

Q. And your own sulphite?—A. No, sir.

Q. You buy your sulphite?—A. Yes.

Q. And when did you find the big increase in sulphite?—A. In the end of 1899, especially in the first of 1900.

Q. What had you being paying for it in the beginning of 1899?—A. It had been as low as \$30.

Q. And up as high as what?—A. Well, not in 1899; we had paid \$34 and \$35 in the end of 1899.

Q. Then in the beginning of 1899 it was as low as \$30, and it was hoisted in the spring of 1900 to what?—A. Up to \$42 and \$45.

Q. Was there any reason for that increase in price that you can suggest?—A. Well, they gave us a reason; the cost of getting logs out, that it was more expensive and there was a shortage in the pulp.

Q. That was a reasonable sign of shortage?—A. Not so much that. The cost of getting logs out of the river and several other things they gave us as the reason. I know our own logs cost more to get out in 1900 than 1899. The water dropped. It took longer time to get them down the streams.

Q. I thought the drought was in 1899?—A. It was, but it was also in 1900.

Q. Was not there a greater lack in 1899?—A. Yes, there was a greater lack in 1899.

Q. Any other item of cost of production which would be greater in 1900 than in 1899?—A. I don't know.

Q. No other excuse was assigned to you?—A. Not to us.

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Q. But under those circumstances, the price became nearly, if not, 50 per cent more for that commodity in the spring of 1900 than it had been before?—A. For sulphite it had been running from \$30 to \$33.

Q. In the spring of 1900, the price went up to \$40 and \$42?—A. It went about 35 per cent.

Q. Have you facilities for manufacturing your own sulphite?—A. No.

Q. You had to buy that?—A. Yes.

WILLIAM H. ROWLEY.

*Examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. You are the manager of the E. B. Eddy Company of Ottawa?—A. No, secretary treasurer.

Q. Have you any knowledge of the paper business in Canada for a number of years?—A. Yes.

Q. And also pulp wood and pulp business?—A. Yes.

Q. Your company manufactures large quantities of pulp and pulp wood?—A. Yes.

Q. What was your experience as to the variation of prices in pulp in 1899 and 1900, both ground and sulphite?—A. Oh, there was a wide range ; I cannot tell you exactly what it was, but it was a wide range.

Q. The price increased considerably in 1900 over 1899?—A. Yes.

Q. Can you assign any cause for that increased price?—A. Yes.

Q. Take the ground pulp first?—A. Well, the cost of getting out the wood was very considerably greater.

Q. That would apply to both?—A. Yes, wages in the shanty were excessive, men difficult to get.

Q. Was the wood easy to get at?—A. No, we had no snow in our part of the country ; we had no frost rather in the early part of the winter. As a consequence, the output of logs was very limited up to Christmas. Spruce grows chiefly, that is, the bulk of the spruce grows chiefly in the swamps, and unless the swamps freeze up, there is great difficulty in getting the wood and there is also a great difficulty in laying it up. So in that year for the reason that it was a mild winter, a comparatively small quantity of wood was made before Christmas for the number of men we had employed at high wages. After Christmas, or in the New Year, we had exceptionally heavy snow storms, which not only prevented us from laying up the wood—they piled it up in high tiers—but it prevented our men from getting in and drawing out what was piled up. Added to that, the snow disappeared very quickly in the spring, and as the swamps had not been frozen, the water, instead of going as it usually does into the tributaries, went into the ground and filled up these small swamps, and instead of rushing down as it usually does, struck a great deal off our profit. When I say ours, I mean the whole section, including the Ottawa and the Gatineau Valley. I have heard the same conditions prevailed at Hawkesbury on the Rouge. And added to that was the very excessive price of all material entering into the manufacture. Sulphur was impossible to get. Without sulphur you cannot make sulphite fibre.

Q. What was the reason for not getting it?—A. It was contraband of war ; it could not be had. I think it went to something like seven times its value.

Q. The shortage was occasioned by the war?—A. No, you could not get it. I forget what it was now, but it was contraband of war. It was bought up by the manufacturers and they could not get it.

Q. Well, then, all these conditions that you have referred to greatly increased the cost of the pulp to the paper manufacturers?—A. Yes. Then, I suppose one-third of all the drives on the Ottawa river were stuck that year.



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Q. The wood had not come out at all?—A. No. We had nearly \$60,000 worth of wood stuck that year.

Q. Now, in your opinion, was the increase in the price of the paper in Canada which occurred in 1900 due to these conditions, or to the formation of this Association?—A. Oh, it was due to the conditions entirely.

Q. Due to the natural conditions?—A. Entirely.

Q. Do you think the price of \$2.50 that was fixed in 1900 was a proper and fair price?—A. No.

Q. What would have been a fair price?—A. Two and three-quarter cents.

Q. So that 2½ would not have given any undue or abnormal profit?—A. It did not give us any undue or abnormal profit; it did not give us a fair profit.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. It was in the spring of 1900, was it, that all these obstacles were thrown in your way by Providence?—A. 1898-1899.

Q. Which year was it you were describing the weather conditions as being unfavourable?—A. The winter of 1898-1899.

Q. How did the winter of 1899-1900 compare as to frost and snow and the other conditions?—A. It was not favourable.

Q. But was it as unfavourable as the previous winter?—A. Pretty nearly, about equal.

Q. You had two hard winters?—A. Yes, and we have another one now.

Q. Now, just at present?—A. Yes, we have. I wish to explain that the season, that this season is nearly as bad as the other one. We have 60,000 logs stuck in there absolutely abandoned. That was the logs cut this season.

Q. The condition of being stuck is being low water, stranded?—A. Yes.

Q. They are not lost permanently; they will come back next year?—A. Yes.

Q. They are for the present season stranded, so they were for two years previous?—A. Yes.

Q. What was the first spring that you felt the effect of these weather conditions that you have spoken of in such a marked way, the spring of 1899 and 1898?—A. The spring of 1899.

Q. There was no trouble with the spring of 1898?—A. I don't remember. They always have trouble in the woods.

Q. I thought you were testifying to some cause for the marked rise in the price of the commodity?—A. Yes.

Q. If so, something that you always meet with would not account for it?—A. No.

Q. There was a marked difference, I understand you, in the physical difficulties you had to contend with, which made itself felt in the spring of 1899, as compared with previous springs?—A. Yes.

Q. Then did the price fall at once?—A. Immediately almost, so far as the pulp and fibre are concerned.

Q. What was the price you were getting for that commodity in say May of 1898?—A. I could not tell you exactly. I could get you the information, but I don't remember exactly.

Q. Would you know if I suggested it to you?—A. I might.

Q. When you say that in May, 1898—were you able to sell ground wood for \$18.00 a ton in May, 1898?—A. We never sold any.

Q. Never sold any?—A. When I say never, we seldom sell any.

Q. Do you sell sulphite?—A. Yes.

Q. What were you charging for it in the spring?—A. I could not say.

Q. Would \$34 be out of the way?—A. We never sold it that low.

Q. What is your minimum figure?—A. Our price is about \$40.00; it varies sometimes.

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Q. I want to compare the price after the increase by reason of these conditions that you referred to, with the prices before. What were you selling at before you felt these troubles?—A. We did not sell very much fibre.

Q. I am talking of sulphite?—A. That is the same thing.

Q. You did not sell much, but you sold some?—A. We used nearly all we made.

Q. What was your selling price prior to the hard spring of 1899?—A. It was in the neighbourhood of \$35 or \$36.

Q. Then it is your idea that it took that big lift by the spring of 1899?—A. Not exactly in the spring. Spring and summer.

Q. We had Mr. Barber here yesterday who has to buy all his sulphite, and he told us he was paying \$24 per ton for his sulphite in May, 1898, and exactly the same price in May, 1899?—A. Did he tell you what he paid in June or July or August?

COUNSEL.—No, but the rise came in contemporaneous with the association.

A. This Association has had nothing to do with it.

Q. Of course it would not have anything to do with these providential conditions?—A. It had actually nothing to do with it.

Q. The result of all these things were difficulty in getting out your logs, getting one-third of them lost by low water, and all these conditions you speak of, that you were short of your supply in those two seasons?—A. Yes.

Q. What percentage short from your normal supply?—A. I really don't know. I should say 25 per cent to 30 per cent. I am not quite sure. I did not expect to be asked all these things, or I would have prepared myself to give it to you.

Q. Don't apologize. Do the best you can. Were like conditions applied to other men in the same lines of business?—A. I don't know.

Q. I thought you said so—A. No, sir.

Q. You mentioned the Hawkesbury people?—A. No, sir. I never mentioned Hawksbury people. What I said was the Rouge.

Q. As a rule the like conditions would apply to all people in that line of business, in getting out pulp wood from the shanties during that time, &c.?—A. On the Ottawa.

Q. And the result of it was that the supply was short?—A. Yes.

Q. And were other people too?—A. That is my opinion.

Q. Did you have to buy any yourself?—A. Lots of it.

Q. From other people whom you found in the same condition?—A. No, we did not buy any.

Q. You had it to sell?—A. We had no pulp.

Q. Do you distinguish between pulp and pulp wood?—A. I was distinguishing between pulp and fibre.

Q. What is the difference?—A. One is worth about twice as much as the other. One is chemical and the other is mechanical. There are two or three kinds of sulphite, not comprehensive in one. The proper term would be fibrite. There are two processes. There is the soda process and the sulphite process.

Q. But there would be none of this expensive sulphur that would be contraband of war in that soda pulp?—A. I don't know.

Q. Now, to come back to the point we departed from. The effect of these different circumstances that you have narrated was that in those last two seasons, without any reference to association at all, your supply and the supply generally of fibre was short perhaps 25 per cent to 30 per cent?—A. I don't know whether other people were short or not. We were short in our business. I had all I could do to look after my own business in those times.

Q. I thought you were speaking as to the general conditions of the trade. Was I mistaken in that idea?—A. I don't think so. But I don't know anything about other people's business.

Q. I suppose you will answer me on the same lines as you answered Mr. White. You replied to him as to conditions, which, as I understood you, were common all over

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the country during those seasons ?—A. Excuse me, I said these were the conditions that prevailed at the Ottawa and Gatineau Valley and on the Rouge.

Q. These conditions obtained there, and the result on that section of country was that you were in the spring of 1899 short 25 per cent to 30 per cent in your usual supply of material ?—A. Yes, I have told you that.

Q. And the result of it was that people who had it for sale took advantage of the opportunity to hoist prices ?—A. I don't know. We did not have any for sale.

Q. Some ?—A. Very little.

Q. What you had, you got the market price for ?—A. We got the market price, and a little over it whenever we could. I tell you for your satisfaction that we have had \$42 net, spot cash for our fibre at the mill. I remember that transaction because it was a good fat price.

JAMES HARDY.

*Examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. Certain letters have been referred to as being exchanged between the International Company and the Paper Makers' Association. Are you aware of such letters ?—A. Yes.

Q. Will you produce them ?—A. I will. I will produce them all.

Q. These letters it would seem, I understand, refer to an understanding being created between the International Paper Company and the paper makers in Canada ?—A. They asked for a conference.

Q. Did that conference ever take place ?—A. No.

Q. Was there ever any understanding between the Paper Makers' Association and the International Company of the United States with regard to prices ?—A. No, sir; positively no.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. Was there ever any meeting between any representative of your Association and any one interested in the International Company that you are aware of ?—A. Not that I am aware of.

Q. Never knew of any such thing ?—A. No.

Q. These letters propose a conference, which conference never took place ?—A. No.

Q. And has there been, so far as you are aware, any communication between your body and the International otherwise than by letter ?—A. Not otherwise that I am aware of. I would like to explain probably the reason as I understand it. At one time the Laurentide Company exported out to England, and the same selling agent acted for the International and the Laurentide in England, and that may be the reason they referred these letters to the Laurentide Company.

Q. Are you speaking of Mr. Tarte's evidence ? That explanation seems far fetched ?—A. As far as the Association was concerned, they never had any conference or anything more than the interchange of these letters.

Q. But you will let us have all the letters on both sides ?—A. Yes.

Q. You might explain to me, as you are in the witness box—I did not quite understand from the minutes—that is, the position of the Laurentide Company with regard to your Association ?—A. They have never been members in good standing.

Q. They signed the memorandum ?—A. Yes.

Q. But never made the deposit ?—A. Never made the deposit.

Q. So that they have not completed their membership by the deposit ?—A. No.

Q. You don't regard them as bound by your rules, unless they please ?—A. No.

Q. Are they members of any particular section or of any particular part.—A. No.

THE COMMISSIONER.—They did not attend any meeting ?—A. No, sir.

## EVIDENCE TAKEN IN THE CITY OF NEW YORK, 16TH JULY, 1901.

ARCHIBALD C. SCRIMGEOUR.

*Examined by Mr. White, K.C., representing the Paper Manufacturers' Association*

Q. Which company are you connected with?—A. The Manufacturers' Paper Company.

Q. Where are your mills?—A. Well, the Manufacturers' Paper Company have no mills. They are selling agents for various mills; operate no mills themselves.

Q. What position do you occupy in the company?—A. I am assistant to the general manager.

Q. Have you occupied this position for the past three or four years?—A. Yes, sir.

Q. Did you have occasion to go to Canada during the years 1900 or 1901 in connection with the business of your company?—A. Not during the year 1900, but during the year 1901.

Q. Did you see Mr. Tarte, of the firm of Tarte Brothers, publishers of *La Patrie* newspaper?—A. Yes, sir.

Q. Can you state to-day the time you were in Montreal?—A. April 30th, 1901.

Q. State briefly the nature of your business with Mr. Tarte?—A. I called upon Mr. Tarte, explained to him that I was in Canada to see if I could interest him in paper from the States.

Q. News print?—A. Yes, news print for *La Patrie*, which he is publishing.

Q. And the *Cultivateur*, a weekly paper he also publishes?—A. I don't know about that, whatever news print he used.

Q. Did you give him any quotations, prices?—A. Yes, sir; I quoted him a price of \$1.85 per 100 pounds, free on board cars at mill, net.

Q. Net, without any discount?—A. Without any discount, net cash, thirty days from date of shipment.

Q. Would Mr. Tarte take charge of the expense of freight and delivery and duty, &c.?—A. I told him what the duty would be.

Q. Did you make any calculation as to what that would cost him laid down at his office in Montreal?—A. I made a calculation as to what it would cost him *ex cars* Montreal, about \$2.48 per 100 pounds.

Q. Was that the price you were getting in the United States; was that the ruling price?—A. That was under the ruling price.

Q. Can you tell what price your firm or your company was obtaining during the year 1900: take 1899 first of all, 1899, and the year 1900, up to the time you made the quotation?—A. Starting with the fall of 1899 and during the year 1900, we were getting at that time—sales were made at that time for delivery during that time—we were getting from \$3.35 to \$3 at the mill.

Q. What discount; what were the ruling discounts?—A. Usually 3 per cent, thirty days from date of shipment.

Q. That was f.o.b. at mill?—A. It was at mill.

Q. When were the highest prices ruling during that period?—A. During the winter of 1899 and the spring of 1900 as nearly as I can recall now.

Q. Previous to that, say for three or four years, what had been the tendency of the prices?—A. Just previous to that, the tendency had been upward, dating back to the time just before the Spanish war: before that the tendency had been downward.



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Q. To what did you attribute the rise in prices during the year 1900 ?—A. The stoppage of the decline was made by the fact that there was a shortage of pulp here, which made the mills somewhat more conservative than they had been to accept contracts ahead. That was caused by the outbreak of the war, which caused the increase in the consumption of paper ; at the same time, there was an increase in the consumption abroad. In consequence of the increased consumption of the paper during the war, there was more demand than could be manufactured.

Q. There had been an advance in the cost of the raw material ?—A. Also the breaking out of the war increased the price of sulphur and some of the other materials used in the manufacture of paper.

Q. Did these prices that you quoted prevail for large consumers of carload lots ?—A. Carload lots, yes, sir.

Q. Was the price that you have mentioned for carload lots greater than for less than carload lots and also in sheets ?—A. In the case of less than carload lots, in the case of sheets, we got the minimum price.

Q. Is your company a member of any combination or association in the United States ?—A. Our company is absolutely independent of any other.

Q. Are you aware that there are a number of mills, and if so, can you state what proportion there are of independent mills and companies in the United States manufacturing news print ?—A. There are—

Q. In a word, Mr. Scrimgeour, is the price of news print controlled by a combination in the United States ?—A. No, sir, it is not.

Q. It is subject to competition by various manufacturers ?—A. Yes.

Q. And dealers ?—A. Yes.

Q. Mr. Tarte, in his deposition stated that you called on him and gave him this quotation about the month of May, nineteen hundred, was he in error in that ?—A. He was in error.

\* Q. Did you see him at all in nineteen hundred ?—A. No, sir.

Q. Had you any particular object in going to Mr. Tarte, going to Montreal in connection with this transaction, was it at his invitation or was it at your own suggestion that you went ?—A. It was at the suggestion of Mr. Fullerton, the general manager of the Manufacturers' Paper Company.

Q. Had you any previous correspondence with Mr. Tarte that you know of ?—A. None whatever.

Q. You called on him at the suggestion of your company ?—A. Yes.

Q. Were you expecting to open up business in Montreal or Canada ?—A. No, sir.

Q. Have you any objection to state the object of your going to Montreal, or was there any special object ?—A. We had been informed that the Canadian manufacturers were discussing the advisability of offering among themselves a rebate of duty of six dollars (\$6.00) a ton on every ton of paper that was exported from the country. That would enable them to make lower prices in Great Britain and it would make competition against us. It was in order to give the Canadian manufacturers to understand, that if they entered into such an agreement, it would be against the interest of our mills, that we would invade their territory in Canada.

Q. Even at a sacrifice ?—A. Even at a sacrifice. I went there with the idea of having the knowledge widely spread that I was there and have it come to the ears of the Canadian manufacturers, so that they would not make the proposed arrangement of giving the export rebate.

Q. Is your company a large exporter to England ?—A. Yes.

Q. It is one of your large markets ?—A. Yes.

Q. Can you state approximately what amount of paper you export to England annually, or do you follow the export generally apart from your own company. Could you give us any idea of the exportation of American paper ?

Question withdrawn after discussion.

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*Cross-examination by Mr. Aylsworth, K.C., representing the Press Association :*

Q. Your quotation was \$1.85 or \$1.87 ?—A. \$1.85.

Q. Did you make any of \$1.87 at any time ?—A. No, sir.

Q. \$1.85 you judge would be equivalent to \$2.48 off the cars in Montreal ?—A. Yes.

Q. Were you aware at that time that there was an association in Canada among the manufacturers ?—A. Aware of no fact, except what I saw in trade papers.

Q. You had seen in trade papers that there was one recently formed ?—A. Yes.

Q. Did you know that the price was \$2.50 ?—A. We had been informed that—

Q. Was that any factor with you in making your quotation ?—A. Yes.

Q. You designed a quotation which would be practically equivalent or a few cents under ?—A. Yes.

Q. I did not understand you that a sale at these figures would have been any loss ?—A. No, sir. It would have been a loss in the sense that we might have got more money here for the same paper.

Q. It would have been a loss in the sense that if you had sold it here, you might make more out of that quantity of paper, but it would not be a loss in the sense that what you would receive would be less than the cost of manufacture ?—A. We thought we would have nothing whatever to do. That would be a matter for the mills to decide. We act simply as selling agents, not as manufacturers of paper.

Q. You are not the manufacturers ?—A. No, sir.

Q. But you don't make quotations without the authority of the manufacturer, I presume ?—A. Not without consulting with them, or working in harmony with them.

Q. And not without his prior authority ?—A. Yes, we might.

Q. Did you in this instance ?—A. Yes, we did in this instance without prior authority.

Q. You were making your quotation for what particular mill, or was it any particular mill ?—A. Without making it for any particular mill.

Q. You are agent for more than one company ?—A. Yes.

Q. How many ?—A. We are agents for three mills and sell part of the product of half a dozen more, besides which we buy wherever we see fit and sell wherever we see fit.

Q. When you say mills, do you mean three or probably four ; do you mean more than one company ?—A. Yes.

Q. How many companies ?—A. Three different companies.

Q. Then, in making this quotation to Mr. Tarte, do I understand you were doing it without reference to any particular mill ?—A. Yes.

Q. Were you doing it for the paper you had already contracted for, of which your own company was the owner ?—A. No, sir ; simply that time on our own responsibility.

Q. And trusting it to be ratified by your principals ?—A. Yes.

Q. Are you in a position to say whether, had that contract been made and carried out, the manufacturer would have sold at a loss as compared with his cost of production ?—A. He probably would have made a profit on it.

Q. Had you any particular mill in your mind from which you were going to ship this paper if the contract had been entered into ?—A. I had several mills in mind.

Q. Any particular one had you ?—A. I had three mills in mind, from anyone of which we might have shipped, depending on the size and width of the roll.

Q. Have you any objection to letting me know the mills or manufacturer ?—A. I prefer not.

Q. Did you make an offer to any other newspaper than Mr. Tarte ?—A. I saw some of the other newspapers in Montreal, had talks with them but received no encouragement to make any quotation to them.

Q. Did you or did you not make any quotation ?—A. I might possibly have mentioned a figure.

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Q. The same figure?—A. Yes.

Q. To other newspapers?—A. Yes.

Q. And in fact, you went there prepared to make contracts for any quantity that the newspaper company desired at that figure?—A. Hardly that. I went there to sound them.

Q. Were you not prepared to carry out your quotation?—A. I was prepared to make contracts with them.

Q. At that figure?—A. Yes.

Q. And to any extent that they desired, within reasonable limits?—A. Yes, within reasonable limits.

Q. But did not, in fact, make any contracts?—A. No.

Q. What quality of paper was that?—A. That was ordinary newspaper.

Q. You have in your mills here more than one quality?—A. Yes.

Q. How many?—A. We have what is known as No. 1 and No. 2 news.

Q. Have you a No. 3?—A. Never heard No. 3 mentioned.

Q. But if it were very inferior to No. 2, it might go below?—A. Yes.

Q. But what was this, 1 or 2?—A. This was No. 2.

Q. That is a grade that is used by many of the newspapers in the United States?—A. Yes.

Q. Would you recognize it if you saw it?—A. Probably.

Q. Look at this copy of yesterday's *Toronto Globe* and tell me about where that would grade in the United States?—A. That would grade as an inferior quality of No. 2.

Q. It would be below No. 2?—A. It would pass as No. 2, but a low grade of No. 2.

Q. Inferior to the quality of paper you were quoting on?—A. Yes.

Q. Look at yesterday evening's *Toronto Star* and tell me how that would grade?—

A. That would grade as No. 2; about the quality of the paper that we did offer.

Q. Are there better qualities?—A. Yes.

Q. But that is about the quality of paper you were offering at \$1.85?—A. Yes.

Q. You know the grade of paper the *New York Herald* uses?—A. Yes.

Q. Was that about the grade you were offering?—A. No, that is a better grade.

Q. Than you were offering?—A. Yes.

Q. Did you have samples with you of the grade you were offering at this figure?—

A. I am not sure whether I had samples with me or not. I did. I know I did, now.

Q. Did you exhibit those samples?—A. Yes, sir, I did.

Q. And any practical paper man would know that what you were offering was a more expensive grade of paper than the grades I have shown you to-day?—A. No. More expensive than the *Globe*, and practically the same quality as the *Star*.

Q. Did you, on the same occasion, the same trip, go to Toronto?—A. Yes.

Q. You made similar quotations there?—A. Made a quotation of \$1.80 there.

Q. Why lower?—A. On account of the difference in freight rate.

Q. Would \$1.80 at your mills mean to the Toronto man practically \$2.50?—A. It would mean just a trifle under \$2.50, ex cars.

Q. There would be five cents difference in freight in favour of Montreal?—A. Just about five cents.

Q. And it was the same grades of paper you were exhibiting in Toronto, quoting there to the different newspapers?—A. Yes.

Q. That was in April of this year?—A. I was in Toronto on May 1st.

Q. Of this year?—A. Yes.

Q. In Montreal on April 30th?—A. Yes.

Q. Was that the first occasion on which you had made any quotations in Toronto or Montreal?—A. Yes, sir; well, we have sold paper in Toronto in years gone by in small quantities. That is the first time in the last few years we made quotations there.

Q. Did you state to any of these newspaper people in Montreal or Toronto on that occasion, what that quality of paper would sell at in the United States market, that quality you were offering at \$1.85?—A. I do not recollect that I did.

Q. What price, in fact, would that grade of paper command at that time in your market ?—A. About 2½c.

Q. What difference in price would you say would reasonably be made between that grade of paper and the grade of the *Globe* that I just showed you ; supposing you had the two quantities, what difference in quotations could be reasonably made ?—A. The quality of the *Globe* would hardly sell in this country at all for newspaper purposes.

Q. It is too inferior ?—A. Yes.

Q. Suppose you did find a customer willing to take it, what could you say you would offer to sell that at ; how much under the other grades, such as you were quoting ?—A. Probably 5c. a hundred.

Q. Why is it inferior ; what is about it that makes it inferior ?—A. It is rough and coarse.

Q. Look at the two papers and tell me what is the practical difference between the two. I thought they were identical ?—A. The *Globe* paper has no finish. The pulp stands up on the surface.

Q. It covers the difference that you notice ?—A. That is the particular difference ; it is a coarse paper in comparison with the other.

Q. Inferior quality ?—A. Yes.

Q. Would there be more than 5c. difference between the two grades ?—A. I don't think so.

Q. How much would you say would be the difference in price between the paper of the New York *Herald* and the *Globe* ?—A. These papers are not in the same class at all.

Q. Give me a price to equal the difference in the quality of the paper ?—A. The New York *Herald* is worth about ½c. a pound more than the other.

Q. This paper is \$2.20 ?—A. The other would be \$2.32½.

Q. I do not understand—probably because I do not understand the trade—but you told me the *Globe* is a low grade No. 2 ; where do you rank the *Herald* ?—A. The *Herald* is No. 1.

Q. And only 12½c. per 100 difference ?—A. That is practically all.

Q. What is the difference between No. 1 and a good grade of No. 2 ?—A. I am telling you between the *Herald* and the *Star*. I am making comparison now between the regular No. 2 and this, and that would make perhaps 5c. a hundred more ; that would be 17½c.

Q. The *Herald* you would say \$2.32½, and the other \$2.15 ?—A. Yes.

Q. At that time, in the end of April and the first of May last, was news print selling in this country at 2 cents ?—A. There had been some contracts made at that price.

Q. That might fairly be said to be the market price, for some goods ?—A. Below the market price.

Q. It was rather below, but there were contracts made at that ?—A. There were some for the largest consumers.

Q. At the mill or at the newspaper office ?—A. At the newspaper office.

Q. How about waste, was waste returned to the mill ?—A. No, sir, it was not returned at any time.

Q. It was a loss to the consumer ?—A. It was returned at 7½ cents a hundred ; it is worth that to the mill as paper stock.

Q. Overweight ?—A. No, sir.

Q. No advantages to the consumer on the 2c. contract ?—A. No, sir ; it was a 2c net price.

Q. Discount for cash ?—A. No, sir, no discount.

Q. What grade would that be ?—A. That would be No. 2 grade.

Q. At least equal to the *Star* and superior to the *Globe* ?—A. Yes.

Q. Worth 12½c. more than the *Globe* paper ?—A. Five cents a hundred more than the *Globe* paper.



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Q. No. 1 is 17½c. ?—A. No. 1, yes.

Q. What was it that you say sent you to Canada, some fear ?—A. We understood there was a proposed arrangement between the Canadian mills to give an export rebate of \$6 a ton.

Q. For export anywhere out of Canada ?—A. Yes.

Q. How did you get wind of that ?—A. Through the reports in the trade papers.

Q. Who, as you understood it, was going to give the six dollars, the manufacturer in Canada ?—A. The manufacturer in Canada, yes, sir.

Q. Your present duty in this country is, I suppose, practically prohibitive from Canada ?—A. Yes, sir.

Q. What is your duty ?—A. I really don't know what the duty is.

Q. Ours is 25 per cent ?—A. I know yours is 25 per cent, but what it is coming in here I don't know.

Q. Well, did you ever hear anything more of that suggestion of export rebate, or was your inroad the end of it ?—A. I never heard anything more of it.

Q. Did you intimate to the Association or to any Canadian manufacturer that you were going into the country to make the prices ?—A. No, sir.

Q. You just left that to be circulated by themselves ?—A. I hoped that the publishers would do that better.

Q. Did you make any contract, in fact ?—A. I made no contract and no sales.

Q. Well, I understood you to say this morning that the price here was \$2.35 and \$3. Just explain how that is. Did I understand you correctly; did you tell Mr. White this morning that the price at this time was \$2.35 ?—A. No, that was during 1899 and 1900.

Q. What had lowered the price; was there any lessening in the cost of production ?  
A. Lessening in the cost of production.

Q. In what respect ?—A. Sulphur was cheaper and other materials had gone down.

Q. Had there been any corresponding lessening in the cost of production to make a great difference in price ?—A. It was due to that cause, and also to the cause that there was not the same demand for the paper.

Q. I suppose new mills came into existence; there was more competition ?—A. New mills came in, so that the great demand was being taken care of by the various mills.

Q. Supply was approximately equal to demand ?—A. Yes.

Q. At the time of the high prices that you mentioned, demand was in excess of supply ?—A. Yes, sir.

Q. About what is the daily output of paper in the United States, can you tell us, of news print ?—A. It is approximately in the neighbourhood of 2,500 or 2,700 tons a day.

Q. As large as that, do you think, at present ?—A. Yes, sir.

Q. What portion of that would be due to the International ?—A. They make about 1,500 tons a day.

Q. How long since the output for the whole country has exceeded 2,000 tons a day; a year ago, was it as much as 2,000 tons, would you say ?—A. Yes, I should say it has been in excess of that for the last five years.

Q. You have had some large new mills go into operation within the last twelve months ?—A. Yes, one.

Q. Which one is that ?—A. The Great Northern.

Q. Is that the only large one ?—A. Yes.

Q. What output is there from that mill, daily ?—A. About 200 tons.

Q. What prices ruled with you, say in February, 1900, February of last year, for your No. 2 ?—A. About 2½ cents.

Q. Where was that, at the mill or at the office ?—A. It was delivered.

Q. Delivered at the newspaper office ?—A. Yes.

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Q. Any discount or any advantages as to returned waste?—A. There might be 3 per cent for cash and no privilege for waste except 75 cents if returned on board the point of consumption.

Q. How long has that price ruled in No. 2 print?—A. That had ruled from shortly after the breaking out of the war with Spain.

Q. That would be how long before February, 1900, that was in 1898?—A. The active demand began in 1898. In the fall of the same year.

Q. Of 1898 or 1899?—A. 1898.

Q. Then during 1898, had the prices at this figure ruled?—A. Yes.

Q. What month in the fall of 1898?—A. I could not say without looking up. The demand began early in the summer, the active demand, and at that time there was a shortage of pulp wood which caused the mills to stop taking contracts, to be very conservative as to the prices they made.

Q. Are you quoting 1898 or 1899 as to the rise in price?—A. I am not quite sure as to the time the war broke out; I think it was 1898.

Q. But, at any rate, contemporaneous with the breaking out of the Spanish war, there was a greater increase in the price of paper?—A. Yes.

Q. Due, as you say, to the increased demand, coupled with the limited supply?—A. And also the increase in the cost of manufacture.

Q. Increase of sulphite?—A. Increase in cost of various articles to manufacture.

Q. What other articles besides chemicals?—A. Increase in the cost of wire, and, as I have already explained, there was a limited supply of pulp wood, which caused it to go up.

Q. There was no increase in the cost of getting out the pulp?—A. Perhaps no increase in the cost of manufacturing, but in getting it out, getting out wood, yes.

Q. There was no increase in cost of getting it to market?—A. It cost more for the wood, for the simple reason that there was not enough wood to go around, a scarcity of wood, consequently higher prices could be obtained for it.

Q. There were scarcity prices, and the dealer took advantage of the scarcity and put up the price, but it did not cost him any more?—A. I don't know anything about that.

Q. Do you know when the International Company was formed?—A. I think it was January, 1897.

Q. I think you are in error; if my information is correct, they incorporated, I am told, on the 31st January, 1898?—A. 17th January, 1898.

Q. I am told articles were filed in New York State on the 31st January, but it does not signify as to a couple of weeks. January, 1898?—A. Yes.

Q. And at that time that company controlled on its formation, at any rate, three-quarters of the output at least of the United States?—A. It controlled three-quarters of the output of the mills east of the Mississippi.

*Re-examined by Mr. White, K.C., representing the Manufacturers' Association :*

Q. Just to make it clear, when you went to Canada last April and May, were you seeking the Canadian market, or was it to protect your export market?—A. It was to protect our export market. I went there with the expectation of making no sales.

Q. Did you give any quotations in writing to them?—A. None.

Q. Had you any requests for quotations in writing?—A. No, we had none. I beg your pardon. I did have one request to place my quotations in writing, which came from Mr. Atkinson. He asked me to write him.

Q. Did you do it?—A. I did not.

Q. Getting too serious, was it?—A. I thought it was well to let good enough alone.

Q. You thought your object had been accomplished by making the quotations?—A. Yes.

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Q. During the year 1900, was \$2.50 a fair price; would that have been a fair price or a low price in the United States?—A. During the greater part of 1900 \$2.50 would have been a low price in the United States.

*Re-cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. Do you mean the court, when your evidence is seen, to understand that you were not prepared to make contracts in Canada at the figures you quoted?—A. I was prepared to make contracts in Canada, but at the price I was quoting, I felt sure of the fact that my quotations would not be accepted, at the price I was quoting.

Q. Had anyone called your bluff, would you supply it?—A. I would have seen them and made the contract.

FRANK SQUIER.

*Examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. What is the name of your firm?—A. Perkins, Goodwin and Company.

Q. Of New York City?—A. Yes.

Q. Are you manufacturers or dealers?—A. We are dealers.

Q. You have been in the business a number of years?—A. Yes.

Q. Is your business extensive?—A. Sometimes we think it is.

Q. Were you handling that news print during the years 1899 and 1900?—A. Yes.

Q. To a large extent?—A. Yes.

Q. What were the ruling prices, or could you cite the contracts?—A. I guess I better refer to my book and cite the contracts as we had them. This is our contract book (producing book) and I can give you prices during the years 1899 and 1900, actually taken.

Q. Actual contracts made?—A. Yes.

Q. These prices will be for news print in carload lots and over?—A. By carload lots, and tonnage. We generally take the contracts by the ton delivered in New York City; most of our business is in New York delivery, city deliveries.

Here is a contract for 200 tons, taken the month of December, 1899. We took that at \$2.30; 2 per cent off cash.

Q. Two per cent off, 30 days?—A. Yes. That was in December, 1899. That is the beginning of some trouble we had afterwards in prices. Would you like prices of 1900?

COUNSEL.—Yes, 1900: you have given us the prices in 1899 as \$2.30 in 200 ton lots. We would like something indicating the tendency of prices during the year 1900, whether the price was rising or falling?—A. Well, the prices were rising that year. Now, we have an order that was taken in August, 1900.

Q. What quantity of paper? A. We have an order of 1,000 tons, we took in August 29th, 1900, 2½ cents.

Q. The same discount?—A. No, sir, that was for four months time on that. It is equivalent to 2 per cent discount. Now, I have an order here we took in February, 1901. That was \$2.40. That was a net price, but it covered a little time, not much, however, thirty days.

Q. Perhaps you can give us the highest and lowest prices you had in 1900?—A. Well, I don't know as I could give you it quite as broad as that. This book does not run as far as I supposed it did. I should have brought its predecessor.

We had an order in January, 1900, at \$2.25, net cash, and also some of \$2.65.

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Q. What is the quantity?—A. That is 250 tons and 125 tons. It is 250 tons at \$2.25 and \$2.65.

Q. \$2.65 net for what quantity?—A. It was an order for 250 tons, and the price is divided; the first 250 tons at \$2.55 and the second at \$2.65. Then, in January, same following, the same parties, having 250 tons at \$2.75 net. Then in February, right following again 2½ cents net cash.

Q. What was the quantity there?—A. 200 tons. We had an order on February 28th, from the same parties for delivery in April. That was \$2.65 net.

Q. 200 tons also?—A. They used 376,000 pounds,—188 tons. That was \$2.65 for April delivery, bought in February. On January 27th we took an order of 700 tons of news at \$2.65,—that is, 1900.

Q. Is that net?—A. That was net, on four months time.

February 7th, 1900, we had an order of 100 rolls; that would be perhaps 25 or 35 tons. That was a little bit under weight. The price of that was 3¼c. cash, ten days. That is net, but that price was a little under weight, and I got an extra price for that.

March 20th, 1900, we closed a contract for one year's supply, amounting to 25 tons a month; that would be 300 tons. That is at 3c. net, 30 days.

Q. These prices that you have quoted, Mr. Squier, were they the market prices?—A. They were the market prices at the time. They came in under competition made at that time, but we did not get all the orders by any manner of means, but that was what we took, and where there was good healthy competition.

Q. These figures that you have given us so far, running from November, 1899, to February, 1901, are all, with the exception of two, above \$2.50?—A. Yes.

Q. So that you can say that the ruling price during 1900 was a fair running price of \$2.50?—A. Yes, and over.

Here is an order, a contract for a year's supply made on December 27th, 1900. That is about 20 tons a month. That price is 2½c., 1 per cent off, ten days. There are some more prices here.

Q. Is it a fact, Mr. Squier, that the price before 1899 had been somewhat lower than the price you have given us, in 1897 and 1898?—A. Yes, sir, a good deal lower prices in 1898.

Q. How do you explain that advance in price?—A. On account of the combination of the mills of the International Paper Company and local reasons; prices advanced in some materials and the Spanish war, which made a great demand for paper.

Q. The organization of the business in the States was one cause and the increased consumption and increased cost of material?—A. Yes, owing to the war; the war also gave us an increased cost of material.

Q. When you speak of the organization of the International Paper Company, are there mills outside of that company?—A. Oh, yes, a good many.

Q. A large number?—A. Yes, there are now; there was not at that time. Most all the large mills were included in it. There were some, however, left out.

Q. At the time of these quotations you have given us was there any association including all the mills that fixed minimum prices? Do you know of any association that covered all the mills, or any agreement amongst the manufacturers of paper in the United States to make a minimum price?—A. I do not, further than the International; that was an incorporation.

Q. What portion of the output did they control?—A. I presume they have about one-half; that is, of the whole States.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. How long since you were told, Mr. Squier, that you would be desired to give evidence in this matter?—A. It might be forty-eight hours. I don't think it is more than that.



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Q. And you have been looking up these quotations that you have given us?—A. I only looked them up in this room.

Q. Had you been looking them up before you came into this room to-day?—A. Yes, sir, I looked through the book.

Q. Did you look for low quotations?—A. I did not, no.

Q. You cannot find any; you have not given us a low one at all?—A. I have given you the fair average of the quotations in 1900.

Q. You would not object to my looking over the book?—A. You can look through it with me; you could not tell from my book without interpretation.

Q. You be my interpreter; kindly give me, if you will be so good, any low quotations you have during that time, February and January?—A. In 1899 I have not been giving you quotations in 1899.

Q. The first one you gave us was Derember, 1899, 200 tons at \$2.30, was that the lowest figure you saw in December anywhere?—A. I think so; yes, sir, there is one at \$2.30 and one at \$2.25. One was 200 and one was 100 tons; 200 tons at \$2.30 and 100 tons at \$2.25.

Q. What grade would that be, No. 2?—A. I should not grade it as No. 2 myself, but as Mr. Scrimgeour has established that grade, it could come under the head of No. 2 grade.

Q. It would not be No. 1?—A. No, sir.

Q. Was it in rolls?—A. Those were sheets, partly rolls and partly sheets.

Q. The sheets are more expensive?—A. No.

Q. Don't you get higher prices for your paper in sheets?—A. No, the weight is generally better; they make paper fixed on the machines.

Q. Is it a fact that the prices run higher where the paper is in sheets than in rolls?  
A. No, it is by the pound anyway.

Q. It gives a little more by cutting them into sheets and reams, but it is pressed by putting them into rolls?—A. Yes.

Q. Had the prices taken this upward leap that you speak of at this time, in December, 1899; you spoke of a great advance about contemporaneous with the war?—A. The advance was then going on.

Q. It had begun before that?—A. Yes.

Q. When would you say it had fairly begun?—A. I should judge it was in the autumn it commenced, just after the war; that was in the fall of 1898.

Q. And had been going on, gradually increasing during the twelve months of 1899?—A. Yes.

Q. So that in December it had reached these figures you mentioned?—A. Yes.

Q. Then, do I understand you, Mr. Squier, that these figures you have given us here to-day are fair, average samples of your book?—A. I consider them so.

Q. Not picking out high prices at all?—A. There may be a little variation; sometimes the question of competition comes in; it might vary the price a little.

Q. Did you select them before you came into the room to-day?—A. No, sir, just looking through the book.

Q. So there would be no object served by your looking there now, by looking for lower; you might find some with a few cents variation, but nothing substantially different?—A. No.

Q. Then these were quotations of sales, prices at which the consumers placed the business?—A. Delivered in New York to city newspapers and publishers.

Q. And of what we should call, in Mr. Scrimgeour's grading, would be No. 2 news print?—A. Yes.

Q. You are not a manufacturer at all?—A. No, sir.

Q. You are paid your remuneration by commission on your sales and by the price you make?—A. I generally reckon on a profit. If we had a profit we figure on a commission.

Q. You know prices are to you what your prices are to the consumer?—A. We have, most all the time, standard prices on certain manufactures. Take, for instance, the International. They have standard prices with us and on that we know the basis of our price. If it is necessary for us to shade the price or go to a lower price, we would have to consult them.

Q. They being the largest manufacturers you have?—A. Yes.

Q. You do not find any other mill, I suppose, in selling them, competing with them?—A. No, we cannot find them; we are looking for them.

Q. At the time they were organized or incorporated, they controlled three-quarters of the output east of the Mississippi?—A. I think they must have at that time.

Q. But it has come down now, with new enterprise in the field, to possibly one-half of the whole of the United States?—A. Possibly, I think.

Q. How much would you say, what portion they control east of the Mississippi to-day?—A. There is not very much paper made west of the Mississippi.

Q. Is there not considerable on the Pacific slope?—A. There are only a few mills there; it does not cut much of a figure.

Q. That does not come into competition with your eastern mills at all; the freight would be practically prohibitive?—A. Yes.

Q. And here in New York, how far west do you go for your supply, do you go west of the Alleghanies at all?—A. No, it is practically all New England.

Q. Of what portion of supply, what portion is the International?—A. I think, at the time you are speaking of, it was 75 per cent or 80 per cent; to-day they do not control so much or so large a per cent.

Q. To-day about 65 per cent to 70 per cent?—A. I should think so.

Q. The latest quotation you gave us, I think, is in February of this year; you made a number of contracts, I think you said, for \$2.40 at thirty days' time. Then, there has been some falling off since that, has there not?—A. Yes, sir, I think there has.

Q. Down to what would it be in May of this year; could you see from your book?—A. I do not know as I could see from this book or not.

Q. Well, then, speak from memory, if you can be at all sure. Can you tell me about what your ruling figure was in May?—A. I should say it was about 2½c.

Q. What was the decline due to?—A. Competition, increased supply.

Q. As compared with the lessening demand, or was there any lessening demand?—A. New fellows coming in and selling paper, and trying to make place for themselves.

Q. Trying to crowd in and get a slice of the pie?—A. Yes, trying to get a piece.

Q. Was there any decreased demand during the last six months?—A. Yes, I think there had been a let-up in the demand very perceptible.

Q. Was there anything marked in that respect; had there been anything marked in that respect in the last two months?—A. In the decreased demand?

COUNSEL: Yes.—A. I think there has; yes, sir.

Q. That affected the price with you to quite a noticeable extent?—A. Well, this affected the prices somewhat.

Q. Compare the prices, say on the 1st of June with the 1st of May last, and tell me what difference there was with you?—A. The 1st of this last May?

COUNSEL: Yes.—A. I don't think there is much perceptible difference.

Q. Any perceptible difference between the 1st of May last and the present time?—A. This May of 1901 and the present time?

COUNSEL: Yes.—A. No perceptible difference; there is a weakness, but when it gets down to dollars and cents, or pounds, shillings and pence, as probably I should say, before a Royal Commission, that is a question.

Q. You could not put it in pounds, shillings and pence?—A. I could.

Q. There has been a weakness in the market, but no perceptible decline of price? Since when?—A. The price for the past year has been a heavy price, that is, it is gradually settling all the while, and while you may not be able to distinguish month by month you go back, there has been a reduction, a gradual falling off.

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Q. Would there be anything noticeable, say, within the last six months ? Take the prices to-day and compare them with the prices of the middle of January, pound for pound, or ton for ton, is there anything marked?—A. I think there would be some difference.

Q. What difference would you put on it ?—A. I would have to study that up a little bit.

Q. Cannot you give us that from the book ? I should be glad if you could give us between the middle of January and the middle of July, what difference there is in price ?—A. I should judge, between the 1st of January and the present time, there had been a decline of about 15 per cent on the price of paper ; that is, the paper that would sell 2½c. would probably sell 2¼c. now, to the same parties making the contract.

Q. Under the same conditions?—A. Yes, the same people.

Q. Is that due at all to any diminished cost of production that you know of ?—A. Well, there has been some diminished cost of production in the price of pulp.

Q. Has there been any reduction in the price of pulp ?—A. I cannot tell you that.

Q. But you think there has been some less cost of production ?—A. Yes, but I think the main cause of the decline has been supply and demand.

Q. Has been increased supply and decline in demand ?—A. Yes, a preceptible increase in supply.

*Re-examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. When you speak of the percentage of output of the International Company, do you speak from any accurate knowledge, or simply from general knowledge of the business ?—A. General knowledge of the business.

Q. It might vary 20 per cent?—A. I am giving you on that the ideas I had as to what they made, what they had been selling, and the product.

Q. But you did not speak from any accurate knowledge ?—A. Not at all. I do not think any one, unless he has the inside track, has any accurate knowledge on that.

*Re-cross-examined by Mr. Aylesworth, K.C., representing Press Association :*

Q. Do you supply any daily papers ?—A. Yes.

Q. You do supply, I suppose, allcomers, who are willing to make contracts ?—A. We supply any fellow that will buy paper.

Q. As long as he has the money in his pocket ?—A. Yes.

*By Mr. White, K.C. :*

Q. That is the experience of most of the manufacturers of paper ?—A. Yes.

ARCHIBALD C. SCRIMGEOUR.

*Re-called and examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. Was it your own idea or was it at the suggestion of any manufacturer that you should convert Canada into the beautiful country that you did ?—A. That was at the suggestion of our general manager, Mr. Fullarton, of the Manufacturers' Paper Company.

Q. And it was made without reference to any particular manufacturer suggesting it?—A. I do not think he had a talk with any one else regarding it.

Q. It would seem to be more in the interest of the manufacturer than the dealer, but perhaps you identified their interests ?—A. I identified the interests all the way through in that.

JOHN H. DUFFY,

*Examined by Mr. White, K.C. representing the Paper Manufacturers' Association:*

Q. You are a member of the firm of Perkins, Goodwin and Company?—A. Yes, sir.

Q. Of which Mr. Squier is also a partner?—A. Yes.

Q. Have you been connected with the paper trade for some years?—A. About thirty years.

Q. During that time you have followed the prices, &c.?—A. Yes.

Q. Have you particularly to do with the sales or with the purchases, or what is your particular branch?—A. Both, I make all purchases.

Q. And you are familiar with the prices at which paper is being sold?—A. Yes, I buy all the paper we sell.

Q. Can you give us an average of the ruling price, market price of news print, what is known in Canada as No. 3 news, in rolls, carload lots, during the years 1899 and 1900, and 1901 up to date?—A. I am not quite certain as to what the price was in 1899, unless that is the year that it commenced to jump up.

Q. Well, I understand the price of paper, owing to the Cuban war and other conditions, rose about the end of 1898?—A. I heard it mentioned in 1898, and I thought that was a mistake. I understood it to be in 1899, the fall of 1899, not even the summer, but I should say book paper jumped, took a jump towards the summer, and I think news did not commence any advance until the fall, September, around there.

Q. Of 1899?—A. Yes, that is my recollection.

Q. Do you recollect what was the ruling price in the fall of 1899?—A. Well, it went up gradually it seems to me. I think that the price really did not get high until 1900, the spring, or late winter, say around in February or March, as I recall it.

Q. What would have been your news price fixed at, \$2.50 per 100 lbs., 3 per cent discount, 3 months?—A. We did not make discounts; we are a commission concern, practically commission concern. Of course I think that is probably a mistake. We are commission only in the one sense. We are not commission any more in news paper. Before the formation of the International Paper Company, we had some commission accounts; since that time, we have to buy as other people do, so that I would not say we are a commission concern, so that we have to buy our news.

Q. During 1900, what was the average price in the States, above or below \$2.50?—A. Well, we paid more than \$2.50. Our average was about \$2.50.

Q. As purchasers then you had to sell and make a profit afterwards?—A. We had to sell above that, of course.

Q. That was the price at which you bought from the mills that you speak of?—A. Yes.

Q. Were you purchasers on a large scale?—A. Well, we buy about, I should say, about \$2,500,000 worth per annum of news print.

Q. Can you give us some idea of the maximum market prices during 1900?—A. Yes, the maximum was \$3.20, say \$3.20 to \$3.25.

Q. Assuming that it had been possible to fix a minimum price amongst all the manufacturers in the United States in the year 1900, would you have considered \$2.50 per 100 pounds as an excessive price for a minimum, delivered, with 3 per cent 30 days?—A. For the whole year, taking the entire year, I should say that I should think that  $2\frac{1}{2}$  would have been low.

Q. When you speak of the price as being a net price without any discounts, do you give your customers any advantages in the way of returning waste, allowance for



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extra weights, advertising contracts, &c., to induce them to buy?—A. No, that has been abandoned absolutely, nobody asks for it any more.

Q. So that price you mention would be a net price on a cash basis?—A. No, not necessarily on a cash basis, but net. We have a trade that will not pay cash in 30 and 60, and some of them even in 90 days. They are good; they buy on three and some of them on four months. But when I say I, personally, never sell goods with a cash discount—as a rule, we cannot get it—I claim that being jobbers, we cannot afford to give a discount. We will make a price that will be equivalent, rather than have a cash discount appear, and that is not only my personal method, but it is my advice to our salesmen to offer no cash discounts.

Q. Now, during the present year of 1901 have the prices fallen again?—A. Materially.

Q. Was the rise in 1900 and the falling off of the price in 1901 attributable to natural conditions or to the effect of the combination of manufacturers?—A. Natural conditions, I should say.

Q. Do you know any minimum price fixed by manufacturers in the States, any association or mills here?—A. No, I have no personal knowledge of that. I have heard of a gentlemen's agreement, so-called, but that was done with a view to making people like ourselves pay a good price. I guess I heard it,—in fact, it was aimed at us more, in my judgment, than it was at the publisher.

Q. Was this depreciation in the price, did it occur prior to April of this year? Was there any marked change between January and April?—Yes, in the outside mills. By the outside I mean outside of International and Great Northern. These two concerns we buy most of our paper from, and they have tried to hold us up, but we were able to do a little better on the outside.

Q. So that there is to-day competition in the United States between manufacturers which governs prices?—A. Yes, sir, there is good, healthy competition in my judgment.

Q. And has been during 1900 also?—A. No, unfortunately outsiders were so full then of business, that it was not noticeable.

Q. Do you find that the price has affected your purchases? In orders to mills, for instance—if you could give an order sufficiently large to keep a machine going during the year on the same grade of paper rather than on small orders which involve the changing of machine?—A. Oh, well, that would result in a concession in price, but taking care of their machine for a year means a great many hundred tons. Of course, it depends a good deal on the machine. If they are up to date machines and large, you can get thirty tons a day out, but there are not many such orders floating around. But they hardly make any concession of difference in the matter of 500 or 1,000 tons. If it runs into thousands, of course it is different. But then those orders, of course we are not, unless we had special pull with the publisher, we are not permitted to figure on them.

Q. Is it sold direct by the large companies?—A. Yes, sell them probably quite as low as they would us; in some cases, I believe even lower.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. You found a noticeable advance in the prices that were charged to you in the fall months of 1900, I understand?—A. Yes, very late. I think quite as late as October or September, that is when we commenced to feel it.

Q. Was it marked?—A. Yes, very marked.

Q. About what percentage?—A. I should say about as much as—

Q. What had it been before the rise, and what had it been after?—A. Well, we were purchasing, say, at about \$1.75.

Q. Before?—A. Yes.

Q. And after?—A. After, late in the fall, probably as much as 2c.

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Q. When you had felt its full effect ?—A. No, the full effect, as I recall it, was not until the spring, early spring.

Q. What did you find then, the ruling price of sale to you ?—A. Then we were compelled to pay as much as \$2.65, I should say, and even higher.

Q. That is an increase of almost 50 per cent ?—A. Almost.

Q. Within six months ?—A. Yes, I should say within six months.

Q. Attributable to any increased cost of production ?—A. I don't think they used that argument. It was simply a question of paying whatever they asked, without their giving any excuse for it. You were in great luck if you got it at any price.

Q. The manufacturer simply put up the price to that extent ?—A. Without any excuse.

Q. Did you ever hear any increased cost of production assigned as a reason for that increase ?—A. I have.

Q. You have heard it ?—A. Yes.

Q. But in your judgment, apparently you attribute it rather to the increased demand and limited supply ?—A. Well, I have not any judgment on that subject. I am not a manufacturer and I could not say. They say the price of chemicals went up.

Q. That was the excuse ?—A. Yes, and I believe it was true. Chemicals increased 100 per cent and more, 150 per cent.

Q. Are you sufficiently acquainted with the manufacture to be able to tell me what figure, what proportion of the cost of manufacture, the cost of chemicals would be ?—A. I regret to say that I am not.

Q. You could not inform us ?—A. No, I am not familiar with the manufacture at all. I am more a salesman.

Q. You simply know the fact of the increase, but are not able to assign the cause ?—A. No.

Q. And it had reached its maximum by the spring of 1900 ?—A. The spring, early summer. I know, for instance, so that I could make it appear to you, I know that I sold New York dealers paper as high at \$2.75 and felt under obligations to gentlemen who sold me paper, and who made a price of about 10 cents a hundred less, which enabled me to make a profit of a couple of dollars a ton, which enabled me to make it, at that price.

Q. That would be in the spring and early summer ?—A. Yes.

Q. That, you say, was, of course, since the formation of the International ?—A. Yes.

Q. You felt a very marked difference, apparently, in your ability to secure paper after the formation, contemporaneously with the formation of the International ?—A. No, not until the fall of 1899 and in the spring of 1900.

Q. That was the first you felt ?—A. Yes, but that was more than a year, I believe, after the formation of the International.

Q. They were formed in 1898, we are told. You said—the reason I asked the question in that form—you said that since the formation of the International you had to buy like other people ?—A. Yes, so that you can understand that remark, I wish to explain. Prior to that we were agents and we controlled production. We controlled the entire product, for instance, of Webb's Paper Company, a mill making twenty-five tons a day on two machines, which was absorbed by the International, and we had quoters with other mills. By quoters, I mean mills making twenty tons a day. We had seven, eight, nine or ten days.

Q. What I understood is, the difference you felt in that respect when the International was formed ?—A. Well, the cheapest paper that we ever bought, we bought after the formation of the International Paper Company ; we bought it from the International.

Q. You said that prior to the formation of the International, you dealt largely on commission ?—A. Yes.

Q. After the formation of the International you were unable to do that ?—A. Because of the absorption of the mills.

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Q. And you had to buy just like other people?—A. We had to buy just as other people had.

Q. You felt a marked difference in that respect in the nature of your dealings with the manufacturers?—A. From the change of doing business on a commission of 5 per cent basis and getting what we could; sometimes we got 5 per cent and sometimes 3 per cent.

Q. Since the formation of the International, you bought, and sometimes sold at what advance you could secure?—A. Quite right.

Q. Then how cheap were you able to make any purchases from any source, buying direct from the manufacturer during the year 1900?—A. We were not able to buy from outside mills in 1900 much, if any. I mean very little; they all claimed to be full.

Q. Full of orders?—A. Yes, sir.

Q. And you found it difficult to purchase at all?—A. Yes.

Q. Were you dealing mostly with the International?—A. Yes. We had a reputation of being obligated in a measure to buy from the International.

Q. Well, what was the lowest price you were able to secure?—A. I think, if my memory serves me, the best we did in 1900, unless it was done very early, say, in January, I think the best we did was somewhere around \$2.60 net.

Q. Well, you gave me \$2.50 as the average. There must have been something below \$2.50?—A. Well, the average came in later.

Q. During 1900?—A. Yes.

Q. Let me know the lots you were able to buy during the year of 1900 that makes up this average of \$2.50?—A. The latter part of last year, we bought as low, I think, as \$2.25 or \$2.35.

Q. Nothing below \$2.25?—A. No, I think not.

Q. Did you buy any considerable quantity at \$2.25 during the year 1900?—A. We bought,—I will tell you what we did in 1900, now that you refresh me—we bought about 7,000 or 8,000 tons at,—I suppose there is no reason why I should not tell you just the price—I should say we bought 7,000 or 8,000 tons at \$2.15 f.o.b dock.

Q. Dock, New York?—A. Yes, and that we bought on the 13th day of December.

Q. That was the lowest price in the twelve months?—A. That was the lowest. That made the paper cost us, when we carted it and delivered, took care of the publisher as we had to do, I mean protect him by keeping a surplus on hand,—the International would not do anything but put it on the dock and they generally put it on a dock from which it had to be removed within twenty-four hours, which necessitated our paying insurances and other expenses, cartages—at \$2.15, and that we did, by giving very large orders, I should say 7,000 tons. Up to that we did not have anything at 25. I think we paid 40 or 50.

Q. Is there any reason you can give us for that drop to \$2.15 at the end of the year?—A. Conditions changed.

Q. From what reason?—A. The demand was not so great and they eased up quite a little. Of course, I cannot say just why, but these were contracts that were expiring with the year. We hoped to close them and we tried to close them in November.

Q. That is, with your own production, but I am speaking of the motives that moved the International to lower their price to you?—A. I would not be able to say what their motives were. I only know we tried to close these expiring contracts of ours. It is not usual to have a newspaper contract allowed to run up to its limits, and on the thirtieth day of December closed for the next year. That is business we have had for years, and the International and no one else can get it, but we tried to close it in October, and at that time they wanted a great deal more money. I said, 'we will wait and take our chances' and we did wait and it resulted in our making that price. What I was about to say is this: we don't buy goods that way usually, f.o.b dock, because that is an awkward way to buy things. If the goods were consigned to the International, or to Brown, Jones or Robertson, they are there and they are theirs. Until then we bought goods delivered.



Q. Where were these seven or eight manufacturers?—A. Mostly in the east, mostly in Maine and New Hampshire.

Q. Delivered here?—A. Delivered f.o.b. dock.

Q. Then did you find a declining market, gradually from the spring of 1900 to that time?—A. In the spring of 1900 I found the advancing market.

Q. But from May or April, 1900, up to this time, at the end of December, had the price gradually declined, the price of the manufacturers to you, I mean, or was this drop that came at the end of the year all of a sudden?—A. Yes, it came rather sudden, for we were not able to buy, to purchase large quantities. In fact, we did not need them, so probably I had not better say,—we did not find we could buy them, but took small quantities. Took 500 or 1,000 tons. We had to pay 2½c. as the lowest up to the time that I mentioned.

Q. Has the Great Northern supplied you with any paper?—A. Yes.

Q. When did they begin?—A. We started in with the Great Northern this year.

Q. In the year 1901?—A. Yes.

Q. Do you know when they began their actual output?—A. Yes, I think late in October or early in November last year.

Q. Very large producers?—A. Yes. They produce 300 tons, I should say, around there, a day. I notice that Mr. Scrimgeour gave it as 200, but I am familiar with the facts; I know the facts of the case. I have been to the mill and know what they are doing. I was there before the mills were started. They have eight machines at the plant and they turn out between 25 and 30 tons a day, but they have a Madison mill, they have been turning out 50 tons or more for years.

Q. And they have a large influence on the market price since they started?—A. They are so large that we are able to do business with them to the extent of a great many thousand tons this year.

Q. Did any other large mill start within the last twelve months?—A. No.

Q. Since the organization of the International, there have been a number of pretty large concerns that started, so we are told, that is, since January, 1898; there have been a number of large mills started in the United States, have there not?—A. I don't know of them.

Q. Don't you know of any besides the Great Northern?—A. That are producing paper, that are manufacturing, that are delivering, I know of none.

Q. Except the Great Northern?—A. Except the Great Northern.

Q. No western companies?—A. Well, we do not do any business with western people. The freight rate is against us.

Q. You cannot do anything practically outside of New York State and New England States?—A. No, the freight is anywhere from 2½ per cent to 3 per cent higher.

Q. What would be, in your judgment, the average output, daily output of the mills in the east, outside of the International?—A. Well, I have never bothered my head with that. If the inquiry was made and Mr. Spicer was not present, I would suggest that they send for him; he is the statistician, and he is the bureau of information.

Q. Give me an idea just, your own judgment?—A. I would if I could, but really I have not any idea of anything that would be reliable.

Q. Your judgment would not be reliable?—A. I don't want to tell you something that I am simply speculating on; I want to tell you what I know.

Q. The system, you say, of returning waste, allowing the consumer for his waste, has been altogether abandoned?—A. Yes, that is dead and buried.

Q. Since when?—A. I should say—well when we made contracts. I don't know, but what it was early in 1900, possibly late in 1899, we were told that we could not return any waste except at a figure—

Q. Possibly the end of 1899 was the cessation of that system?—A. I think that was about the time that that new method was sprung on the publishers.

Q. Is that the new rule?—A. Yes.

Q. That seemed to be a sort of consensus among manufacturers?—A. Oh, I suppose—yes, I should judge it was brought about by that; the other thing was abused.



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Q. Was that the result of what you spoke of, as a gentlemen's agreement ?—A. No, the gentlemen's agreement was a different proposition altogether.

Q. Explain that to me ?—A. The gentlemen's agreement, as I understood it, was that the mills thought it best to select their goods, to select their customers.

Q. And to leave out undesirable customers ?—A. No, but to leave out the jobber.

Q. To do business with the manufacturer and get rid of the middleman ?—A. I don't know, but I rather suspect that was it.

Q. When did you first hear of the existence of that, apart from the manufacturers, but as gentlemen together ?—A. Oh, that is quite recently.

Q. About how long since ?—A. I heard of that early in the year 1901, this year.

Q. Not before 1901 ?—A. Not before.

Q. You never heard of it before January last ?—A. I did not hear of it before.

Q. And only heard it as a matter of rumour ?—A. As a matter of rumour.

Q. And not able to give me any details about it ?—A. No, I was not allowed to know anything about it.

Q. And, as you understood it, just an understanding among gentlemen, as to the prices at which they would deal for their commodity ?—A. Yes, and in a measure eliminate the middleman.

Q. You could not give me any more accurate information about it, more than that you felt the effect of it in your business ?—A. No, not being a party to it. We felt the effect very seriously for a while.

Q. And first began to notice that in the last six months ?—A. I should say four or five months. Of course, it is within six months.

Q. You say there has been a noticeable decline in your prices during the present year ?—A. Yes.

Q. When would that begin to be noticeable ?—A. Well, I should say that you might go back—well, for instance, the thirtieth of December, when I told you we made a purchase, a very large purchase of above 6,000 tons at the price which I named.

Q. That was quite marked at that time ?—A. Yes.

Q. Was that purchase from the International or the Great Northern ?—A. International.

Q. Was this the first time you noticed the decline ?—A. Yes, that was the first. At the same time, let me say to you, that we could not buy—that was a hump purchase, we could not buy a few hundred or even a thousand tons at that price at that time ; that was a large purchase.

Q. And that decline has continued ever since, has it ?—A. I don't know. I believe—well, we can not do much better than that to-day.

Q. But you have not had any rise since then ?—A. No, there has been no rise.

Q. The general tendency has been towards a sluggish market, a downward market ?—A. Yes, since that time.

Q. You are not able to assign any cause, from the manufacturers' standpoint, for that marked decline ?—A. As I said before, not being a manufacturer, I could not assign you what I might consider an intelligent reason.

Q. Is your own mind not able to account for that ?—A. Well, I would not want to take the responsibility of anything.

*Re-examined by Mr. White, K.C., representing the Manufacturers' Association :*

Q. That minimum price that you have reference to, does that apply to small purchases of 1,000 to 2,000 tons ?—A. Several thousand.

Q. Could you have bought 1,000 to 2,000 tons at that price ?—A. No.

Q. Would this agreement that you have reference to, be disadvantageous to the consumer, to the newspaper man ?—A. No, on the contrary.

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Q. It was an advantage?—A. It would be to a large consumer; it was to the disadvantage of the dealer.

Q. But it did not operate prejudicially to the consumer?—A. On the contrary. I want to say just a word in explanation of that price that I named, which is this, that we had to pay all the expenses of storage, insurance, labour, cartage, &c., which brought the price considerably above ½c. after the goods were delivered to the publisher. I thought it best that you should recognize that, because while the price looks low it is not low, and when you pay all the expenses attending an f.o.b purchase.

*Re-cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. What would you say of a consumer who would use, say, one thousand tons a year; would he be in a position to get the advantage of lower prices?—A. A consumer cannot be too small to be recognized by the manufacturer to-day. If he used one ton a day they are just as hungry for him, to all appearances, as if he used twenty tons.

Q. Take a paper that uses 1,000 tons a year, would he be able to get the advantage of such a price as you mentioned, in your market?—A. The manufacturer would lie awake at night to get hold of him.

Q. Would a consumer of that size, in your judgment, be able to get the advantage of that low price that you mentioned from the manufacturer?—A. Certainly.

*Further questions by Mr. White, K.C.:*

Q. How about the consumer whose total consumption, both for news and job, is about 1,600 tons a year, would he buy paper in ream at anything like this price you have mentioned?—A. It depends from whom he tries to buy. If he went to the Great Northern, he could not buy at any price, because they don't make sheets. If he went to the International, they would charge him in the neighbourhood of 2½, but there are a great many mills will not bother with sheets. That is a very small purchase, 1,600 tons a year.

Q. He could not buy on the same basis as you could buy?—A. I should hope not. I would have to be stricken out.

WILLIAM B. DILLON.

*Examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. Mr. Dillon, you have been connected with the manufacture of paper for a number of years in the United States?—A. I have.

Q. How is the price to the consumer affected by the fact that he can give a large order that will keep a machine going year in and year out on the same grade of paper, as against a man who wants perhaps two or three thousand tons in a year?—A. Very materially lower.

Q. The total consumption of news print in Canada, where there are, as you know, a number of mills making it, is about 33,000 tons a year, including wall papers, which are classified as news print. How should prices compare as against orders which you get in the United States?—A. Well, what would be the largest order in Canada, for instance, what would be the consumption of the largest order?—

Q. About seven tons a day would be the largest run?—A. Well, that would be about 2,000 tons a year, and the difference in price between the consumer using 2,000 tons per annum and our largest consumers in this country would be very—well, it would be on an average—I will omit the word average—it would be from ¼ to ½ cent a pound more to the point of delivery to the credit of the buyer.

Q. During the year 1900, certain manufacturers of paper in Canada, not including all the manufacturers, entered into an association and they fixed a minimum price, car-load lots, at \$2.50, 3 per cent discount, three months' credit, delivered to the consumer. From your knowledge of the cost of material and the cost of manufacture, would you consider that a fair price?—A. I should, yes, during that year.

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Q. How would it compare with similar conditions in the United States ; would the price here be above that or below ?—A. Taking into consideration the fact that your largest mill used about 2,000 tons, it would have been about on a par in 1900.

Q. Were you engaged in the manufacture of paper, and associated with the manufacture of paper at the time of the formation of the International Paper Company ?—A. I was.

Q. What was the condition of the paper trade in the United States at that time ?—A. It was in a very deplorable condition in the United States at that time. The prices were, on an average, below the cost of production.

Q. What was the inducement to the mills which entered into this company, to become parties to the new corporation, was it a regulation price, a regulation trade, due to the fact that they were losing money ?—A. Those were the predominant reasons for forming that company.

Q. You say that to-day you are associated with the Great Northern Paper Company ?—A. Yes.

Q. You are a large manufacturer of news print, I understood ?—A. We are manufacturing about 275 tons a day.

Q. You have heard the evidence of Mr. Squier and Mr. Duffy, as to the ruling prices during the years 1899, 1900 and 1901, do you agree with their statements generally ?—A. I only heard the latter portion of Mr. Duffy's testimony. The only thing I heard, 7,000 tons purchased at \$2.15—to be added to that were the expenses of carrying on the business, but as to Mr. Squier's testimony I believe his statements were correct.

Q. Was that price of \$2.15 an exceptionally low price ?—A. It was very low.

Q. What were the conditions which caused the increase in the price of paper during 1900, the conditions of 1899 ?—A. It was a combination in the increased cost of production and increased demand.

Q. Was there a marked increase in the cost of chemicals, &c ?—A. There was a marked increase in the cost of chemicals, clothing machines, iron and steel used in repairing mills—in fact, almost every article entering into the maintenance of the mills and the articles used in manufacturing.

Q. Even assuming the difference of conditions and the much larger output of paper in the United States, if it had been possible to organize an association here which had included all the mills, would you have considered a minimum price of \$2.50 an excessive and undue price during 1900, for earload lots and over. ?—A. Of course, it is a difficult matter to compare your orders and ours. As I stated a few moments ago, there was a difference of from  $\frac{1}{4}$  to  $\frac{1}{2}$  cent a pound, but if you ask me for  $2\frac{1}{2}$  cents for earload lots on the basis of the average order placed in this country, I should say it was not an undue price.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. Would it modify your answer if you were given a consumption of 4,000 tons per annum instead of 2,000 ?—A. That would slightly modify it, yes.

Q. That would lessen the price ?—A. Slightly, presuming the credit in both cases was good.

Q. The same conditions as otherwise ?—A. Yes.

Q. I am told that our possible largest consumer, the Montreal *Star*, takes about 4,000 tons per annum; you would think that such consumer ought to be supplied during the year 1900 for substantially less than \$2.50 under conditions as they exist on your side of the line ?—A. I should say  $\frac{1}{2}$  cent a pound ought to cover that difference.

Q. Such a consumer ought to be able to get it at that much less ?—A. I should say during the very closing part of 1900, possibly December, 1900, but prior to that date, in the early part of 1900, I know paper in hundreds of tons was sold for \$2.70.

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Q. That is a small consumer. Thousands of tons, how about that?—A. If he bought thousands of tons, he would pay more than \$2.70, because this party I am speaking of, they buy one thousand tons and more, but they pay more than \$2.70 for it.

Q. That was some consumer in the United States during the early part of 1900?—A. Yes.

Q. That was before your company, the Great Northern, came into operation?—A. That is before our company had appeared on the market; the product of their second mill, which is much the largest mill of the two.

Q. When did your company begin influencing the market?—A. They really began influencing the market in the early part of 1900, because they expected to put their product on the market in June that year.

Q. When did they begin to put it on?—A. In the end of October, but they took orders prior to that, and delivered it in some cases, in different lots.

Q. And you have been having a daily output of 275 tons?—A. They gradually worked up to it.

Q. And was the lowering of prices during 190 due to the fact, in your judgment, of your entering the field, or was it any lessening in the cost of raw material?—A. I think it was a combination of these circumstances.

Q. You, of course, I presume, manufacture your own sulphite?—A. Yes.

Q. Due to the operation of the laws of demand and supply?—A. Entirely.

Q. And has there been any diminution with you, or has there been an increase in the cost to the purchaser of sulphite?—A. Well, I consider there has been a diminution; we are getting less to-day and even getting less in 1901 than we were getting in 1900. There has been a diminution in the selling price of our sulphite since October, 1900.

Q. A marked diminution?—A. Well, yes, it has been.

Q. About what percentage?—A. Well, in the neighbourhood of—it has varied all the way from  $\frac{1}{2}$  to  $\frac{3}{4}$  c. a pound.

Q. Gradual fall?—A. Yes.

Q. Due to the operation of the laws of demand and supply?—A. Entirely.

Q. Has your company been parties to this understanding so solicitously characterized?—A. We have not been a party to anything; I did not hear Mr. Duffy's evidence.

Q. You mean your company has not been in any way a party to the understanding of other manufacturers, but you go on carrying on your business?—A. I do. We have always carried on our business, trying to get the best business suited to our style of machine.

Q. In operating under any understanding with fellow-producers as to prices or terms of dealing?—A. I don't exactly understand.

Q. I mean the understanding among gentlemen as to the figure at which you would sell?—A. You mean, our competitors, if we would consult with them as to how much we should ask, and as to whom we should sell to?

Q. I don't mean that, but has there not been any understanding with your fellow-producers, the International, &c., not to sell under figures that would realize a reasonable profit?—A. We have never gone out of our way to antagonize our competitors on orders that we knew were so well fitted for them that they would not allow us to undertake them anyhow.

Q. You have never undersold?—A. We have done so when it was necessary to get the business.

Q. But as to your general course of business, it has been rather to keep up than keep down the price?—A. We have not been accused of that, and really, coming into the market, as we did, with a very large production, somewhat suddenly, we have been compelled to disregard even friendships, in some instances, to take business from people that we would prefer not to, so that we are not in very good odour with our rival producers.

Q. You mean you have been accused, on the other part, of cutting prices?—A. Yes.



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Q. And the effect of your competition has been somewhat to reduce prices?—A. I think so.

Q. If you had not come into the field, prices would have been maintained at a higher figure?—A. That might cut some figure, and the law of demand might have governed prices. It might have been coincident with our coming in at the beginning of the Boer war, and that did not call for the demand we formerly had; it may be coincident.

Q. At any rate, since you have been producing you felt a rather diminished demand?—A. There has been a diminished demand since we began manufacturing heavily, but I would like to state that all the paper makers are familiar with the fact that beginning with the month of May in each year, except in the case of the Spanish war, there is a diminution in the demand for paper, and it is not looked upon by any of us as a lessening demand.

Q. You expect it to be higher from October to May than from May to October?—A. Absolutely, and I might state this, that in this country there are used some 60,000 tons of hanging paper that is never touched by the market until the early part of September, so that the mills who make it do all their manufacturing in the summer months, as they are obliged to do to maintain their average prices, but they don't ship it until the fall months.

Q. Do you find any falling off in the demand for news print?—A. Yes. In the news print there is a marked diminution between the months of May and October.

Q. When did you begin your output?—A. Our output—well, our first mill, known as the Madison mill, began its output in August, 1899.

Q. Then you were producing during the whole of 1900?—A. Yes.

Q. Did you find any noticeable difference in the cost of producing sulphite between the beginning of 1900 and the end?—A. Yes, there was an increased cost.

Q. The cost of producing?—A. Yes, there was an increased cost, and there was a diminution towards the end of 1900.

Q. Due to what?—A. Due to the decreased cost of raw material.

Q. What raw material?—A. Sulphur, I might say. I am only familiar in a general way with the cost of production. I could not specify certain articles and state whether they cost more or less, but I know they cost less towards the end of 1900.

Q. Does the cost of sulphite, the cost to make a ton of paper, bear any sensible proportion to the total cost of manufacturing that quantity?—A. Oh, it would bear a proportion, but not a large proportion. You are speaking as to the cost of manufacturing paper?

Q. Yes. What proportion of the cost of making paper would be attributable to the cost of manufacturing sulphur?—A. I don't know. I would not consider it an important item, but I might add, that all the clothing of the sulphite mill, every other article that enters into it, almost every one increased in cost during that period.

Q. I do not know whether I should address you as a practical manufacturer?—A. Well, you ought not, because I am not.

Q. You are not acquainted with the process?—A. No.

Q. Are you able to give me any other ingredients which enter into the cost of manufacturing, that increased in price?—A. Yes, spruce wood.

Q. That increased between January and December of 1900?—A. Yes.

Q. Could you put a figure on it, any per cent?—A. No, I could not. Of course, as I say, I am not a practical paper-maker, and I only know our company spent more money that year per cord than they did previously.

Q. And you cannot tell me to what it is attributable?—A. No, I cannot.

F. W. SPICER.

*Examined by Mr. White, K.C., representing the Paper Manufacturers' Association :*

Q. You are connected with the International Paper Company?—A. Yes.

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Q. What position do you occupy there?—A. I almost forget the technical definition—manager of the Export News Division.

Q. Are you familiar with the price at which news print was sold during the years 1899, 1900 and 1901?—A. In a general way.

Q. You have been some years connected with the paper manufacturing business?—A. I have been for several years connected with the paper industry.

Q. Were you connected with the paper industry before the formation of the International?—A. I was.

Q. Can you state, in a general way, what was the condition of the paper trade in the United States before the formation of that company?—A. General condition of over-production.

Q. And the price has been affected by the over-production and competition amongst individual mills?—A. Naturally. That is the usual result of over-production.

Q. Can you tell us what proportion of the production of news print in the United States comes from your company?—A. Not definitely.

Q. Approximately?—A. Well, I read it in our trade papers as being in the neighbourhood of 50 to 60 per cent.

Q. As a matter of fact, are there enough mills outside of the International to create a healthy competition in the trade?—A. I should say there are quite enough to create competition.

Q. There are a number of mills outside of the International and Great Northern?—A. There are.

Q. During the years 1899 and 1900, was there any association or agreement amongst the manufacturers of news print in the United States to control the price?—A. Not that I am aware of.

Q. If there had been such an agreement, you would have known of it, would you not?—A. Altogether likely.

Q. You have heard the evidence which has been given to-day as to the prices which prevailed during this year, do you concur in what has been said?—A. In a general way, yes.

Q. Would you consider a minimum price during the year 1900 of \$2.50 in carload lots, with 3 per cent discount, as being a fair and reasonable average price?—A. I should say it was. I should say it was below the average of business offered during the year.

Q. During that time, were you doing business in Canada, your company doing any business in Canada?—A. We took some orders in Canada.

Q. Would you mind stating at what price these orders were taken?—A. At better than 2½ cents net, f.o.b. the mill.

Q. Can you give us any actual contract or sale that was made?—A. I could give you the names of the purchasers, and the dates of the sales, but I think the other answer covers the ground sufficiently.

Q. Did you get as high as \$2.80 f.o.b. vessel, Boston, net 30 days?—A. Well, as I say we get better than 2½ cents f.o.b. mill.

Q. Do you know a company called the Laurentide Pulp Company, operating in Canada?—A. Oh, yes.

Q. Will you take communication of a letter dated New York, November, 1900, and produced in this inquiry as Exhibit P—39 and state whether that signature is yours?—A. The letter is dictated by me; the signature is simply a rubber stamp signature.

Q. But you are the Mr. Spicer who signed that communication?—A. Yes.

Q. Will you explain any of the circumstances under which that letter was written?—A. The gentleman named in the early part of this letter said to me that he had a friend in Montreal who was desirous of purchasing some paper and asked me would I communicate with him. Prior to writing the letter, the Eddy fire had taken place in Ottawa, and an offer had been made,—at least, I understand an offer had been made by the Laurentide people to secure some part of the business formerly held by Eddy, and informally, in talking about their success in securing this business, they named various

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publishers with whom they had made arrangements, and after my conversation with Mr. Ridder, on looking over the list, I found the gentleman of whom he spoke was in the list, which is the reason for the communication being of the nature that it is.

Q. Had you any understanding with the Laurentide people to refer all Canadian inquiries to them?—A. We had not, that is, to my knowledge.

Q. Then, this letter, P—39, was not the result of any such agreement or understanding that I refer to?—A. Not at all.

Q. Simply arose from your having a knowledge that Mr. Tarte had contracted with the Laurentide before asking you for quotations?—A. Yes, sir, I was informed that they had.

Q. Are the prices which prevail in the United States the result of the ordinary trade conditions?—A. They are.

Q. Competition, or is it the result of an agreement amongst the manufacturers?—A. Trade conditions.

Q. You had some correspondence, or your firm had, some correspondence, with the firm of Jenkins and Hardy, of Toronto, who were acting as secretary of the Paper Makers' Association of Canada?—A. We did.

Q. In connection with the export business?—A. Yes.

Q. What was the result of that correspondence?—A. Nothing ever came of it.

Q. Was any arrangement ever made between your company and the Paper Makers' Association of Canada?—A. None whatever.

Q. Did you ever go beyond the tentative correspondence, ever hold a meeting to discuss prices?—A. Nothing of the kind.

Q. Then your company, the International, is untrammelled to-day by any restrictions, either of the Paper Makers' Association of Canada or with the independent mills in the United States?—A. Not that I am aware of.

Q. You are not aware of any such arrangement?—A. Not aware of any such arrangement.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. Your company was incorporated in January, 1898?—A. You gave the date, which I assume is correct.

Q. It is correct, is it not, January, 1898?—A. I think it is.

Q. Absorbed—that is the proper word—some fifty odd mills?—A. I could not give you exact information in regard to that without referring to the record.

Q. Could you not talk approximately?—A. Oh, I think we call it about thirty-one.

Q. When you started, when you incorporated?—A. At the present time.

Q. Well, have nearly an equal number, or something approaching that number gone out of operation? My information is, that when you began operations you took into the company, or took over, some thirty odd mills, that had previously been in operation, is not that right?—A. Less than thirty; rather than more than thirty, I would say.

Q. Some new mills have since been taken in, have they not, some additional mills?—A. Yes, since the date of the original—that is, since the original date of the formation of the company.

Q. Amounting altogether to fifty-four, I am told?—A. I think about thirty-one at the present time.

Q. That may be, but were there not fifty-four all told, since you have begun, that have been either absorbed by your company or gone out of business in some shape?—A. If you were to ask me the number of mills that have gone out of business since the organization of the International—

Q. I mean, gone out of business as a consequence of their coming under your management or control?—A. Not that I am aware of.

Q. Whereabouts were those mills situated, however many of them there were?—A. Maine, New Hampshire, New England States, and New York.

Q. That would cover it?—A. Yes.



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Q. And at the time your company was incorporated, January, 1898, what proportion of the total output of paper for those States came into your incorporation?—A. I do not recall ever seeing a statement made as to the proportion of the output of the States being included in the International.

Q. Would you say that there was 10 per cent of the total output of those States, New England, and New York, which was not at the time you were incorporated taken into your organization?—A. Well, I would not say any per cent, since I don't know, never having looked the matter up with a view of knowing.

Q. But I want to get an idea whether it was not practically a fusion of all the manufacturers of paper in the New England States and New York State, news print?—A. It included a large proportion of the mills.

Q. Did it not include 90 per cent of the total output?—A. I don't know that it did.

Q. You would not contradict that statement?—A. I would not say that it did or did not, simply because I never looked it up with a view to know it.

Q. You would neither affirm nor deny?—A. No.

Q. Since that time has there been any substantial increase in the output of those States, outside of your company?—A. Yes.

Q. What companies?—A. The Great Northern.

Q. Any other?—A. Not of any consequence.

Q. So that at the present time the International and the Great Northern practically control the output in New York State and New England States, do they not?—A. They control a large percentage of it.

Q. Ninety per cent?—A. I would not say that, because I don't know.

Q. You said to Mr. White, probably 60 per cent, your own company?—A. I said that I had seen it stated that we produced 60 per cent of the total output of the United States.

Q. Of the whole of the United States?—A. Yes. Now, if you segregate New England and New York States, you would divorce me from facts that I would be able to answer.

Q. Of course, it would be a large proportion of the output of those States if they were segregated?—A. Yes.

Q. The Great Northern have—I don't remember if Mr. Dillon stated how many mills there were producing at the present time?—A. Two, what he characterized, two different mills in Maine.

Q. Both situated in Maine?—A. Both.

Q. Then you spoke of orders that you had taken in Canada during 1900?—A. Yes.

Q. Some better than 2½c. f.o.b. mills?—A. Yes.

Q. And did you take any at lower figures?—A. None less than 2½c. f.o.b. mills, during 1900.

Q. You have since that, I think, have you not?—A. We have taken business during the present year at less.

Q. How low?—A. Two cents.

Q. Is that the lowest?—A. That is the lowest f.o.b. mills.

Q. That is, you made sales for consumption in Canada during 1901 at 2c. delivered at your mills?—A. F.o.b. cars at the mills.

Q. You did not sell at a loss?—A. Well, you see, we would not—

Q. I am asking that as a question in the most insinuating form; you would not do anything like that unless you had some special reason?—A. What we might do under special conditions, it is impossible for me to answer in advance.

Q. Well, put it this way. When you sold at 2c. a pound or \$2.00 a 100 pounds, did you make a loss?—A. Well, in making a sale, I assume that I do not—although I do not personally know that that was true.

Q. Well, you had some idea of what it had cost you to produce and you thought, I presume, that you were making a fair living profit when you went into that contract?



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—A. The price made was due entirely to the market conditions that the paper trade could get, with a view to the cost of the paper to manufacture.

Q. You would not have sold at one cent a pound, would you ?—A. I never offered paper to anyone at one cent a pound.

Q. But you were quite willing to sell at 2c. f.o.b. mills as many Canadians as came along with their orders ?—A. I was quite willing to sell this particular customer at 2c. at the mill.

Q. Was there only one ?—A. There was only one.

Q. He was not a large consumer ?—A. I did not ask him his consumption, or do not know it now.

Q. And the amount you sold him was how much ?—A. Relatively small amount.

Q. As much as a carload ?—A. I don't recollect exactly what the amount was.

Q. It was not more than a carload, was it ?—A. I should say not.

Q. Were there any special circumstances pertaining to that customer whereby you wished to favour him ?—A. It was simply in hopes that by making him a low price, I might secure his business for the future.

Q. It was the first transaction you had with him ?—A. Yes.

Q. And you are quite content to continue supplying him at that price as much as he wanted ?—A. He has not afforded me an opportunity yet.

Q. I was not asking you as to the event, but as to your own willingness to supply him ; would you be quite willing to supply him under these conditions ?—A. Yes.

Q. That was about what month ?—A. I could not tell you without referring to the record.

Q. Within the last six months anyway ?—A. Yes, within the last six months.

Q. Did the question of quality cut any figure in the quotations or in the transaction ?—A. None whatever. As a matter of fact, a concession was made on my part with reference to the matter of quantity, due to the hope that it might lead to business of larger volume.

Q. You were casting bread on the water. About what quality was the paper as compared with your United States consumption ?—A. Our standard grade of paper.

Q. It was your standard grade ?—A. Yes.

Q. That would be somewhat superior to the grade that I showed one witness this morning, I presume ? Look at this copy of the *Toronto Globe* of yesterday and tell me how that grade that you sell for 2c. compared with that ?—A. Well, it was a different paper.

Q. Superior in value or inferior ?—A. That would depend entirely upon the attitude of the purchaser.

Q. I am speaking from a papermaker's standpoint, how would the quality you sold for 2c. compare with the quality of the paper you are looking at ?—A. Based upon its cost of manufacture, no better than this.

Q. How about its selling price in the market ?—A. That depends entirely upon the peculiarities of the purchaser. Let me make this plain to you. We have some customers who insist on having a very rough finished paper : we have some others who insist on having a very high finished paper. It is purely a question of calendering in the mill, which does not involve this cost of manufacturing at all. It is simply to meet the taste of the consumer.

Q. What I want to get at is : Compare the quality of the grade of the paper that you sell for 2c. this present year in Canada, with the paper you are looking at, the *Evening Toronto Globe* yesterday. You say, so far as the cost to the producer is concerned, it is equal ?—A. I have nothing to do with the manufacturing department, but in a general way the cost of manufacturing paper depends largely upon the percentages of sulphite and ground wood which enter into its manufacture. I would determine this by testing its strength rather than the question of surface and the question of colour.

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Q. Well, judging it by those tests that you apply, I ask you how the paper that you sell for 2c. would compare with the value of the paper before you, in the edition of yesterday's *Toronto Globe*?—A. I have customers who would pay more for this paper than they would the paper I supply. I have customers who would pay less for this paper than the paper I supply.

Q. Looking at it from a manufacturer's standpoint, is there any difference in the cost of production?—A. Practically nothing.

Q. In your market, that is, in the United States market, with the taste of your newspaper publishers here, how would the grade compare?—A. I should say it is approximately a standard grade of paper.

Q. That is, the paper you are looking at?—A. Yes.

Q. That quality of paper, costing that much to you to produce, you could sell at present prices and during the year 1901, afford to sell at 2c. a pound?—A. F.o.b. mill net, without any deductions or reclamation of any kind.

Q. Did the width of the sheet cut any figure with you in taking the order?—A. Not in my effort to get an opening with a customer.

Q. Does it, in making the price, cut any figure?—A. It would ultimately on the execution of the contract.

Q. How? Depending on the size of your machine?—A. Yes.

Q. And you would give, of course, a carload price for a large order?—A. Governed entirely by the circumstances, and if you permit me I want to say: That we have customers who would not even be satisfied with this paper because it is not rough enough.

Q. They would want a different quality?—A. No, the same quality but a different finish.

Q. Take the circumstances as they existed when you began this sale, that I have been asking you about, at 2c. At what figure could you have afforded to enter into a contract with a consumer if he had given you an order of ten tons a day for a year; what figure could you have afforded to give him on it, and still make a living profit?—A. I would not answer you a question of that kind. That is a subject a good many people are interested in, to know what we can afford to make paper for, and I would suggest that the best means of obtaining that information is to become a paper manufacturer.

Q. But in Canada we should have to put up a \$500 deposit?—A. Well, if by making the deposit it would afford you the information, you would not hesitate for a minute.

Q. Seriously, is that a question you prefer not to answer?—A. I don't think it is a fair one.

Q. I don't want to pry into your business secrets at all, but you can tell me this at all events. Under the conditions I put to you, assuming that I go to you with that very consumer with the proposition such as I mentioned, to take 10 tons a day for a year, could you have afforded to reduce the price materially below 2c. a pound?—A. I do not think it is possible to answer the question without having the firm offer in hand.

Q. You would not like to answer the question upon any other basis, you would like to see the offer in writing?—A. No, sir; we might want more.

Q. Well, I would like to press the question to this extent; if you say you decline to answer, that ends it.—A. That is, as to what we could afford to take an order at. I don't regard that as a proper question for an answer.

Q. Put it in the way I said, will you answer me or will you say that you decline; it is entirely at your option?—A. I want to treat you fairly in regard to that; state it over again.

Q. I think it is my legal right in cross-examining. I shall not press you any further if you decline to state; that is the end of it.

WITNESS.—As to what price we could afford to make it at?

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Q. Yes, such a contract as I named to you ?—A. I think it would be impossible for me to give you an answer based upon assuming conditions that don't exist.

Q. If I go to you with an offer of ten tons a day, for a year's consumption, of the quality of paper that you sell to the Canadian consumer during the present year for 2c. a pound, to take from you ten tons a day, could you afford to let me have it at \$1.90 a hundred ?—A. There is no evidence that there is any such consumer of paper in Canada.

Q. You reserve that answer ?—A. I would certainly decline to make a reply based upon the question as to what we could afford to do.

Q. In other words, you would not tell me if I asked you what it costs to make 100 pounds of paper ?—A. Most certainly not.

Q. And you do not want to answer any other questions that would involve giving that information to the public ?—A. I would be incompetent in the first place, because I do not know what it costs us to make paper.

Q. But as business manager of your company you would be the man who would control the prices at which your manufacture is sold ?—A. I have only to do with the making of the prices of paper for export.

Q. And in that department of your business you are supreme ?—A. Governed by market conditions.

Q. It rests in your hands to decide this ?—A. My decision is based upon what I regard the market.

Q. I don't ask you that. Of course your decision will be in the interest of your company, but I am asking you whether there is anyone of authority in your company can cancel your quotation, or what you would say would be decisive ?—A. I am not the autocrat of the selling price of the International.

Q. That is hardly an answer. If you made an arrangement with a purchaser, or with a man who offered to purchase in Canada, would your quotation be over-ruled by any person superior in authority, or would your decision be final ?—A. It might be overruled, although I don't think it would.

Q. Well, then, you, occupying that position, have the right practically to control the figure at which you would sell. I ask whether you would take any order, on the conditions, of course, of 10 tons a day consumption, for a year, would you reject an offer of \$1.90 a hundred, the same grade of paper which you see before you ?—A. I could not say that I would or that I would not.

Q. You would have to leave it to be determined by the occasion when it arose ?—A. Yes, sir.

Q. Supposing I made it \$1.50, you say at once you would reject it ?—A. No, I would make you the same reply that I did before.

Q. Supposing I made you an offer, when would it reach a figure at which you would say 'I would reject' ?—A. I would not reply to you at any figure you make.

Q. It would be idle for me to go on ?—A. It would depend on circumstances on each occasion.

Q. Of course you would not tell me when I would reach a figure that under no circumstances would you listen to it ?—A. No, sir.

Q. In this letter of yours, Mr. Spicer, P—39, you say you have a note from Mr. Ridder, of New York, asking you to quote Mr. Tarte direct your price for 34 inch rolls ?—A. Yes.

Q. That, of course, was a truthful statement ? Mr. Ridder had simply asked you to do that ?—A. Yes.

Q. Then you add that you had receipt of a communication from the Laurentide that they had arranged to furnish ?—A. Yes.

Q. That also was truthful ?—A. Yes.

Q. That was a communication by post ?—A. My impression was that that was both covered by the former communication, a verbal one as well.

Q. Interview ?—A. Yes.

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Q. Some representatives of the Laurentide people here in New York ?—A. I think they came here.

Q. Shortly after Mr. Ridder's inquiry ?—A. Yes.

Q. In consequence of it do you mean ?—A. No connection with it ; purely accidental.

Q. Had there been a personal acquaintance beforehand with their representative who was here, or was it merely a business interview between you and him ?—A. We were their selling agents for Great Britain.

Q. You were the selling agents of the Laurentide Company for Great Britain ?—A. Only.

Q. And had in that way business relations with them ?—A. Yes.

Q. Then was it accidental so far as this inquiry of Mr. Tarte was concerned that the interview took place ?—A. Entirely.

Q. No connection with Mr. Tarte's inquiry ?—A. None whatever.

Q. By coincidence some representative of the Laurentide Company was present about that time, is that it ?—A. The Montreal inquiry had no significance at the time, that is, at the interview.

Q. I understand you, I think, perfectly. If I understand you right, contemporaneously, approximately with the inquiry from Mr. Ridder, occurred the business interview between yourself and the representative of the Laurentide Company ?—A. Which were of frequent occurrence.

Q. Without any reference to the inquiry ?—A. None whatever.

Q. And either he or you mentioned the fact of the inquiry ?—A. No, that was not discussed, because the inquiry had not taken place at that time.

Q. But you say in your note to Mr. Tarte of the 11th May, 1900, that you are in receipt of a communication from the Laurentide, saying that company had arranged to furnish Mr. Tarte with his requirements ?—A. Yes.

Q. And that, you now tell me, was information you had secured both by post and by an interview ?—A. Yes.

Q. Then, I ask you how the subject came up between yourself and the representative of the Laurentide ?—A. Just simply discussing the conditions in Canada, following directly the Eddy fire, and simply telling me in a general way the various orders they had secured.

Q. In that way he happened to mention Mr. Tarte's paper, or the name of his paper ?—A. I found that in the list.

Q. He left you the list of his customers ?—A. I took the list of the orders he had secured.

Q. What object was there in that, merely friendly interest ?—A. Nothing further.

Q. You took from him a list of the Canadian orders he secured ; you noted them down as he stated ?—A. Yes, I noted them down.

Q. And when this inquiry came a few days later from Mr. Ridder you noticed *La Patrie* was among them ?—A. Yes.

Q. So you thought, as a matter of gentlemen's understanding, you would not encroach on their territory ?—A. That letter was calculated to elicit from Mr. Tarte the information as to whether his order had been placed or not.

Q. That was your intention in writing ?—A. Yes.

Q. And if his order had not been placed with the Laurentide you would have felt free to deal with him ?—A. Very glad to.

Q. But you would not encroach on their reserves ?—A. No, but the order having been already placed it would be idle for me to attempt a quotation.

Q. So your idea was—your design was in writing this letter, to ascertain from Mr. Tarte whether it was a fact that he had entered into a contract with the Laurentide ?—A. Decidedly.

Q. You would not have felt disposed to underbid them, would you, having the relations with them which you have described ?—A. I did not get any reply to this letter at all.



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Q. It was not at all what I asked you ?—A. I should have been perfectly willing and glad to have made a price ; whether I would be below or above results would develop.

Q. And would I be right in assuming that you felt free to underbid the Laurentide Company ?—A. I would have been entirely free to have made them a price.

Q. Whether it would have been under or below would have depended on your own judgment?—A. Entirely. I would have been entirely willing to make them a price.

Q. Knowing it would be useless to make them a higher one ?—A. I had no information as to the price obtained by the Laurentide, and the knowledge that I had of the orders that they took was purely unofficial, informal, entirely so.

Q. Just arising in the way you mentioned ?—A. Yes, and did not involve the question of price in any particular.

Q. You were not told by the Laurentide representative at what price ?—A. No.

Q. And did not know in fact ?—A. Did not know, as a matter of fact, did not know.

Q. But were open to have entered into a transaction if, in reply to this letter, Mr. Tarte has informed you of the price, and you had found it was one at which you could afford to undersell ?—A. Yes, had he named a price at which he could have made a purchase, and was open to buy, and I had felt that it was good business to have made him a lower one, I should have been quite willing to have done so.

Q. Taking into consideration what elements which would go to show in your line, what was good business ?—A. Well, the best reply to that is that I did take some good contracts in Canada at that time.

Q. Not in competition with the Laurentide Company ?—A. I was unaware at the time, and am unaware even to-day as to whether I was in competition with them or not.

Q. You took no concern in it ?—A. No, sir.

Q. Were those some of the contracts that you have mentioned, that you have alluded to, that were netting you more than  $2\frac{1}{2}$  cents ?—A. Yes.

Q. Just in that connection, tell me how much more than  $2\frac{1}{2}$  cents ; how high would you put it, would you say ?—A. Well, simply repeat my reply, that it was above  $2\frac{1}{2}$  cents.

Q. You could not tell me how much above ?—A. No, it is not necessary.

Q. Were there any below  $2\frac{1}{2}$  cents, except the one I have alluded to ?—A. There were none below  $2\frac{1}{2}$  cents during the year 1900.

Q. About what size lots would these be, Mr. Spicer ?—A. The largest one, I think, was for five carloads.

Q. And the smallest ?—A. The smallest, I think, was two carloads.

Q. What months of 1900 would this be in ?—A. Oh, I will be obliged to refer to my memorandum as to the months, May, July, September and October.

Q. In your business, you discriminate between a customer who would use, say a ton a day, and a customer taking larger orders ?—A. It depends on circumstances connected with the business.

Q. Each individual case governs ?—A. Yes.

Q. Would this be right, Mr. Spicer, that a man who might consume only a ton a day could, under any circumstances, get as good prices as the man who would consume ten tons a day ?—A. Under certain circumstances, yes. In trying to develop an export business, we are sometimes obliged to ignore the question of tonnage in making prices for a sale purpose, or making development business, but the consideration is not based upon tonnage, but upon other things.

Q. Would like consideration obtain with regard to the home market in the States ?—A. No, I don't think the same considerations would apply.

Q. In what respect would they differ ?—A. In that the conditions are fixed here. The consumption is all served by production here, and it is not in the nature of working up new business, as it is in connection with the export, so the same considerations don't apply.

## EVIDENCE TAKEN AT MONTREAL, JULY 30TH, 1901.

WALTER S. MARSAN.

*Examined by Mr. Aylesworth, K.C., in rebuttal, representing the Press Association :*

Q. You were asked to produce an agreement or contract under which the *Star* newspaper is now receiving its supply of news print paper. Did you bring it with you?  
A. No, sir.

Q. Why not?—A. Well, I am not the custodian of this document. In Mr. Graham's absence I was not able to possess myself of it for the purpose. Mr. Graham was absent from the city yesterday.

Q. Have you not been able to see Mr. Graham this morning?—A. I saw him, but only at a distance.

Q. Not to speak with him?—A. No, sir.

Q. Do you mean that you were not able to produce the document to the court?—A. Not in Mr. Graham's absence. If I wanted the document, I would have to go to Mr. Graham to get it.

Q. Do you mean it is in his custody personally?—A. I would have to go to him to get it.

Q. If I understand you right, you mean you don't like to take the responsibility of bringing it without consulting him?—A. I would not take the responsibility of producing the document without Mr. Graham knowing it.

Q. There is no physical difficulty in the way of your getting access to it?—A. I presume I am able to get at it.

Q. Can you produce it in half an hour or in quarter of an hour?—A. If I was asked to produce it. I could not get it yesterday, because he was not in the city.

Q. Could you, in half an hour, say, bring the document to the court, if Mr. Graham consents?—A. Yes.

*By the Commissioner :*

Q. Can you state from memory the price at which you are being furnished with paper, news print?—A. No, sir, I cannot state it.

*By Mr. Aylesworth, K.C. :*

Q. The *Star* is being supplied by the Canada Paper Company?—A. I believe so, yes.

Q. And has been for some two years past?—A. I am not quite sure about it.

JAMES HARDY.

*Examined by Mr. White, K.C., representing the Paper Makers' Association :*

Q. You have been already sworn in this examination?—A. Yes.

Q. You are the secretary and custodian of all the books and have a knowledge of the financial matters of the Paper Makers' Association?—A. Yes.

Q. What is the position of the Laurentide Pulp Company; have they ever contributed towards the funds of the association?—A. No.

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Q. Are they recognized as members of the association ?—A. Never recognized them ; never asked them to pay anything towards the running expenses of the association.

Q. Are you aware they are large manufacturers of news print ?—A. Yes.

Q. Amongst the largest, are they not ?—A. I understand so.

HUGH GRAHAM.

*Examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. You are proprietor of the *Star* newspaper of this city ?—A. Yes.

Q. And at present you are getting your supply of news print from what source ?  
—A. Getting it from the Canada Paper Company.

Q. How long has that company been supplying you ?—A. Off and on for the last thirty odd years.

Q. Is the supply that you are getting being made under any definite contract ?—  
A. Yes.

Q. Is that contract in writing ?—A. Yes.

Q. Would you have any objection to our seeing it ?—A. Yes.

MR. AYLESWORTH.—I want to ask, with regard to those terms, my Lord, to ask that Mr. Graham produce them to your Lordship, so that it would not be made public beyond this commission.

MR. WHITE, K.C.—Possibly there are some matters in the contract Mr. Graham does not care to divulge, and I think what my learned friend wants, is the price.

WITNESS.—I am quite willing to give any information pertinent to the inquiry, but these contracts are, in their very nature, private. In fact, it is one of the conditions, that they have, and have been for the last twenty-five years, regarded as private contracts. I could not very well reveal that.

THE COMMISSIONER.—The court would not force you to exhibit the contracts, but to inform the counsel as to the contents.

*By Mr. Aylesworth, K.C. :*

Q. Will you tell me, then, when the contract was entered into ?—A. In the end of April or the beginning of May, 1899.

Q. And is still current, still exists ?—A. Yes.

Q. You take a very large supply, I suppose, larger than any other paper in the Dominion ?—A. I may say so.

Q. Then, I wish to ask at what price per 100 pounds you are being supplied ?—A. Well, I don't feel at liberty to reveal that. Perhaps I should explain. This contract was made the end of April or the beginning of May, 1899, before the rise in the price of labour and the price of chemicals, for all kinds of supplies used by paper makers, and at the time the contract was made there was considerable competition, because our contract is a large contract ; the consumption is about twelve tons a day, regarded as a desirable contract—a good deal of competition for it, and in the contract it is not specifically stated, under the contract and under the condition of it. It is the nature of a private affair. I have no objection to telling you that it is at a lower rate than the prevailing rates of the present day.

MR. AYLESWORTH, K.C.—The importance of it, my Lord, in my view, is that so large a contract, would, I intend to argue, not be entered into by a manufacturer at a loss, and we have been unable to secure any direct evidence from any manufacturer

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of the actual cost of manufacturing 100 pounds of paper, I wish to argue that it is at least lower than the amount of this contract. That is the importance of it to me. I therefore press the question. Mr. Graham should tell us the figure at which he is being supplied per 100 pounds.

Mr. WHITE, K.C.—I submit, that as regards the cost of manufacture, we have all the details that have been produced by Mr. Barber in his evidence. He has given us the cost of labour and raw material, and what his price was, &c., so that I submit the conditions under which different manufacturers are producing paper, being so various, it is hardly necessary.

Mr. AYLESWORTH, K.C.—It is very important. At least, I think so. Let me point out that it has been a matter which has been before my learned friends on the other side from the outset, in regard to which they were perfectly aware, and which we intended to make an effort to ascertain what the exact fact was.

I find in Mr. Hardy's examination, taken in Toronto on the fifth June last, that he was asked if he had knowledge of this particular contract. He says he has been told there was such a contract, but does not know whether the figure is under \$2.00 or not.

Then Mr. MacFarlane evidently, I submit, with that testimony before him, referred to this contract in his depositions to Mr. White; speaking of it without mentioning Mr. Graham's name, it is true, but speaking of it as one particular contract which his company had entered into at less than \$2.00 for various reasons, which he referred to, much the same reasons as those Mr. Graham has given. Now, it is important, I think, that we should know the exact figure.

The COMMISSIONER.—Did that witness give an insight into the prices?

Mr. AYLESWORTH, K.C.—No, my Lord, except that it was below \$2.00, but to be exact at all, he has not told us.

The COMMISSIONER.—Would not that suffice you for the purpose of your argument?

Mr. AYLESWORTH, K.C.—Supposing I prove it to be below \$1.75 it would suffice me much better. I have no doubt Mr. Graham would say it is not below \$1.75, but I have instructions as to the exact figure, but I ask your lordship's permission to ask Mr. Graham to tell me whether it is that very figure which I mention to him, because it is of such vital importance to this inquiry.

The COMMISSIONER.—I think, Mr. Graham, it is very important for the purposes of this inquiry, to have an answer to the question, if you can possibly give it. It seems to me in the public interest, and the particular purpose of this inquiry is to ascertain such facts as may aid the court in arriving at a proper conclusion.

*By Mr. Aylesworth, K.C. :*

Q. Would you answer in this way, Mr. Graham, it is less than \$1.90 per 100?—A. No.

Q. Is it less than \$2.00?—A. I object to going beyond that, may it please the court, unless I am absolutely forced to do it. But I may say this in explanation, and which will be information of a material character for the counsel, that the Canada Paper Company made that contract before the rise in the price of chemicals, and since the contract was entered into, they have intimated to us that they were losing money on every pound of paper furnished, and led me to infer that if I were willing, they would cancel the contract. These are absolute facts, and repeatedly they have given me to understand that they were losing money.

Mr. AYLESWORTH, K.C.—Of course, it is evidently your interest not only not to disclose this amount, but also to demonstrate that it is not a contract unduly favourable to the manufacturer.



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WITNESS.—I cannot disclose the facts in that contract without a breach of faith, that is, voluntarily.

Q. But evidently it is your interest or your wish to give the court to understand, that there are strong reasons for the making of that contract, and this contract on which you say there is, according to the statement of the manufacturer, a loss on every pound of paper, is the reason for your taking that position, the circumstance that if you disclose this, you might not be able to get as favourable a contract again ?—A. I do not need to explain to you that it is not customary for parties to a contract to reveal details of that contract, unless under compulsion.

The COMMISSIONER.—You said, if I understand you well, that the price was not under \$1.90 ?—A. No.

Q. Have you any objection to state whether it is between \$2 and \$1.90 ?—A. It is just \$1.90.

*Cross-examined by Mr. White, K.C., representing the Paper Makers' Association :*

Q. When did you say this contract was made ?—A. The end of April or the beginning of May, 1899.

Q. And it is made for a term of years ?—A. Yes.

Q. The Canada Paper Company had been supplying you, you say, with large quantities of paper in the past ?—A. Off and on since 1869 ; not continuously, you know.

Q. You say the quantity supplied is about twelve tons a day ?—A. About twelve tons a day.

Q. Did they explain, give you reasons, for the low price at which it was made ?—A. They said that the consumption was the largest individual consumption in Canada, that it was an object to place such a large amount of paper in one hand. It is a cash contract, payments are cash, and it was desirable that so large a share of the output of the mills should be secured in that way.

Q. You are using a regular quality of paper, a machine can run continuously on that class of paper ?—A. Oh, yes.

*Re-examined by Mr. Aylesworth, K.C., representing the Press Association :*

Q. You are not acquainted, I suppose, with the cost of producing 100 pounds of paper ?—A. No, I only know what they have told me, and as evidence of their sincerity they offered to cancel my contract, if I was willing.

Q. You don't know when they said that they were selling this to you at that price at a loss, whether they meant that it was a loss as compared with what they could get elsewhere in the market, or whether they meant it was a loss as compared with the actual cost of production ?—A. The time the contract was entered into, they did not pretend they were selling at a loss, but afterwards there was a rise in labour and chemicals. They did not pretend at the time that they were making a loss.

Q. And they since told you that they could do better ?—A. They were suffering a loss on every pound they sold.

Q. I ask you whether you are in a position to say, assuming that to be true, that they were losing because they could sell to better advantage—an actual loss, or less profit ?—A. Mr. MacFarlane was very specific in his statement that he was suffering an absolute loss on every pound of paper.

Q. Do you mean you understood him to say it was costing him more than that to produce it ?—A. I certainly so understood him.

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JEAN D. ROLLAND

*Examined by Mr. White, K.C., representing the Paper Makers' Association :*

Q. You are aware that the paper on which most of our newspaper is printed to-day is called No. 3 news print ?—A. Yes.

Q. What is the significance of that No. 3 ? Is there a No. 1 news print and No. 2 news print and so forth ?—A. News print used for newspapers, there is only one quality, which is called No. 3 news print, either in sheets or in rolls.

Q. As a matter of fact, the old grading of paper, the No. 1 is the finest class of paper ?—A. That is book paper.

Q. No. 2 ?—That is book paper. No. 1 is a superior quality for book to No. 2; No. 2 is inferior to No. 1; No. 1 is called a high class paper, and No. 2 book paper.

*By the Commissioner:*

Q. Both numbers are book ?—A. Yes.

*By Mr. White, K.C.:*

Q. But when you speak of No. 3 news print, you don't mean there are three grades of news print ?—A. Never. That is the grade in print. No. 1 is book; No. 2 ordinary book, and No. 3 news.

Q. You are familiar with the news print used in the United States ?—A. Yes.

Q. How does the news print compare for quality with the news print used in Canada ?—A. Except maybe one newspaper there, the general run of newspapers in Canada is equal to the ordinary run in the States.

Q. You refer to the *New York Herald* ?—A. Yes, the *New York Herald*.

Q. The *New York Herald* is printed on highly calendered paper, because of their cuttings and illustrations ?—A. Maybe the quality of paper does not cost more than it costs to our paper makers here, but it is on account of the great quantity, and the continuous running for the year on the same machine, that they can finish their paper a little better.

Q. But as to the quantity of stock used, the quantity of raw material used, I suppose there would be a very slight difference ?—A. My impression is that it is about the same proportion.

Q. So the cost to the manufacturer would be about the same ?—A. Yes.

*Cross-examined by Mr. Aylesworth, K.C., representing the Press Association:*

Q. Are you familiar with the system of grading in the United States, or in the New York market, or are you speaking with reference to Canada ?—A. I am speaking of the American market. The proportion of stock used is the same, because we have occasion to meet paper makers in the States.

Q. I was not referring to that, but I refer to this grading. I understood from some of the men in the trade, who testified in New York city, that they were in the habit of grading news print, one, two, three ?—A. Oh, never.

Q. You are not aware of that ?—A. No, sir.

Q. We produced there the exhibits. Here is a copy of the *Globe* which was produced, also the *Toronto Evening Star* of the same date : is there any difference in the quality, the grade of paper of those two ?—A. These are the same grade.

Q. This is a copy of the *Herald*; is this a better finish ?—A. It is a better finish. I must say that the general run of the *Globe*, or the *Mail*, or *Star* is superior to the two samples you gave me there.

Q. These are both inferior samples ?—A. They are made from the same stock, but some time the machine will not produce as good one day as another.

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Q. How is that ?—A. You study from the paper maker. He will tell you that.

Q. These were produced previously. They were the latest edition at the time we took evidence, and the witnesses there spoke of them as being both an inferior grade. You agree they are not up to the ordinary quality ?—A. I agree it is the regular run, the ordinary run of a paper mill. A paper mill may make a little better one day than the other.

*Re-examined by Mr. White, K.C., representing the Paper Manufacturers' Association.*

Q. Do you happen to know where that paper is manufactured ?—A. I am not very sure. I know one of them is made at the Riordan Mills at Merritton, and one is made at the Laurentide.

### ARGUMENTS.

BY MR. AYLESWORTH, K.C., REPRESENTING THE PRESS ASSOCIATION.

The first consideration which, it seems to me, important to ask your lordship's attention to in connection with this inquiry is the provision of the statute under which the commission issued. Section 18 of the Act 60-61 Victoria, chapter 16, provides the circumstances under which a commission of this character should issue, and the scope of the inquiry. 'Whenever the Governor in Council has reason to believe that with regard to any article of commerce, there exists any trust, combination, association or agreement of any kind among manufacturers of such article, or dealers therein, to unduly enhance the price of such article or in any other way unduly promote the advantage of the manufacturers or dealers at the expense of the consumers then the Governor may direct a commission to issue to report to the government whether such combination, trust, association or agreement exists.'

The scope of the investigation here, then, is to inquire whether or not it has been established that an association, combination or agreement does to-day exist among the manufacturers of this article, printing paper, and if so, whether that association or combination is one to unduly enhance the price of that article, or in any other way to unduly promote the advantage of the manufacturers at the expense of the consumers.

We submit to your lordship upon the evidence that has been adduced, that the report which your lordship should make in that respect should be in the affirmative, as to both points of inquiry.

In the first place, with regard to the existence of such an association or agreement among the manufacturers, there can be no question. In that respect the case stands conceded. We have the actual document of agreement or association. It will be noted that it is not any question of whether all the manufacturers in the country have entered into the combination, association, or agreement, but whether such combination, association or agreement, as is described in the statute, exists. Here, whether all have entered into it or not, it is demonstrated that such a combination does exist, and that a considerable proportion, in fact, I shall argue upon the evidence, practically all the producers of this particular class of paper, have entered into it.

Now, looking at that agreement which is produced, the purposes and objects of it are very apparent. It is an agreement entered into formally and in writing, under date of 21st February, 1900, signed by some twenty-six manufacturers of paper. It is now said that of these signatories only twelve have actually made the deposit with the treasurer which the agreement calls for, and that the other fourteen are not recognized by the twelve, as I would understand the testimony of the secretary, as being members of the association. As I have pointed out, that seems to us to make no difference.



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We established that there does exist in this country such an association, combination or agreement among manufacturers of paper—the statute does not say how many manufacturers of paper—as, we undertake to say, does unduly enhance the price, or was intended to have that effect.

In the first place, as there has been considerable testimony from gentlemen who are parties to this agreement or arrangement with regard to its objects, as one at any rate, perhaps more than one of the witnesses who were examined before your lordship three weeks ago, seemed to endeavour to persuade the court that this agreement had for its object rather the keeping down of prices than that of increasing them. Let us look at the terms of the document to ascertain from it the objects of the association: The agreement witnesseth that the parties form themselves into an association to be called and known as the Paper Manufacturers' Association of Canada. Then the document states that the object of this association shall be, among other objects: the regulation and maintenance of fair prices of paper. Now, at least, we pause there for a moment. Let me ask the court what it is, this definite, distinct statement on the face of the instrument of agreement, that they are banded together for the maintenance of prices which will seem fair to them. Of course, it would be out of the question to find any body of men engaged in the manufacture of any commodity stating on the face of an agreement they might enter into, with regard to the price of their output, that their combination was for the purpose of maintaining prices that were unfair. That would be a thing not supposable. They would be sure to call the price fair which they themselves established. Upon the face of this document then, it is a distinct statement that the objection of their association is the regulation and maintenance of prices. The use of the modifying adjective 'fair' with regard to the prices is their own choice of words, is what might seem fair in their eyes without any regard to the interests of the purchaser or consumer, and carries the matter no further than if they had said in so many words: 'We combine to maintain prices.' And the remaining features of the agreement suggest the course which they have taken under that association or agreement, demonstrate the fact to be that the association was formed for the sole purpose of maintaining such prices as they will choose to fix. The secretary-treasure is, by the fifth paragraph of the agreement, to advise simultaneously by wire or post as directed by the association, all members of the association, all resident or other agents of members of the association and as far as possible all travellers, of any changes in the association prices or terms. It is provided in paragraph six that any resolution adopted at any meeting by a majority of the members then present shall be binding upon all the parties hereto. There is an express covenant by the parties signing that they will conform to and abide by any resolution adopted under the provisions of this Article 6.

Then, finally, that they will not quote, accept, book orders for, offer or agree to sell, or sell, the goods covered by the agreement at lower prices or on better terms and conditions than those fixed by the schedule or by any schedule that may be adopted by resolution of the association under Article 6 in substitution. So that the express covenant of the parties, a covenant of observing, which is insured by the right and power to impose a very substantial penalty on anyone who makes breach of it, the express covenant of every signer of this agreement is, that they will not make better terms or lower prices to any purchaser than the prices fixed by the majority. There is finally an express obligation in the agreement, each in the penal sum of \$500 to the others, that they will strictly adhere to, observe and fulfil all the above agreements and obligations, and all rules, regulation of the prices, discounts, &c., which may from time to time be resolved in or adopted by the association, and provision, as your lordship will remember from reading other clauses of the agreement, that upon any breach, the secretary shall examine into the matter, and if he find that there has been any transgression or violation of the agreement by any member, he shall fine the accused not less than \$50 and not more than \$500. So that by rigorous penalties, those manufacturers who have entered into this agreement have bound themselves



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to each other not merely in honour, not merely by their obligation, but under stress of this heavy pecuniary penalty, that they will be governed by the resolutions of the majority, and that none of them will sell at a lower figure or on better terms to the purchaser than the majority may direct.

Now, that being the indication to be found in the document itself, of the objects of the association, let me ask your lordship's attention for a moment to the minutes as demonstrating what those who have banded themselves together under that agreement have done. Your lordship will find at the very opening of the minutes, on the first page, that a message is sent to all manufacturers to withdraw all quotations or prices which were then outstanding. Prices are then considered by the body assembled together. After deliberation and consultation, prices are decided on and on page five, terms of payment are adopted and the amount of the deposit of penalty is fixed. Then that having taken place at the outset as the minutes record, within not long afterwards,—on the 18th April, 1900, within a couple of months of their incorporation that this body is, by resolution, settling, agreeing upon a uniform form of consideration which they are adopting and requiring the purchasers or consumers to enter into. They regulate the prices; they regulate the terms, and they bind each other not to sell at lower prices or upon better terms to the purchaser, leaving it to each to make terms more onerous or the prices higher as they see fit.

Then we have not only the evidence of the document itself, of the proceedings taken by the association, as demonstrating the objects with which the parties entered into the agreement in question, but we have also some statements by different witnesses on the point to which I very briefly refer. Mr. Barber, called on behalf of the paper makers, and himself a manufacturer, says with regard to the objects of the association on page nine of his testimony: That the first or original association of twenty years ago was organized for the purpose of fixing the price on news as has been done recently. 'Q. That was the purpose for which the association was originally formed as you understand it?—A. Yes.'

Mr. MacFarlane, of the Canada Paper Company, says with regard to the original organization at page 41, that it was not closely organized, 'but we would meet and discuss these things and they would fall through afterwards.' 'Q. That was the object primarily of your association?—A. It was only one of the objects; if the prices were favourable at the time, they would not be discussed. If they were going down to an unfavourable basis, we would discuss them very warmly.' That, he says, speaking of the organization of 1879, which, he says, was an understanding that we would not sell a certain kind of paper under a certain price. Mr. Barber, with reference to the present association says, that the old one having fallen pretty much into disuse, the new or present one was only called for when there was excess of supply over demand. 'Q. To prevent the reducing of prices too much?—A. You might put it in that shape.' This is at page 10 of his testimony.

So that we have both these gentlemen telling us that the purpose of the association, the necessity for it, arose when the price is going down because supply exceeds demand, and the purpose of the association is to correct that and to prevent prices reaching an unfavourable basis.

During Mr. MacFarlane's examination a document was produced to him by my learned friend Mr. White, under date of the 22nd September, 1892, to which he was a party, and he was asked the purpose for which that agreement was entered into. He states at page 42 of his testimony: 'Q. What was the object of drawing this up?—A. Because we wanted to get prices uniform.'

'Q. What is the history of this particular one in 1892?—A. To get the prices uniform.'

Now, when one bears in mind who it is that is speaking, that it is a manufacturer who is testifying as to the desirability of uniformity in price, it needs no further statement to show that uniformity of price, which will be satisfactory to the manufacturer, is necessarily a uniformity, that will be at a figure favourable to him and

not upon the basis which the law of supply and demand would indicate, if supply was in excess, so that prices would go down. Mr. Gillean, of the same company as Mr. MacFarlane, also speaks on the same subject, and with brief reference to his statements about it, I conclude all I have to say as to the objects of this association. He says at page 93 : 'It was to maintain prices, terms and responsibility.' I do not know what meaning the witness attached to the word 'responsibility,' which he used. He may have intended to give us to understand responsibility financially, responsibility for the amount of a purchase; but the object, as stated by himself, is to maintain prices and responsibility. That is exactly the contention which we are making. The object of this association was to maintain or keep up the prices and the terms; to see that they were not made in any way to the injury or prejudice of those who were entering into the combination. The question proceeds to Mr. Gillean immediately after what I have read on page 93:

'Q. To benefit the members of the association?—A. It must be some benefit.

'Q. It must not at all keep down the prices. You could trust the buyer to do that for himself?—A. 'He would look after that himself.'

On the following page, the last reference I shall make to his testimony in that respect:

'Q. Explain to me, if you can, how, in any case, that association existing, could lower the price?—A. It could not lower the price; it would not have that effect, no.'

Then he is asked, if there is any market in Canada, fixing the prices outside the association price. He answers: 'Not as far as Canada is concerned. As far as Canada is concerned, there is no other price than the association price.'

Now, that being the nature of this organization, the purpose of it, as set out upon the document of the association, as demonstrated by the acts of those who met, under that document, in body assembled, and by their record of proceedings, show that their work was that of fixing prices satisfactory to themselves, that being the statement by the men who best know, prominent manufacturers who have been called here, as representative men, of the objects with which they entered into this arrangement, we submit to your lordship that it is demonstrated not merely that an association, combination or agreement exists, but that that agreement is upon the statement of the parties to it, and of the document itself, an agreement for the purpose of regulating, for the purpose of maintaining; in other words, for the purpose of keeping up the price of a commodity under which they deal.

Now, if we have established that much, we have taken the first step, and a long step towards the result, which we ask your lordship to give in the report to be made to the Government as to this investigation. There is an agreement shown to exist and the purpose of it is shown to be the maintaining or keeping up of the prices of paper. Is it then an agreement to unduly enhance these prices, unduly to promote the advantage of the manufacturers or dealers at the expense of the consumers?

It is shown to be an agreement to enhance the price, to maintain that enhanced price. It is shown to be an agreement to promote the advantage of the manufacturers, at the expense of the consumers. All that remains of the inquiry is, as to whether that enhancing of prices and that promotion of the interests of the manufacturer, the advantage of the manufacturer at the expense of the consumer is an undue thing.

Now, in considering that fact, we have first to look at the position of prices and at the position of trade at the time this agreement was entered into, to compare the prices and the conditions that governed or obtained in the trade at that time with the prices and conditions which were brought about as the effect of this combination, and inquire then whether the raising of the price and the increase of advantage to the manufacturer at the expense of the consumer was or was not undue. We have it in evidence, and uniformly in evidence; in evidence not merely, not contradicted, but in evidence corroborated by those who have been called on the other side, that for years prior to the making of this agreement in 1900 the price of this class of paper had been uniformly decreasing. For some ten or twelve years or more, the cost of production had

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been decreasing. The improvement in machinery, improved facilities for manufacturing, the lessening of expense of raw material caused by the substitution of wood pulp for rags, and other circumstances connected with the manufacture of paper that different witnesses, notably Mr. Barber on the other side have shown the court the fact to be indutiable, that for ten or eleven years prior to 1900 the price of paper in Canada had been uniformly decreasing. Mr. Ross, the first witness called before your lordship, says so at page 17 of his testimony. He is speaking from an acquaintance practically with the trade for a period of some twenty odd years, I think. He speaks of the fact for some twelve years or more. He has been in business as a publisher for that length of time, and he says, during that time at any rate, the price of paper has been decreasing ever since he has had any acquaintance with it.

Mr. Tarte, at page 2, says the same thing, speaking from a course of experience for some ten years past. 'The prices for all kinds of paper had been going down steadily,' and he had been buying at a low figure prior to the entering into of the agreement here in question.

Mr. Robertson, of the *Ottawa Journal*, speaks in the same line at page 95 of the evidence, where he says that the price had gradually been reduced during the year. From his experience it had been declining up to the making of this agreement in February, 1900.

Then a very important piece of evidence is afforded us by Mr. Woodruff, a manufacturer from Welland, who was called on the opposite side, and asked, at page 83, the position of the trade before this last agreement was signed in 1900. He answers: 'The trade for the previous six months had been in a good, healthy state. We considered it so; we were advancing prices right along on it.' So there was no necessity for the making of this agreement, by reason of conditions of the trade being in any way unfavourable. Those conditions of trade were, as the manufacturers themselves testify, prior to the making of this agreement, such that the trade was in a good healthy state, that they themselves so considered it. There was no reason or necessity so far as their position was concerned for entering into this agreement in the world. What was the effect of it? The effect was at once made manifest, and this is testified to by numerous witnesses and without any contradiction, although the parties who could have corrected it, if there had been any mis-statement upon their part, went into the box on other points in the inquiry.

I call your lordship's attention to that particularly. Here, we have in the first place Mr. Ross and Mr. Robertson, of the *Journal Printing Company* in Ottawa, testifying as to what took place between them on the one part, representing their newspaper, and the Eddy Company on the other part as represented by Mr. Rowley; and Mr. Rowley was called on the opposite side, examined upon other matters altogether, and not asked one single question with reference to the statements made by Mr. Ross and Mr. Robertson. That circumstance demonstrates, with this evidence before him and before counsel upon the other side for some three weeks, for a month, or more, prior to Mr. Rowley going into the witness box; that circumstance demonstrates, I say, that the statements made by Mr. Ross and Mr. Robertson were absolutely correct and could not be gainsaid. They tell us that the *Journal Printing Company* had a contract with the Eddy Company for the supply of paper at the rate of \$2.04 per 100 pounds. That was a contract which had been in existence for some little time before January of 1900. It expired at that time, and the question was as to the renewal of it. Mr. Hall, representing the Eddy Company, was content to renew, but stated that they would have to make an increase in price of about 10 per cent. Mr. Ross says on the second page of his testimony: 'They notified us on the expiry of the contract that there would be an increase in the price, and their agent, Mr. Hall, stated that the increase would be probably 10 per cent. That would raise the figure from \$2.04 to \$2.24 or \$2.25 per 100.' That statement was made, Mr. Ross says, about the first week or just the first week of February, 1900. Mr. Robertson has verified the dates more accurately and says it was on the 14th day of February, 1900. That, your Lordship



will notice is just one week before this combination was entered into. Now, at that time, this Eddy Company is prepared to enter into a new contract at \$2.24 or \$2.25 per 100; the agreement going into force within one week from that date at the rate of \$2.50; and the inference, I claim, is irresistible; the increase which they put on the price was 25c. additional profit, was an undue enhancement of the price, because of this combination amongst the manufacturers. They were not selling at \$2.25 at a loss; they were prepared to name a figure of 10 per cent increase upon their former contract, as a sufficient increase to protect them from loss, insure them a reasonable and proper price under the condition of things which then existed and within seven days they were adding 25c. further to the price—an undue enhancement directly attributable to this agreement which we complain of. They are then willing to renew at \$2.24. They are not willing a week later to carry out that offer, when it is accepted by the *Journal* Printing Company and they put the reason for their refusal simply and solely upon the fact that this agreement has been entered into.

Mr. Ross says, at page 17 of the testimony, that the contract he had expiring with them had been made at one year only in the previous year. They were then willing to contract in the fall for one year's supply; they did contract for one year's supply during the year 1899 at the price of \$2.04. Does anyone suppose that they were doing that at a loss, that they were not making upon a living profit?

Then because they complain that conditions of production had increased in expense, that they were not able to continue to contract at \$2.04 and make a profit. They were prepared in February of 1900 to make their contract at \$2.24, but this agreement or combination having been entered into, they had put the enhanced price, and to enhance it more unduly to the extent of 10 per cent they took the opportunity to refuse to carry through an arrangement at \$2.24. Mr. Ross describes what took place in that respect. Mr. Robertson gave it a little more fully, but it will bear a repetition of the two statements by the witnesses who spoke in regard to it. Mr. Ross says at page 2: 'That upon their accepting this arrangement at \$2.25 Mr. Eddy informed him that an Association had been formed by the majority of the Canadian paper makers, who had decided that the price of paper was to be \$2.50. He said he was bound hard and fast by the regulations of the Canadian Paper Makers' Association.' So that Mr. Eddy stated this to be the result of the combination among the paper manufacturers, gives that as his reason for not being willing to implement the offer that had been made by his representatives only seven days before, and increases the price to correspond with the regulations of the manufacturers. The control of the manufacturers over the seller in that respect is demonstrated conclusively by the Exhibits which were produced by Mr. Ross, P-1 and P-2. P-1 is a letter written by the Eddy Company to the *Journal* Printing Company on the 5th of March, 1900, with reference to this contract, within a fortnight, of course, after the association had been formed, tells the *Journal* Printing Company that they will send an invoice, when? 'As soon as the terms and prices fixed upon by the Canadian Paper Makers' Association have been advised to us for this paper product.' On the 10th of March they wrote, sending invoices and specifications, and saying that this arrangement is subject, if you please, to the approval and confirmation of the Paper Makers' Association. That, then, is the only way in which they will, after this association is formed, enter into a contract; the only way in view of the fact that they have bound themselves to their fellow manufacturers to live up to the regulations of the Paper Makers' Association.

And that is an undue promoting, by reason of the arrangement of the large manufacturers at the expense of the consumers. Mr. Robertson's account of the matter shows in detail, at page 95, how the price had gradually been reduced, how it had been going down from 1897, when it was \$2.65; 1896, \$2.75; February, 1897, \$2.65; June, 1897, \$2.50; August, 1897, \$2.35; August, 1898, \$2.30, and in October, 1898, the Canada Paper Company tendered for the *Journal's* supply at \$2.00 a hundred pounds net cash, and the Eddy Company, through their representative, tendered at \$2.20, less 3 per cent. Then the contract in question was entered into on the twenty-second of November at



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\$2.03 per 100 pounds net cash, and that contract expiring in January, 1900, the question was as to the new contract to be entered into.

Now, that new contract he describes at page 96 was arranged under those circumstances: 'At the expiration of the contract the arrangement was not disturbed, and we continued with the Eddy Company at the same price and terms up to February 14th, when the Eddy Company's representative, Mr. Hall, called on the *Journal*, stating that our contract had expired, as we were probably aware, and that the Eddy Company would have to ask an increase in price. On being asked what the price would be, he stated, an increase of 10 per cent, bringing the price up to \$2.20 and \$2.25, and that we could obtain a contract for the year at that price if we wished.' They asked him to call in two weeks' time, and on the twenty-second of February they accepted his offer by a letter which is filed as Exhibit P-24, and then were informed that the offer could not be implemented by the Eddy Company by reason solely of this association. They point out another letter to the Eddy Company of the 7th of March, Exhibit P-25: 'We trust that the fact that we accepted your offer in good faith, and that had it not been for your arrangement with the Paper Makers' Association you would have carried it out, and adding to this your often expressed desire to give us every assistance, will permit of your giving us this price.' But the Eddy Company say it will not do so, that they cannot break this agreement they have entered into with their fellow manufacturers. Then Mr. Robertson says, after that arrangement was entered into with Mr. Hall,—I read, from page 101 of the testimony: 'I saw Mr. Rowley and Mr. Eddy together in their office. They stated that owing to the arrangement entered into with the Paper Makers' Association, and seeing that the acceptance of their offer did not reach them prior to this time, and that, in fact, so far as their firm was aware, they had nothing to show that such an offer was made to us, they therefore were compelled to repudiate any offer which their Mr. Hall might be considered to have made.' Then reading from Mr. Robertson's testimony at page 101, he says that he saw Mr. Rowley and Mr. Eddy together, that they told him that owing to this arrangement of the Paper Makers' Association they were compelled to repudiate any offer that Mr. Hall might have made. During the conversation Mr. Eddy stated that they could not lay themselves open to the penalty which would be imposed by the Paper Makers' Association for the violation of the agreement, and it was brought out that that penalty was \$1,000.' I might say that it appears in evidence that a penalty is named of \$1,000. This may be some prior arrangement, though, of course, under the existing one the limit is \$500. Mr. Eddy told him further on page 102, next page,—'it was further stated by Mr. Eddy that there would be no way of covering up the fact that our arrangement had not reached them prior to the formation of the Paper Manufacturers' Association.' So that this receipt being delayed, Mr. Eddy and Mr. Rowley, upon the circumstance of this association being formed, were not in a position to carry out the offer which, up to that time, they had expressed themselves, through their representative, as one on which they would be glad to enter into a new contract for another year's supply of paper to that consumer.

At page 121 of Mr. Robertson's testimony this further occurs: He says that at the time of the fire, which took place on the 26th April, 1900, the ruling price, he found, was higher than \$2.50 which had been fixed by the association, but at the time the association was formed it was not so, because, he says, they had an offer at the time it was formed at a lower rate, and that was jumped up because the Paper Makers' Association was formed.'

'Q. Are you prepared to make this statement, that it was purely because the Paper Makers' Association was formed?—A. Yes, sir; the Eddy Company told us that they would be glad to make a contract with us, but they could not, on account of the price of the Paper Makers' Association.'

Now, no more distinct statement could be made than that, which Mr. Eddy and Mr. Rowley made to Mr. Robertson, that it is purely and solely by reason of this association that the price is increased to an extent of 10 per cent. They would be glad

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to enter into a contract otherwise at \$2.25, as they had offered to do seven days before. But by reason of this association, and solely by reason of the formation of the association, that price is enhanced 10 per cent more, and I argue nothing could be more clear than that such enhancement is an undue enhancement, an undue advantage to the manufacturer at the expense of the consumer, when we have the manufacturer himself stating that but for this association he would be perfectly content with a lower price. Now, it is not any question of producing at a loss; it is not any question of there being no profit in the lower price, because we have the manufacturer by his silence concede, by his omitting to make any explanation or answer to this testimony. We have him concede that whereas he would be glad to have entered into a contract at a lower price, he now, solely by reason of this association, takes advantage of this association and gets a large, undue enhancing in the price. I press upon this fact, your lordship, that this evidence having been before counsel on the other side, that if they desired to refute it, Mr. Eddy is not called at all; Mr. Rowley is, and he is not asked one word by way of answer to that testimony, and it stands uncontradicted, that they were willing and glad to have entered into a contract at a lower price, and then within one week say that they could not carry out that price, simply and solely because of the formation of this association.

Now, the position of other companies as affected by this association is also very distinctly shown by the testimony of Mr. Robertson. He says that upon the fire taking place, that prior to the fire taking place, he says at page 107 of his testimony, that while these negotiations were going on with the Eddy Company, at the end of February, and during the first few days in March, 1900, he was trying to see if he could not get a supply elsewhere in Canada. He says he tried the Canada Paper Company, the Riordan's, I believe also the Dominion Paper Company. 'Each of them regretted that they could not see their way clear to take us on, though previously they had been looking for our business. The Canada Paper Company had tendered for our supply just previous to that. When I called, I saw Mr. MacFarlane, the manager. The tender that had been made a year previously was \$2.00. Then we went to the Canada Company in the first few days of March and saw Mr. MacFarlane, and he gave us the reason that was given to him.'

At page 109, he says: 'At the Dominion Paper Company, the conversation was of a similar character, 'that they had no paper to spare.' So that the result of entering into this agreement by the different manufacturers is at once demonstrated, whereas immediately before it Mr. MacFarlane had been tendering for the supply of paper, had been tendering a year before at \$2.00, while he now occupies the position of regretting that he cannot see his way to take them on, though previously he had been looking for the business.

Now, what caused that alteration in the position of matters, to the advantage of the manufacturers at the expense of the consumers? Nothing but the agreement in question. And if that alteration is an undue advantage to the manufacturer at the expense of the consumer, it is distinctly in the statute.

Then other reasons we offer to your lordship are equally significant. With reference to the experience of Mr. Tarte, as detailed in his testimony at the opening of his evidence, page 2 of the reporter's paging. He says: 'That before April of 1900, during the last three or four years prices had been going down steadily. 'I have been buying in my office,' he says, 'quantities at prices from \$1.70 to \$1.85, hardly over 2c.' Then in April, when these mills were burnt he was then getting his paper at a trifle below 2c. delivered in any quantity, less 5 per cent, 30 days or four months, but immediately upon their being necessary that he should get paper from other consumers, after the effect of this agreement had had its full force, he was unable to get it in any place less than \$3.00 a hundred. He describes at page 18 in the opening of his cross-examination by Mr. White, the position of things prior to the agreement. 'I was paying \$2.05 less 5 per cent, 30 days or four months, less, I think, \$1,200 or \$1,500 for some other considerations, which we deducted off the total amount of paper I bought during the year.'

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That contract was with the Eddy Company from whom he had been buying for years. He had been paying less than that before. That particular contract had been in force for about two years. He says on page 19: 'I bought as low as \$1.70. When that contract was going on, I had bought paper, carloads of paper now and then from different mills at various prices from \$1.70, \$1.80, as far as I remember, to \$2.15.' At page 4 of his evidence, he says: 'In January, 1900, we bought paper at prices below 2c. and I found out I could have bought for all the money I could have got in the Bank of Montreal below two cents. When I came to get paper from the mills, I was informed that the paper makers had joined into an association and that the price per carload for my paper would be \$2.50.'

Then that being his experience, some increase did take place in the price by reason of this combination. Compare it with that of other witnesses, as I have said, at widely separate points of the country. Mr. Preston, of Brantford, describes in his evidence in Toronto at page 24 of the record, that he had a contract with the Canada Paper Company at \$2.10 per 100 in the ream. In the month of December or thereabouts, 1899, not certain of the date, there was an advance made to \$2.20. 'That was, I think, before the Association was formed, and that carried me through until quite recently.' That was, he says, both for reams and rolls. That was a price of \$2.20 with 4 per cent off. But immediately after the combination was entered into, that price of \$2.20, 4 per cent deduction, was made \$2.50 for rolls and \$2.75 in the reams.

Now, there is no evidence of any corresponding increase in the cost of production. Here, this man is buying from the Canada Paper Company, paper in reams at \$2.20 with a discount of 4 per cent, and it is immediately hoisted to \$2.75. Is there any corresponding increase in the cost of production? Certainly not. None is pretended. Is it pretended that they were making those sales at \$2.20 at an actual loss? There is no evidence of it. The manager of the Canada Paper Company, with that evidence before him goes into the box, and says not a word about it, confines himself to the wide general effect, that free trade would have on the country; talks about reasons for supposing that this combination has had the effect of reducing prices rather than of keeping them up, and never says one word in answer to the finished evidence he was called upon to give, if it could be met; that whereas he had by his company immediately prior to this combination, gladly and contentedly supplied the consumer for \$2.20 he now insists on being paid \$2.75.

Mr. Dingman, the proprietor of a newspaper in Stratford, gave his experience at page 41 to 45 of his evidence: The prices we had been paying for news print just before the combine came into operation was 2½c., or \$2.25 per 100 pounds, delivered at Stratford. The effect afterwards was to raise the price at first to three cents, and subsequently to \$2.75—two and three-quarter cents with a discrimination against us in the matter of freight delivery. I investigated the alternative of buying paper from the other side, and found that paper could be purchased over there at two quotations, one at 2½c., and the other \$2.15, which, with the duty and freight paid, would deliver the paper at Stratford at a trifle under combine prices, with a discrimination in the matter of freight added.' He describes the price from Niagara Falls, N.Y. The price of paper there was \$2.12½ with a duty of 54c., freight 12c., making a total of \$2.78½ per hundred pounds as compared with about \$2.85 under the combine regulation. So that there was little advantage in favour of the foreign manufacturer of paper as a direct result of the combine that was entered into here. His statement to your lordship is, that that price of \$2.25 which he was paying prior to the combine, was with a discount of 3 per cent. Then it is immediately increased from that figure to \$2.75 with a discrimination in the matter of freight of 10c. additional, or \$2.85. Then Mr. Atkinson, of the *Toronto Star*, describes his position. At page 75 of the testimony, he says that in the year 1900, in January, his contract expiring, he was making a new contract and that contract, he says, 'I closed hurriedly because I was told the association was in process of formation, and the contract was for one year at a renewal of the terms of the then expiring contract, like the one of the *Ottawa Journal Print-*



ing Company, was immediately preceding the formation of the Association. He was perfectly content to enter into a contract at \$2.23 at that time for exactly the commodity which they were paying a price of \$2.50 forthwith on the combination being formed. The effect is certainly an enhancement of the price, which, under the circumstances must be considered undue.

And then Mr. Atkinson describes at page 85 of the testimony, that \$2.23 was not at all the lowest price in Canada. 'I did not get the best price. There were prices much lower than that, within a couple of months' time, so that the \$2.23 is not to be taken as a low water mark for non-association prices.'

Then Mr. Stephenson, of the *Chatham Planet*, comparing the former contract with the present one, tells us on page 87 'that his contract expired in the early part of 1900.' He was at that time paying \$2.10 delivered. That was for paper in sheets: at the expiration of it, he was immediately obliged to pay \$2.75, with freight in addition. That, he found by correspondence, which he produced to the court was the price he had everywhere to pay, and that there was in that way an immediate increase from \$2.10 to \$2.75, an increase of 65c. or practically of 30 per cent upon the cost of the paper to him, without any evidence of a corresponding increase at that time in the cost of production.

Now, that effect of the association on prices is not limited in any way to the actual signatories of the agreement or combination. The Laurentide Pulp Company has been spoken of repeatedly as one not in the combine, but that Company, although it may not practically have been in the combination as far as paying its money is concerned, has, according to the testimony at any rate, taken to itself all the advantage of the association, and made a similar disadvantage to the consumer. That company is not the one which supplied Mr. Graham,—I thought for the moment it was,—but Mr. Graham's supply being drawn from the Canada Paper Company, I ought to refer to what he has told us this morning in connection with matters I have been discussing before leaving that for the present. If Mr. Graham is being supplied, he tells us at \$1.90 for a large amount of paper by the Canada Paper Company, is it not manifest that that is the price, which at the time of entering into the contract at any rate, was one that the company could afford to make? Mr. Graham tells us with manifest disinclination to give any evidence, it would assist the fellow consumers who are not in so fortunate position as he, with a manifest willingness to protect, so far as the truth will protect, the interests of the manufacturer with whom he has made his contract; that even they did not at the time at all pretend there was any loss in the contract they were entering into. We have Mr. MacFarlane's testimony on the same subject, as I pointed out, when Mr. Graham was in the box, the subject having been gone into on the examination of Mr. Hardy, Mr. Hardy not being in position to testify in regard to it; Mr. MacFarlane's examination some three or four weeks later, and knowing this contract was in possession of the counsel upon our side of the inquiry, seeks to explain, and describes in his evidence how the particular contract, which I presume is the one spoken of, was entered into at a very low figure. But Mr. MacFarlane himself does not pretend to say any more than he or any of the officials pretended to say to Mr. Graham, that at the time he entered into that contract, it was being entered into at any loss. At that time they simply took it as established that the conditions of the trade were such that they could afford to sell at \$1.90 and still make a living profit. Now, is there the slightest evidence before the court that between April and May of 1900 and February of 1901, in that period of ten months there had been any increase in the cost of manufacture, any increase in the cost of raw material, that would justify an increase in the selling price of paper 60 cents where it had been \$1.90 before? Is there any pretence for saying that there had been an increase of over 30 per cent. in the cost of raw material or in the cost of production? I submit there is not, and I urge on that circumstance, coupled with the other circumstances that I have referred to, that the strong effect of this association is not merely to enhance the price but to enhance it unduly, to enhance it at the expense



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of the consumer unduly to at least an extent which the consumer is, by this combination, forced to pay.

Now, referring, as I was when I digressed to speak of Mr. Graham's evidence, to the effect of this association and the disadvantages of it; see what the testimony is with regard to the Laurentide Pulp Company and the advantage they took of it, owing to the fact that this association exists.

Mr. Ross tells us at the opening of his evidence, on page 15, that talking to Mr. Alger, the managing director of that Company, he remarked that his price must be \$2.50, which was the price of the association. His price must be that, that being the price of the association. He is spoken of again in the testimony of Mr. Robertson in the same lines at page 115 and following pages, 115, 116, 117. 'As late as December, 1900,' Mr. Robertson says, 'we had been approached by that company, by their representative, Mr. Gascoigne, wishing to know if we were at liberty to make a contract. When I told Mr. Gascoigne we were at liberty to make a contract if he desired, he wanted to know if the prices would not interest us. I asked him whether the price would be different from that of the Canadian Paper Makers' Association. He said he could make a price different from the association, the reason being they were not members.' Then he said further: 'Mr. Alger has been approached several times to enter the Paper Makers' Association, but has not as yet joined, but I think he will join shortly.' Then Mr. Robertson did not close with Mr. Gascoigne at that time, but asked him after whether he did not join the Paper Makers' Association whether the price would go up. The price did not go up but became cheaper in fact, as the circulation of the papers was falling off, and he said: 'No, if they join they would require to hold to the arrangement, that there was a fine imposed for not holding to the agreement.' And he said: 'Of course, if the Laurentide joined they would not be bothered by the fine; that they would want to live up to the rules of the Paper Makers' Association. Finally, at the end of January, when we broke with the Rior-dan people, because they let us run short on two occasions, and we had not paper, we entered into correspondence with the Laurentide, and as a result made a contract, and of course this contract had to be at the Paper Makers' price, because they were then members of the association.'

Now, see what we have. The evidence of Mr. Hardy is to-day that this company has not, never has been in the association, but they know the tariff of prices of the association. They took to themselves all the advantages of the Manufacturers' Association. They put all the disadvantage upon the consumer upon the excuse that they are going to join, sheltering themselves behind the association, claiming that they are bound by the regulations of the association afterwards, because they have joined. So that this insidious effect on the manufacturer is in no way limited to those who have entered into the combination themselves, but it affects those who have not paid the penalty, just an excuse to take that much more out of the consumer, because they have the opportunity. And the association therefore has enhanced the price, and enhanced it unduly at the expense of the consumer, not merely for the benefit of those who have entered into the association, but generally for the benefit of manufacturers in whose interest it has been formed.

Then the same thing took place with regard to Mr. Forde, of Portneuf, though not spoken of otherwise in the testimony, is stated by Mr. Robertson to have taken the same position exactly. At page 113 of Mr. Robertson's testimony, he says: 'After the Eddy fire we telegraphed most of the paper manufacturers, and they did not care to take us on. Forde & Company, of Portneuf, said they would come to see us. The senior member came to see us after the fire. He said they had been making wall paper and he stated his machines were fitted up to make No. 3 news, and he said he would switch over to No. 3, as there might be a scarcity of No. 3 in the country and he could make money on it. I asked him what his terms would be. He shrugged his shoulders and he said: 'Of course they have to be the terms of the Paper Makers' Association.'

Then it is well demonstrated by the facts in evidence, and the necessary inference to be drawn from them, that there is a perfectly good understanding between the large combination of the manufacturers in the United States and the dealers in this country. No actual written agreement; it may be possible no actual verbal agreement, but a perfectly good understanding between the two that neither will invade the territory of the other, and that they will, for their mutual advantage, bind together to keep up the prices to the detriment of the consumer. That understanding is evidenced by more than one incident that is deposed here. As Mr. Tarte tells us at page 7 of his testimony: He telegraphed after the Eddy fire to several American newspapers. 'I sent representatives to see them. I was answered by some of them, by the International Paper Company, by the Otis Falls Mills, and one or two other of the largest paper manufacturers in the United States or through New England, that if I wanted to do business, I had to go to the Laurentide, that they were affiliated with them, that there was an association of paper makers, and if I wanted paper they would get it for me.' Then further in his cross-examination at page 24: 'I telegraphed to some of the paper mills and their answer did not come from them; their answers came from the Canadian mills here, the Laurentide. I telegraphed to New York International Paper, and instead of coming from New York, the answer came from Grand Mere the next day, or from Montreal, or from Ottawa, I think.'

Then, when he was recalled on the 4th July at page 112 of his testimony, he says, to Mr. White: 'I said the International was to supply us; when it was time to give us quotations, they answered me back that they knew the Laurentide was ready to take my order.' Mr. Robertson had an experience of precisely the same sort in Ottawa. He described how, when they were in straits for paper at the end of January, 1901, page 117: 'We wrote three times to the International asking them, because all these mills directed us to the International, but we got no reply in answer to the three letters we wrote them.' He says: 'This was at the time of the fire, in April, 1900. We tried to get paper from American manufacturers. We wrote several. We could not get any reply. That would indicate that I could not get paper over there. We wrote two firms in Watertown, which afterwards apparently turned out to be controlled by the International. We wrote three times to the International asking them, because all three mills directed us to the International, but we got no reply in answer to the three letters we wrote them. I mentioned this to Mr. Alger once, and the only reply I got from him was a smile. I asked him the significance of the smile, and he said they would not come into Canadian territory, and it did not bother the Laurentide Company at that time because they were shipping almost exclusively to the British market.'

Now, in New York, Mr. Spicer, a man in authority, was called as a witness by my learned friend. He is the manager of the Export News Division of that tremendous organization, and he describes to my learned friend the reason for this incident that Mr. Tarte speaks of. He says: 'That gentleman came to me saying he had a friend in Montreal desirous of purchasing some paper; he asked me would I communicate with him. Prior to writing the letter, the Eddy fire had taken place in Ottawa; an offer had been made by the Laurentide to secure some of the business, and in talking about their success in securing this business, they named various publishers with whom they had made contracts, and after my contract with Mr. Ridder, after looking over the list I found the gentleman he spoke of was in the list.' This is at page 221 of Mr. Spicer's testimony.

Mr. Tarte, in his effort to get paper at that time, is getting his friend Mr. Ridder to see if he could get it from the International. The International, by Mr. Spicer, the manager of the Export News Division is in conversation with the representative of the Laurentide people. That representative tells him of his business affairs, of his success in securing business, and names among other publishers, with whom they have made arrangements, Mr. Tarte, or Mr. Tarte's paper. Before answering Mr. Tarte's agent or representative, Mr. Spicer, the manager of that division of the International, looks

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over this list, and seeing that Mr. Tarte's name is among those with whom the Laurentide are engaging, he replies to Mr. Tarte, 'Get your paper there.'

No clearer evidence, I submit of at least an understanding of that, which one of the New York witnesses very felicitously characterized as a 'gentlemen's agreement' between the paper makers, could exist, than the evidence of this instance, and the fact that in Mr. Tarte's evidence, he is forced to obtain paper from foreign countries at a cheaper price. He is simply referred by that gigantic organization there to this very company here and left to the mercy of manufacturers, who put the particulars before the consumer as an excuse for thus increasing their prices.

## RECESS.

I intend in the next place, my lord, to speak of such evidence as we have with regard to the actual cost of manufacture. Now, as to that, I premise that probably no point that could arise in an investigation of this sort could be of greater practical importance: the whole gist of the inquiry being whether the prices which have been established by this organization are prices which mean an undue profit to the manufacturer. The most important element for consideration must be the actual cost of production. Now, that was a subject on which it is manifest from the nature and interest of the case, that it was impossible for those whom I am representing here, to afford your lordship any accurate information. We can give you facts from which you may infer that business men would not sell at a price which would not be some measurable distance in advance of actual cost of production, but from the nature of the case it is impossible that on our side of the investigation we can assist the court by accurate evidence of cost of production. Not so with our friends, the adversary. They have that knowledge within their own breasts. Anyone of these gentlemen who are so vitally interested in the inquiry which the government has here set on foot, could, if they pleased, have afforded to your lordship accurate, definite information from their books to show cost of production, and from which your lordship could have compared cost of production with cost to consumer, and have deduced at once an answer to the vital inquiry, whether or not the present prices are unduly large.

Now, that being the case, it is a matter of comment, a matter upon which I desire to comment with such emphasis as I am able, that no one of the witnesses who have gone into the box on behalf of the Paper Makers' Association has given us any evidence of any value as to the cost of production. No one at all has spoken of it with the single exception of Mr. Barber. Some have, as I should show your lordship, refused to give information, have deliberately disadvantaged, withheld from the court that which would be of so much importance if it had been disclosed. But, with the exception of Mr. Barber no one has spoken directly, and with regard to Mr. Barber's testimony I have many observations that occur to me to make, some of which I will try and present as showing an extraordinary thing, that he of all men, should have been the one selected to testify upon that point. We had, as your lordship will see from one passage at any rate, if not from more, in the evidence of Mr. Tarte, a word or two of indirect testimony as to expense of production: all that we could and that was all that stood before the court when Mr. Barber went into the box. Mr. Tarte says at page 15 of the evidence, given by him on the first meeting of the commission at the foot of the page, that he had been in discussion in this respect with the McArthur house of Joliette, and this is what he says took place: 'A very important manufacturer told me some time ago, in Montreal, in the presence of one of his employees that he was under control, that he made a deposit—I cannot say whether it is three or five hundred dollars, but that he could not, under any circumstances, sell me paper below the ordinary prices, but that he was very anxious to get my business, and if I could suggest some way for him to get out of it, to tell it to him, and I said: Since



one year I have been doing all kinds of things and he suggested to me that he should make us a reduction, and giving some advertising in the columns of *La Patrie* to compensate the difference in the price, and he told me that his paper was costing him something below two cents; it was costing him a little dearer than before, because not having the pulp, some of the big mills were trying to keep him down, but, however, if he was allowed by the association he would think of certain things and he would get out of the association to take my business.' He was pressed to say who it was, and he finally said it was the McArthur house of Joliette—and he told me he would consult the association.' So there was a piece of testimony in our favour, that that gentleman had told Mr. Tarte that the actual cost of paper to him was a little under 2c.; something below 2c.

Now, that being all the evidence there was upon the point, and that being given on the 28th of May; on the 3rd July Mr. Barber attends, coming a distance of about 400 miles to Montreal to give testimony, as the first witness called by the Manufacturers' Association in this matter. He comes with a statement prepared, of the cost to him of producing 100 pounds of paper in the different years,—1898, 1899 and 1900 to the present time. Now I do not wish to be understood for a moment,—I do not wish to be misunderstood, and do not wish to be understood for a moment as suggesting that Mr. Barber is not a gentleman who would tell truthfully everything that he stated in the witness box. I am not imputing anything of the sort, in the nature of misrepresentation to him, and don't wish to be so understood. But I point out how unsatisfactory evidence of that sort necessarily must be, when it takes the shape, as Mr. Barber's statement does, of assigning to the cost of producing 100 pounds of paper so many cents, not in fractions of a cent at all, but so many cents for wages, so many cents for coal, so many cents for cartage, for felt, for wires, for repairs, for general expenses, aggregating as he does in the year 1898 \$1.94; in 1899, 3 cents and a fraction less; in the following years \$2.00 and some cents in each case. That, I submit, is a most unsatisfactory kind of statement. Mr. Barber says he made it from his own private memorandum. It may be from his general books in this sense, and his general books would perhaps not show the whole of these details, although they would necessarily show the volume, the general nature of his business. But he assigns upon his calculation, a round figure, so and so, 20 cents to the hundred pounds; wages, 15 cents; coal, 10 cents; and other figures in the same way; not in all cases round figures, but in nearly every instance even figures. Now is that at all satisfactory? I urge that it is not. I urge that we are entitled to have, if Mr. Barber could give it, what the cost of production was with him,—better evidence than that, the evidence of his books themselves, which might have been submitted to the examination of an accountant upon our part, who would show us what amount of profit upon his manufacture Mr. Barber was making, how much upon those books year by year, the average cost of producing 100 pounds of paper was, what the production was, compared with the price. It would have been just as easy for him to give us a statement of that sort, for him to put us in a position to have checked his figures. These figures it is perfectly impossible to check. For these figures we have to take our confidence in Mr. Barber's statement, which is no better in any respect, in that regard, than if Mr. Barber had contented himself with saying in the witness box, without producing any statement at all: "I have estimated, and I say that paper costs me to manufacture 'this amount,'" that he mentions. Now. I call particular attention to that, because the gentlemen who were in a position to speak accurately were gentlemen of this city, Mr. McFarlane and Mr. Gilean of the Canada Paper Company, Senator Rolland, and Mr. Rowley of the Eddy Company. Not one hint is given by any of them as to the cost of production. It is a most significant circumstance when we find information of that value necessarily within their knowledge and not given to the Court. It is of peculiar importance for this reason: That Mr. Barber occupies a position of disadvantage in manufactory. Every witness who is called tells us that the men who are making the big money under present prices are the men who produce their own sulphite, their own pulp, and who are now charging high rates be-



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cause there are so few of them in the country, because they are able to charge scarcity, starvation prices, and to exact them from their less fortunate brother manufacturers. Everyone tells us it is they who are making the large profits on the manufacture of paper to-day. Mr. Barber is not in that position. Mr. Barber has to buy, and possibly for that very reason it is Mr. Barber who alone ventures to tell us anything as to the cost of production to him. Now, Mr. Barber is unwilling to name, as your Lordship will not fail to notice, any minimum price as that at which paper can be manufactured with a profit. I pressed him to do so. On page 12 of his cross-examination I asked him the statement, how low he would put the lowest price at which under the most favourable conditions, prior to this agreement of 1900, paper, news print, could be sold and yet realize to the manufacturer a profit. That he won't state. 'You are asking me a question that I don't think I should answer, because I am not in the secrets of either of those large mills that make paper for export as well as for home trade.' I pointed out to him that he should be thoroughly cognizant with the secrets of the business. He says: 'I know what it costs me to make my paper. I buy my own sulphite, my coal, and my ground wood. There are mills in Canada who do not do these things.'

Now, if we had Mr. Rowley who represents a company who manufacture their own materials, we should have had the evidence of a man who could say, what under these circumstances would have been the cost of manufacturing. I think we could show a much lower price than could Mr. Barber, buying these commodities. Mr. Barber says \$1.94 was the price; then he is purchasing powder, and buying his raw material, he can manufacture, but whether or not at a figure paper could be made and sold at a profit he is not willing to state. In that connection it is not merely significant, it is important to notice the testimony of Senator Rolland at pages 117-118. He says there: 'It is only mills who have their supply of ground wood and chemical pulp that can manufacture newspaper at a paying price. Our having to buy these from the manufacturer, we cannot make it pay even at the prices fixed by the market. And for that reason, because he has to pay to the producer of sulphite and ground wood, so large a price, he goes out of the manufacture of news print paper. Mr. Barber has not wholly gone out of it, but Mr. Barber manufactures in a small way. He tells us so. He goes out of it so far as he can. He devotes himself to other lines of trade, just because having to pay these large prices for raw material, he cannot compete with those other mills in the manufacture of news print at a profit. His capital invested, only something under \$200,000 at the outside, is, as Mr. MacFarlane places it, a very small capital comparatively, not anything like the cost of one of the mills of the Canada Paper Company, or anything like the cost or the amount of capital that would be invested in a concern that was of large character, that was turning out news print for a profit, and was in a position to manufacture it economically. Then that being the secret of the thing, that being the point of the matter where, as Senator Rolland says, great profit is in the sulphite and in the ground wood, that those three or four manufacturers who make their own, charge the others who have to buy it from them. There is the excuse that is put forward for the high price that is made since this combination of manufacturers, for those articles of raw material. Mr. Rowley is called to explain that. If you will, that is the whole object with which he is put into the box. He represented the Eddy Company, one of the fortunate three or four who manufacture the sulphite and the ground wood. And he seems to put it in his evidence in chief, as the result of providential considerations. Low water, and the absence of snow in the woods during the winter, and other considerations of that character are attributed to the increased cost of production. But when he comes to be examined: when he speaks first, one would have thought, to hear it, that the very stars in their courses fought against the people who were endeavoring to produce this commodity for the paper manufacturers. When one looks into his cross-examination it simply comes to this, that there being a time when the supply fell short of the demand, those who had the supply took advantage of the situation to put up the prices. No pretence that the cost of production was increased, the cost of production remained

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as before. But there was a time when the increased demand for paper, caused by the wars spoken of enabled them to charge a higher price for the amount that they had on hand, and they promptly took advantage of the circumstances. That your lordship will find detailed by Mr. Rowley on page 132. He describes how they had no snow in their part of the country, and no frost. 'In the early part of the season, as a consequence, the output of logs was limited up to Christmas. Then there was a mild winter: a small quantity of wood comparatively was made before Christmas. After Christmas there were exceptionally heavy snow storms which prevented the laying up of the wood: then the snow went away very quickly in the spring; instead of rushing down, as usual, it dried up very quickly, and the result was, that about one-third of their drive was stranded.' Well, now, that all took place as long ago as 1898. However, he says it was repeated in 1899 and 1900, and that one-third of their drive which was stranded in the first year of low water was not lost at all; that one-third of the drive came forward the next year, with such freshets as there were, and the result is, that it is simply delayed twelve months in reaching the manufactory. It comes on in due course, and so coming on, though stranded temporarily, that material stands ready for production, and to put the whole thing into a nutshell, he says, on page 137: 'The result of all these things was, great difficulty in getting out these logs, getting one-third of them lost, owing to all these conditions' that were special in these two seasons. Now, that being the result—shortage of supply, a like condition applied to all manufacturers whose shanties were on the Ottawa and its tributaries. What happened? Those conditions prevailing, they were short 25 per cent or 30 per cent in their supply, and the result was, that those who had the opportunity took advantage of conditions to hoist the market price. 'I tell you for your satisfaction that we have had \$42 net cash for our fibre at the mills, &c.' Well now, that is no increase in the actual cost of production. It is simply the paper manufacturers taking advantage of the opportunity to hoist the price to those he sells to. For himself it costs him no more to get a smaller quantity of material. It costs him no more per thousand feet than it did before; wages have not increased, the cost of wood has not increased, but it is simply an opportunity to exact more from the men who must have that commodity, and to whom he sells.

So that the first and main element in the attempted explanation of the increase in the price of pulp wood and sulphite, they have failed to explain. What other particulars are put forward? That sulphur was contraband of war, and it was very difficult to obtain, and sulphur was, of course, a thing they had to buy. Now, we were rather surprised to hear Mr. Rowley put forward such a consideration as this. It was analogous, if I might say so, to Mr. MacFarlane speaking of soda fibre, that his mill used, putting forward an increased cost of bleaching powder. When he came to be cross-examined about it, your lordship will find he finally said the cost of bleaching powder is but a bagatelle, and cuts no figure in the actual cost of producing paper. Now, in the same way that Mr. Rowley put forward the consideration in a strong way, that the sulphur was contraband of war; when we came to examine into it, by the evidence of a man who knows, we find that that commodity, too, is of such trifling importance that it cuts no figure. In the evidence taken in New York of Mr. Dillon, of the Great Northern Paper Company, he being, as he describes to us, the vice-president of the Great Northern, and for a number of years connected with the manufacture of paper in the United States, under examination as to the extent to which the cost of sulphur enters in the manufacture of paper, tells us at page 216, after considerable examination about it, that while it would bear some proportion, it would bear no large proportion; and finally asked what proportion of the cost of making paper would be attributable to the cost of sulphur: 'I would not consider it an important item, but I might add that the clothing of the sulphite mill and every other article increased in cost.' So that the reasons put forward by Mr. Rowley called for no other purpose than to justify the reasons Mr. Barber had spoken of, as to the cost of fibre, sulphite and ground wood, seem to fall altogether to the ground. There has not been any such increased cost, as

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as is evident enough by the evidence given by Mr. Spicer, of the International Company, when examined in New York. He was the man who was last of all in New York, and who was frequently alluded to before going into the box as the man who could testify about all these matters. Mr. Spicer, representing the International Company, as I said, the manager of one great division of their business, was assumed to be perhaps better than any other witness who had been sworn upon this inquiry, in a position to state accurately such things as we were interested in materially and particularly in knowing. Your lordship will remember from the evidence as disclosed as to the position of that huge organization, the International of the United States. Formed some two years ago, and absorbing practically the whole output of the Eastern or New England States, as they then existed, with a capital of some \$55,000,000 and in a position not merely to control, but to monopolise the whole manufacturing trade of the Eastern and Northern States. As witnesses, who were examined in New York testified, what we could see without evidence, that the whole trade in paper in that section of the United States is practically limited to the mills of New England and New York, simply because the freight from the west, especially from mills west of the Mississippi, would be prohibitive upon production and competition. No supply practically for the New York markets, or for the consumers of the New England States is drawn from any point west of the Alleghanies. And throughout the section of territory, the New England States and New York, the International is the firm practically monopolising the whole of the output of these States. It was so large in its operations, as witnesses testified, that it even controlled from 75 to 80 per cent of the total output of the United States. It now produces from its various mills, some thirty or more in number, fifteen hundred tons per day, and the only competing company is the Great Northern, which went into operation some twelve months ago, and which is now turning out two hundred and seventy-five tons a day. These constitute between them nearly the whole, comparatively, of the output of the United States. The total output being slightly over 2,000 tons per day, these two companies between them actually contributing to that total output of 2,000, or contributing an amount of over 1,775 tons.

Now, Mr. Spicer spoke then with authority, as the representative of that large organization, went into the witness box in that position, one would presume to tell us accurately something definite as to the cost of production.

I invite your lordship's attention to his cross-examination upon that point. He was asked nothing about it in chief. At page 232 and the following two pages, your lordship will find the efforts that I made to induce him to state something that would be accurate and definite upon that very important point. He had testified as to a transaction in which he had actually sold to a consumer in Canada, paper at the rate of \$2.00 a 100 lbs. f.o.b. at the mills. I asked him what figure he could have afforded to give the consumer on that sale and make a living profit. He answers: 'I would not answer your question of that kind. It is a subject a good many people are interested in, to know what we can afford to make paper for, and I would suggest that the best means of obtaining that information is, to become a paper manufacturer.' A distinct definite statement that he declines to answer. Asked at what figure he could have afforded to sell and yet make a living profit, we have the refusal to say. I pressed my answer and I said: 'Is that a question you prefer not to answer?' 'I don't think it is a fair question,' he said. I put the question to him again. 'Assuming that I go with you to that very consumer with a proposition such as I mention, to take ten tons, say, for a year, could you have afforded to reduce the price of the material below 2c. a pound?' 'A. I don't think it is possible to answer the question without having the firm offer in hand.'

'Q. You would not like to answer that question upon any other basis; you would like to see the offer in writing?—A. No, sir; we might want more.

'Q. Well, I would like to press the question to this extent?—A. As to what we could make an offer at? I don't regard that a proper question for an answer.



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'Q. Will you answer me or will you decline to answer. It is entirely at your option?' He replies: 'I want to treat you fairly.'

I asked him the price at which he could afford to make it. He says: 'At what price we could afford to make it?' I say: 'Yes?' He says: 'I think it would be impossible to give you an answer based upon assuming conditions that don't exist.'

'Q. If I go to you with an offer of 10 tons a day for a year's consumption, of the quality of paper that you sold to the Canadian consumer during the present year for 2c. a pound, to take from you ten tons a day, could you afford to let me have it at \$1.90 and under?—A. There is no evidence that there is any such customer of paper in Canada.' I asked again: 'In other words, you would not tell me what it costs you to make a hundred pounds of paper?—A. Most certainly not.'

There, at all events, is a distinct withholding of information by a gentleman in a position to know, by a gentleman qualified to state, by a gentleman called by the Manufacturers' Association to assist their case before your Lordship. It is not assisting the court. It is deliberately withholding from the court the information which would make this report a report based upon facts, and a report upon which the whole community, the whole manufacturing and consuming community of the country could with confidence rely.

Now, necessarily, from our position geographically and politically, the price of this commodity as of any other commodity in open market in this country, must be more or less affected by the price and the corresponding conditions of a like commodity in the United States, and accordingly there has been considerable evidence at early stages of the inquiry, with regard to the prices in the United States.

Now, with reference to those prices which particularly formed the subject of the evidence which was adduced from those manufacturers in New York City, let me premise this: That with so large a proportion of the output in those States controlled by the International Company, with practically the whole of that output now in the hands of the International and the Great Northern—I speak of course, of the area of consumption limited by the New England and North-eastern States; with that position of matters existing there is no real competition. There is nothing else than practically a close corporation, than the most practical possible combination, and the most effective control upon prices at the hands of the Great Northern Company. But more than that, we have in this evidence taken in New York, the most important statement, not perhaps accidentally made, but casually stated, by a gentleman who has felt the effect of it, and who states what they are struggling against in the United States. Mr. Duffy, a dealer in New York, not a manufacturer, a member of a large firm of wholesale and retail dealers in paper, is under examination, and this is what appears at page 189 of his testimony.

'Do you know,' Mr. White asks him, 'any minimum price fixed by manufacturers in the States, any association of mills here?'

'A. No, I have no personal knowledge of that. I have heard of a gentleman's agreement, so called, but that was done with a view of making people like ourselves pay a good price. In fact it was aimed at us, in my judgment, more than it was at the publisher.' Now, I do not care at all whom it was aimed at. What is it but an understanding existing among a few manufacturers, which, whether it is called a 'gentleman's agreement,' which, whether it is preserved under the sanction merely of honor among themselves, or under, what Mr. Woodruff designated here as a more effective sanction, a money penalty, is a combination, an agreement, an association, whether among a dozen or between two, by which the price to the buyer will be maintained at a figure higher than otherwise it would be.

Mr. Duffy, a purchaser, Mr. Duffy, not a publisher, not the ultimate consumer, but a dealer, a purchaser from the manufacturer, a seller to the consumer, says that it is aimed at him, and it is apparent there was, as he had heard and has felt, a gentleman's agreement, so called among the manufacturers. He had felt the effect of it, as he went on to say further on in his testimony at page 202, in its prices. 'As you understood it,



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just an understanding among gentlemen,' I said to him, 'as the prices at which they would you deal for their commodity?—A. Yes, and in a measure eliminate the middle-man.'

Q. You could not give me any more accurate information about it, more than you felt the effect in your business?—A. No, not being a party to it. We felt the effect of it very seriously.'

• Now, if you have that condition of things existing in the United States, which, by geographical conditions, is isolated from the other part of the country, you compare prices as they rule in the United States, with prices as they obtain here under such circumstances, will bear no comparison at all, as indicating the difference in price induced by the free exercise of the laws of supply and demand, but a price controlled by an organization, whether under the sanction of a gentleman's agreement, binding in honour or of an agreement, such as exists here, binding upon the pecuniary interests of the individuals who enter into it.

But we have the distinct testimony of these gentlemen in the United States as well as those witnesses called here as to what ruling prices were in the United States during the year 1900, and I refer very briefly to the testimony of these witnesses upon that point. This same gentleman, Mr. Duffy, tells us at page 191, that during the year 1900, during the fall months of 1900, there was a very noticeable advance with them; that prior to the rise which took place as late as October, he thinks, or September, he was purchasing at about \$1.75. Later in the fall he paid as much as 2 cents. They had not yet felt its full effect; they did not feel the full effect until early spring, but when that rise was felt, the ruling price was about \$1.75 to 2 cents a pound, when they had felt the effect of the combination or of the monopoly to a certain extent. Then he states also at page 196 that on the thirtieth day of December last, he made a purchase of 7,000 or 8,000 tons of paper at \$2.15 f.o.b. dock, New York, bought on the thirtieth day of December. That made the paper cost, he said, 'when we carted it, delivered it, took care of the publisher, as we have to do, &c. The International would not do anything but put it on a dock, and they generally put it on a dock from which which it had to be removed within twenty-four hours, necessitating the paying of insurance, and other expenses,' which he mentions. 'Up to that we did not have anything at 25. I think we paid 40 or 50.'

Now, there is one instance, at all events of a purchase of a very large quantity, a purchase from the International at \$2.15, when in this country the same article is costing every person who purchases it, \$2.50, a very substantial and material difference. Then he give a quantity of other evidence upon the same subject, which I shall not now ask your lordship to hear me refer to in detail, but all of which is certainly well worth careful consideration. Mr. Ross had stated, your Lordship will no doubt recall, at the opening of the inquiry here, that in January, 1901, the ruling price which he found existing in the United States was from \$2.00 upwards. That is at page 13-14 of his testimony. He wrote to a number of papers in New York State asking them at what price they were being supplied. They were newspapers of about the same circulation as the *Journal*. He got replies. He says there were two at higher than \$2.50; one was \$2.60, and the other papers, four or five, were lower than the Canadian combine prices. One was at \$2.40; one at \$2.25; one at \$2.15, and one at \$2.00 per 100 pounds. So that his investigations as to what newspapers in similar position to himself were actually paying, would show that some were getting as low as \$2.15 and \$2.00 up to these higher figures, and four out of seven or eight publishers to whom he applied, were being served at substantially lower figures than the combination prices here.

And then we have the evidence of Mr. Tarte on the same occasion as to what he was told on that subject by Mr. Scrimgeour of New York, who was afterwards called as a witness in this inquiry. On page 10 and afterwards on page 21 of Mr. Tarte's evidence he speaks of his interview with Mr. Scrimgeour. 'I asked him,' he says, 'what were the papers in New York paying. He told me they were selling paper at \$1.70, \$1.80, \$1.85 and \$1.87. He offered me paper at \$1.87 f.o.b. New York.' That

was in April of the present year. 'He offered me paper f.o.b. New York at \$1.87 or delivered in Montreal at my office at \$2.48, duty paid, delivered as I wished. That was for a better grade of paper than the paper I am getting to-day at \$2.50.' And then he had more than one interview with him. He says: 'That was in the morning he came to see me, and he came back in the afternoon, and he had communicated with the house. I told him at that time that some of the paper mills in Canada had already offered me prices; two or three of them offered to leave the combine prices and give me paper, had used some other means to give me paper, so as to secure my business. I told him that. He made up his mind that he would make an offer for \$1.70, f.o.b. New York, and then adding 17c. for freight and forty-five cents for duty would bring down the paper below \$2.40 per 100, and 5 per cent discount.'

Now, I was referring in the first place, was referring specifically to that offer to Mr. Tarte, to what Mr. Scrimgeour there stated to Mr. Tarte as to the ruling prices in New York, from \$1.70 up to the higher figure that he mentioned of \$2.40. That evidence is not in any way alluded to by Mr. Scrimgeour when he comes to be called a fortnight ago. That stands uncontradicted. Then Mr. Barber says, at page 18 of his testimony, that in the year 1899 paper was selling in the United States as low as \$1.80. Finally, Mr. Scrimgeour called with reference to his interview with Mr. Tarte, when examined as to current prices and terms in the United States tells us the different figures at page 162 of his testimony. Now, he is connected with the Manufacturers' Paper Company who are selling agents for several mills, not operating mills themselves, but he is assistant to the general manager of that company so dealing in paper. At page 162, he says, speaking of the terms on which they sold, and the ruling prices during the year 1900: 'At that time, in the end of April and first of May last, was news print selling in this country at 2c. ?—A. There had been some contracts made at that price.'

'Q. That might fairly be said to be the market price for some grades ?—A. Below the market price; it was rather below the market price; it was rather below, but there were contracts made for it; there were some for the largest consumers.'

'Q. At the mill or at the newspaper office ?—A. At the newspaper office.'

'Q. How about waste; was waste returned to the mill ?—A. No, sir, it was not returned at any time.'

'Q. It was a loss to the consumer ?—A. It was returned at 75 cents a hundred; it is worth that to the mill as paper stock.'

So that they were selling at \$2 and upwards, making contracts at \$2, allowing 75 cents a hundred pounds for the waste returned at the time when the combine here had forced prices up to \$2.50.

Then see Mr. Squier's explanation of that increase of price.

Mr. Squier, the second witness called in New York, being one of the partners in this large wholesale firm of Perkins, Goodwin and Company, is asked on page 195 to explain the advance in prices. He says at once: 'On account of the combination of the mills of the International Paper Company and local reasons orders advanced in some mills during the Spanish war, which made a great demand for paper.' Then, speaking of the organization of the International, I asked him if there were mills outside of that company: 'Oh yes, a good many.'

'Q. A good many ?—A. Yes, there are now; there were not at the time. Most of the large mills were included in it; there were some, however, left out.'

As I pointed out, the few that were left out were practically out of it as far as competition was concerned, in all New England and Northern States.

Well now, Canada ought to be able to produce paper as cheaply as the United States, as cheaply as any other country in the world. That, we might say, might appeal to the intelligence of us all, to your lordship's knowledge of the conditions which exist throughout the country, without being testified to by any witness, and Mr. Gillean has told us so at pages 96 and 97 of his evidence: 'Could it not be said generally either of Canada or the United States, that the one country could, suppose there were

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nothing to regulate prices more than the natural play of demand and supply, produce more cheaply than the other ?—A. Given the same conditions, we ought to be able to produce as cheap.

‘Q. What do you mean by conditions ?—A. Supply and demand.

‘Q. Raw material ought to be cheaper here ?—A. Yes, fully as cheap.

‘Q. Is it any more expensive to bring a supply of wood to the factory in the United States than in Canada ?—A. I think not.

‘Q. There ought then to be no advantage in favour of the United States producer as far as this pulp wood is concerned ?—A. Not much.

‘Q. Would there be in respect of any of his other raw material ?—A. I think not.

‘Q. Taking it generally, the Canadian manufacturer ought to be able to produce quite as cheaply as the United States ?—A. Yes, if we had as large orders, the same size orders.’

Now, if that is so, prices ought to be the same under the same conditions, if they were left to the natural play of supply and demand. Why are they not so ? Why, but that a combination exists here amongst the manufacturers, having for its purpose and object the maintaining of prices at a higher figure than the natural effect of the amount of demand upon the supply would cause. No other reason can be assigned and just to the extent to which competition from the outside is prevented by the duty which the Government imposes, which Parliament imposes upon the importation into this country of paper manufactured outside, just to that extent the consumer is putting that amount of percentage into the pocket of the manufacturer for every hundred pounds of paper he buys. There can be no possible escape from that conclusion unless we show your lordship, unless it is shown to the court, and unless your lordship can report in answer to this Commission that conditions vary, that cost of production is greater upon the other side of the line than here. If we find under similar conditions they are able to produce at a lower figure than we can here, then we are entitled to argue that our Canadian manufacturer can produce at the same figure, and the amount of profit he has, is simply increased by the 25 per cent of duty, because but for the existence of that duty he would be on a level with the producer in the United States and would still at the same price realise just the same profit. If the United States producer can make it worth the while of the Canadian consumer to pay the additional freight for the longer haul thereby occasioned, then to that extent the Canadian manufacturer is protected by the geographical conditions surrounding him. To that extent he is entitled to the benefit or to the extent to which he is artificially protected by the imposition of the duty, he is enabled to take that additional amount of the consumer and put it into his pocket. His cost of production is no greater, there is no reason to enhance the price; the price is unduly enhanced by the effect of this combination taking advantage of the duty which Parliament has imposed. Now, if we find under the existing condition of things, and in face of the price which these manufacturers have created for their commodity; if we find that men who have to consume can actually import, and do import, and do thereby get their product at a less rate than they have to pay for that product to the mills here, we have clearly and thoroughly established a case of undue enhancement of the price, and the evidence does establish that condition of things.

Take first, in that respect, the testimony of Mr. Tarte. Mr. Tarte tells us that he was actually in negotiation with a country so far distant as Austria, and that he found as a result of those negotiations that he was able to lay down here in Montreal, paper manufactured in Austria at a price a trifle lower, after paying cost of carriage half around the world, than the combine was charging him. On page 5 of his testimony he describes how, a few days after he had made his contract with the Laurentide Company, which contract, he says, still exists, there came the question of fixing details. He had been then trying all the manufacturers of New York; he had gone to New York himself; he had gone into different States of the Union in his effort to obtain this necessary commodity at a sufficiently low price, and having spent hundreds of



dollars in cabling to Vienna for paper—I might say that at that time I was offered paper delivered in Montreal below \$2.50. I was offered paper here by the agent of the Austrian house below \$2.50.' That is the combination price. That is the figure at which the Austrian competitor, under the conditions of long carriage, which would naturally protect the manufacturer here against any competition from him, was able to lay down his wares in this very city. At page 25 of his cross-examination to Mr. White, he is asked:

'Q. Now, when you applied—you did in England, I think, or in Vienna, were the quotations you then got, for shipment to Canada, for Canadian delivery, or delivery there?—A. We got cables. Of course, this is out of my memory a little, but I know I would have saved a few cents.'

It was not sufficient saving to compensate for the additional risks of the contracts, with a basis of supply so extremely far distant, and where any vicissitudes of carriage might occur in transmission of the wares, would possibly lead, if any unforeseen accident took place, to a cessation of supply at any critical moment, but it was, so far as the actual money question was concerned, a difference of a few cents in favor of the Austrian producer. Then an incident occurs, or two incidents, in that connection which are of utmost significance. This gentleman, whom I have mentioned, Mr. Scrimgeour, representing the Manufacturers' Paper Company of New York, came to Canada on the 30th of April and 1st of May of the present year. He knew perfectly of the existence of a combination among the manufacturers in this country. He knew its effect; he knew its prices, and he came here prepared to undersell, if he could obtain any one who would buy. Mr. Tarte testified in regard to his interview with Mr. Scrimgeour. Mr. Atkinson of the *Star* in Toronto, also testified, and finally, a fortnight since, Mr. Scrimgeour went into the box in New York and testified in exact accord with what they said. We have the three men concurring exactly in their narrative or what took place, and see what it was: Mr. Tarte says first at page 11 of his testimony—I have already called your lordship's attention to it that Mr. Atkinson came with a sample of the paper—'a better grade than the paper I am getting at \$2.50, and he offered that paper to me for \$1.87 in New York, or delivered in Montreal at \$2.40 duty paid, and delivered as I wished.' Then he told me, as I have read, he did not care for the small saving it would mean, and after conversation in the morning he came back in the afternoon, having communicated with his house, he offered it finally for \$1.70 f.o.b. New York, which was 17c. for freight (page 187) and 45c. for duty at 25 per cent ad valorem would be \$2.32, substantially lower than the \$2.50 which was at that time the ruling price which was established here by the combination. That is Mr. Tarte's account of it, and it, your lordship will have noticed, was a better grade of paper than the paper that was being supplied to Mr. Tarte by the Laurentide Company here. Then Mr. Scrimgeour went on to Toronto and saw Mr. Atkinson of the *Star* the following day, and Mr. Atkinson details at page 76 what took place between them. He says: 'It was the same as used in the New York *Herald*, Sunday edition, a much better class of paper, I consider, than any paper being used in Canada, that I had seen.' And as we have had testified to us by Senator Rolland: 'The paper used in the New York *Herald* is a better class of paper than any used in Canada.'

Now, that paper Mr. Atkinson has produced to him by Mr. Scrimgeour as a sample. 'The agent,' he says, 'offered me in my office to supply me with paper at \$1.80 f.o.b. near Watertown, with a freight rate of 21 cents, making the paper delivered in our office, without duty, \$2.01 per 100 pounds.' That, of course, with the duty on was really not much, because there was no use buying paper without the duty on, but without the duty would be a very considerable reduction.

Mr. Scrimgeour, asked about both these circumstances, says:—'Certainly, they took place exactly as narrated.'

His offer to Mr. Tarte was \$1.85 in the first place, his offer to Mr. Atkinson was \$1.80. He says he did that because the freight to Toronto was five cents more than the freight to here. Now, see what that signifies when you isolate the element of duty: \$1.85 in New York with 17 cents freight to Montreal, \$2.02; \$1.80 in Toronto



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with 21 cents freight, or \$2.01. This gentleman here representing the Manufacturers Paper Company comes to Canada to get orders, makes offers of contracts, which, if there were no duty in the way, would enable the consumer here to buy his commodity at \$2.01 or \$2.02 per 100 pounds instead of \$2.50. The duty is just 25 per cent ; that is added on there, and it is extra profit to the manufacturer. The cost of production in either case is under the \$2.01 or \$2.02, at which the commodity is offered. Cost of production plus the living profit to the manufacturer amounts to \$2.01 or \$2.02, the additional 50 cents is simply duty, is simply enhanced profit which goes into the pocket of the manufacturer out of the pocket of the consumer.

Now, these offers being made by Mr. Scrimgeour, he was called, as it were, to explain why he had made them. Not that they were in any way erroneously stated by Mr. Tarte and Mr. Atkinson, but in the effort to belittle their importance, and your lordship will find in the evidence of the first witness called in New York on page 147, he says he came here on the 30th April to see Mr. Tarte, and offered him news print paper, quoting him \$1.85 f.o.b. cars at the mills net. He made a calculation, he says, as to what it would cost him off the cars in Montreal, and it would be \$2.48 per 100 pounds. Coming here with that offer, he knew, he says, at page 153, that the price established by the combination in Canada was \$2.50.

'Q. Was that a factor,' I asked him, 'with you in making your quotation ?—A. Yes.

'Q. You designed a quotation which would be practically equivalent, or a few cents under ?—A. Yes.

'Q. I do not understand you, that the sale at these figures would have been any loss ?—A. No, sir. It would have been a loss in the sense that we might have got more money here for the same paper.'

Just the question your lordship put this morning to Mr. Graham : 'Not actually a loss, comparing the price of sale with production ?'

'Q. Are you in a position to say (at the foot of page 155) whether, had that contract been made and carried out, the manufacturer would have sold at a loss, as compared with his cost of production ?—A. He probably would have made a profit on it.'

Now, that was a better quality of paper, substantially a better quality of paper than the paper used by the leading newspapers in this country. He was prepared to carry out that quotation.

I ask him on page 156 : 'Were you prepared to carry out your quotation ?—A. I was prepared to make contracts with them.

'Q. 'At that figure ?—A. Yes.

'Q. And to any extent they desired within reasonable limits ?—A. Yes, within reasonable limits.

'Q. What quality of paper was that ?—A. It was ordinary newspaper,' which he called No. 2 News in the grading of the United States.

Then I showed him a copy I happened to have with me of the *Toronto Globe* of the day before, and asked him its grade of paper. He says : 'That would grade as an inferior quality of No. 2,' it would be below his No. 2 ; it would pass as No. 2, he says, but a low grade of No. 2.

'Q. Inferior to the quality of paper you were quoting on ?—A. Yes.' Then, going on, about the comparison of the grades he says on page 161 : 'The quality of the *Globe* would hardly sell in this country at all for newspaper purposes.'

'Q. Supposing you did find a customer willing to take it, what would you say you would offer to sell that at, how much under the other grade, such as you were quoting ?—A. Probably 5c. a hundred, that is, 5c. a 100 under their No. 2.'

'Q. Why is it inferior ?—A. What is there about it that makes it inferior ?—A. It is rough and coarse.'

Then he says on page 169, having been re-examined by Mr. White as to the motives that led him to come into Canada, which were, I might say, to counteract the demonstration that he apprehended the Canadian manufacturers might indulge in against

the export trade to the Old Country; to counteract that, he came with those quotations, and, as I have read to your lordship, perfectly prepared to make contracts, and finally after having been re-examined on that point, to make the matter clear, a good deal of questions were asked him at page 169 by me: 'I was prepared to make contracts in Canada, but at the prices I was quoting, I felt sure of the fact that my quotations would not be accepted' because he was quoting, as your lordship will see, just one cent or two cents under the Canadian price. However, had anyone offered to contract with him, he says 'I would have made a contract.' So he came here prepared to make contracts and with a sample of paper which was that degree better than the paper in ordinary consumption here. Well then, there is just in that connection one further incident that I have to call your lordship's attention to, testified to by Mr. Atkinson and Mr. Spicer. Mr. Atkinson of the *Toronto Star*, at page 75 of his testimony tells us that having made a contract at combination prices, he says, he continued to pay that up to the present time, but there was one portion of the consumption of his paper not included in that contract. 'For that paper I have been looking about in the past few months for a supply. I have communicated with publishers in the States, and they bought some paper from the International Paper Company, New York. The price of that paper was 2c. at the mill, Corinth, New York. I got half a carload. That was a much better class of paper than any paper used in Canada. The freight upon the half carload was high, as it was more or less a sample order. I did not wish to order a car; they sent me half a car at the same price, 2 cents and the freight added, 44 cents from Corinth. I wrote the company and they told me that that was due to my only taking half a car, but if I would give them further orders, in carloads, the freight could be brought down to 25 cents a 100 pounds which would make the cost \$2.25 delivered in our office, for a quality of paper better than I am using, and better than I have seen used in Canadian newspapers.'

Mr. Spicer was asked about that subject on page 227 and 228. He says I asked him distinctly—'when you sold at 2 cents a pound or \$2.00 a 100 pounds, did you make a loss? He is the gentleman who refused to give any information as to the actual cost of manufacture in the International. He says: 'Well, in making a sale, I assume that I do not; although I do not personally know that that was true.' On the next page: 'you were quite content to continue supplying him at that price as much as he wanted? A. He has not offered me an opportunity yet.'

'Q. I do not ask you as to the event, but as to your own willingness to supply him. Would you be quite willing to supply him under those conditions?—A. Yes.'

So that Mr. Spicer is quite willing to continue to supply to the consumer in this country, paper of a better quality than the paper that the manufacturers here are charging \$2.50 for. Mr. Spicer is perfectly prepared on behalf of the International to supply at 2 cents at the mills in Corinth. Of course, the freight and the duty added, make the cost of that to the consumer here slightly more than combination prices, but the cost of production the same. We have the same fact, that the producer here is able to produce his 100 pounds of paper at such a figure as will net him living profits; then to his 2 cents is added 50 cents by virtue of this combination he has entered into.

Now, that, we urge, is plain evidence of an undue enhancing of the price as the result of this combination. And we have not merely that undue enhancing of the price by effect of the combination, but we have other circumstances of disadvantage to the consumer, of advantage unto the manufacturer, unduly promoted by the association, which equally is obnoxious to the law. When the period of credit, the ruling period prior to the formation of this association was four months, by this combination, by the terms which they imposed on the consumer, that period of credit is shortened to three months—a certain element of advantage to the manufacturer as against the consumer. The right to return waste is an important consideration which the association has destroyed. That right to return waste was one which formed a feature of all contracts when regulated by the law of supply and demand. That right, Mr. Scrimgeour said, the manufacturers of the United States freely conceded. Not, it is true,

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at the same price at which they sold ; at a reduced figure, because the material can be utilized as stock. Here, this association presumes to say : ' We shall not sell under such terms as heretofore. We will make you take and pay for, even though you waste this extent of unused paper, which we can utilize,' either at the same figure at which they sold it, or at some smaller figure. Mr. Barber says that circumstance makes a difference, in his judgment, of from 5 cents to 15 cents per 100 pounds in the cost of paper to the consumer. Your lordship will find him state at page 21 of his testimony here : ' Depending on the offices, when competition governed prices,' he says, ' they had to get rid of their output at the best terms they could, and they had to take returned pound for pound, and give credit for the waste, but when the association got control, they quit that,' and as to the extent of the difference it would make, he says : ' In a fairly well managed office, it would not come up to much more than 5 cents, but in some offices it might come up to 15 cents, so that it varies from 5 cents to 15 cents.'

Mr. Tarte also speaks of that circumstance at page 5. He says : ' Prior to the association, paper makers have always been allowing us a reduction for the wrappings off these rolls, which amounts to 12 per cent or 15 per cent on rolls. They had been allowing us for the white paper. Now, there has always been a considerable amount of white paper wasted. I had been buying from almost every mill in Canada. All these mills used to take it back and allow me the price I paid for it. When I put that into the contract with the Laurentide Pulp Company I was informed by Mr. Gascoigne and Mr. Alger that the association had not provided for this, and that the rules of the association were so and so, and I must abide by it ; that there was no discount to be allowed for cash payments ; that there was no discount to be allowed for white waste or for the wrappings of the paper.'

Your lordship will remember Mr. MacFarlane justifying that change by stating that their twine cost them 10 cents a pound and they sold it to the consumer at 2½ cents, making a merit out of it. I wonder if they remember that the other merchants who sell their goods, that the tea merchants, for instance, do not wrap up their wares. This is a circumstance of undue advantage to the manufacturer at the expense of the consumer, which the association has caused.

Then, in that connection, there is a further circumstance of the equalization points that this association has established, and with regard to which, just one word. It is testified to by Mr. Barber at page 28, and your lordship no doubt understands the effect of it, so that I will be very brief about it. For some reason, the association establishes points, they say, because otherwise wholesale buyers who buy direct from them and sell to the same consumer would not have any advantage over the consumer who bought from a certain point with regard to which they charge a uniform rate of freight, and the consumer who does not happen to live at these points has to pay the additional freight. As a result of that, Mr. Dingman tells us at page 91 of his evidence, and Mr. Stephenson at page 139 of his, that they who happen to live in Chatham and Stratford, respectively, have to pay a difference of freight, 10 cents or 12 cents more for their paper than otherwise they would have had to pay. The establishing of these points is a perfectly arbitrary thing by the association, a thing with regard to which no justification can be made as to the geographical position of any particular point. They simply sell such places as they please and say, this place shall be, what we call, an equalization point, and any other shall pay the additional freight. Mr. Stephenson expostulates, and in vain. A reference to the correspondence which your lordship will find exhibited in his testimony, will indicate the efforts he made to get his town put on an equality with the town of Windsor, sixty miles further away, where the consumer had the advantage of the difference in freight.

This is simply a circumstance of disadvantage to the consumer to some consumers, but no advantage to anybody except the middlemen, which this association has created. I do not mean to say it had advantaged the purchaser at all. Mr. Barber says it has not. He says he was always opposed to it, but to protect some other person in common interest with themselves, this association undertakes to impose an addi-



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tional burden upon the majority of the rural consumers of paper throughout the country. They established certain equalization points, and by effect of that regulation they make the consumer who don't happen to live at these few points so established, pay an extra 10 cents or 15 cents per 100 pounds, to the advantage of some other person. That is a circumstance of advantage; that is a circumstance of disadvantage to the consumer, established, promoted and maintained by this organization, which is undue, which is one of the things the Statute intended should not be, and which I ask your lordship to take into consideration when framing your report.

Now, just one other circumstance in connection with the importation into this country of paper, is one of specially particular importance.

I have not seen the commission which is issued here, but from the discussion of its terms which I find spread upon the notes at the meeting in Toronto, when I was not present, I understand the scope to extend to all manner of printing paper. Now, a class of printing paper of very great importance to a large body of consumers in the country is 'book print.' The class of paper used, not for ordinary newspaper printing but for job printing, for printing of various sorts in general newspaper offices, not necessarily the production of books, but a superior or better quality of paper, ordinarily referred to as 'book print.'

It deserves some notice for this reason, from the evidence in regard to that, that the men who require it, import it to-day because it is cheaper to import it. Mr. Preston, at page 34 says: 'We buy ourselves, a considerable quantity from the States, paying 25 per cent and 30 per cent duty. That we never did until the last year or so. That is paper for job printing, book papers.'

'Q. Can you bring it in to advantage in competition with the paper manufacturers here?—A. Yes.' Mr. Dingman, at page 42 says, that he investigated the alternative of buying paper from the other side. He found that paper over there could be purchased at two quotations: One at \$2.12½ and the other at \$2.15, which, with duty and freight paid, would deliver the paper in Stratford at a trifle under the combine price, and then he describes on page 43: Adding the duty and the freight he could lay it down in Stratford at \$2.78½, as compared with \$2.85 under the regulation of the combine. And on page 46, that there has now been a reduction,—that I will speak of in a moment, but that otherwise those were the prices he was obliged to pay.

There is just one further thing in that connection that I should have noticed before leaving the rates in the United States. That is, to ask your lordship's attention to the testimony of Mr. Dingman, verified by the correspondence he produces, exhibits P-12 and following, showing quotations he obtained from Chicago during the month of March, 1901. They were prepared to sell at the mills for \$2.10 per 100, and \$2.12½. That is on pages 49 and 50. Then, Mr. Stephenson also imports his book print. At page 92 he says: 'We are buying our jobbing papers largely outside the country; we are buying in England and also in the States, and really I am not familiar with market prices of paper in Canada as perhaps as much as I should be, as I buy very little paper in Canada for the last year and a half in consequence of the increase in price.'

Now, we have their evidence that so far as that class of printing paper is concerned, the effect of the combine is that they simply import it, paying the duty, standing the loss and being simply that much out of pocket rather than submit, in preference, as a matter of business and financial expediency, in preference to paying the price that the combine has established.

There is just one other circumstance to which I wish to advert for a moment and then I have finished.

It is in evidence here that since this Order in Council was passed, since public attention was directed to this matter, and since the appointment of your lordship as commissioner to investigate, that there has been a striking reduction by this association in its price.

We find in the minutes of the association under date 10 May, 1901, a resolution reducing the price of news print to \$2.37½ per 100. We find the evidence, before we had



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the minutes, of the different gentlemen who had been made acquainted with that reduction, stating in their testimony,—Mr. Tarte in the first place, at page 17 : ‘A very few days ago, since the inquiry was started, I have been offered paper, since the combine price has gone down, since Saturday, a week ago’ on the 28th May, he says : ‘The combine price is \$2.37½. I can get any terms I like. I can get three months, and we can get renewals for that. That is since three weeks.’

‘Q. That is since this inquiry?—A. Well, I don’t know.’

Mr. Young speaks of this at page 9 of his testimony : ‘The last price is \$2.37½, with 3 per cent off, 30 days, in carloads. Previous to that it was 12½c. higher.’

Mr. Preston produces as Exhibit P-10, at page 29, a letter from the Canada Paper Company, dated the 11th May, day after. This entry in the minutes appears, in which they tell him they are pleased to say they are able to make a reduction on the price, on the car now on order, making the price now 2½c., the usual terms and conditions. Trusting this will not be unappreciated, &c.

Now, what is the significance of that circumstance? We think, of the very greatest. Is there any corresponding decrease in the cost of production? Not one tittle of evidence of it. Mr. Barber goes into the box and tells us, according to his figures for this very year, no decrease of cost of production indicated by it, but May 1st, 1901, it is costing him, according to his evidence, \$2.15 to make 100 pounds of paper. He is paying \$36 a ton for his sulphite. Prices are maintained so far as his raw material is concerned, but without any drop in the cost of production. There is a drop of that substantial amount ordered by this association. Why? Why, but that public attention was directed to their doings. Why, but that they sought, if they could, to temper the effect upon their organization or upon their price, of the blow they received when this commission was granted. We cannot but argue, had this inquiry not been directed, there would be no reduction in price. Similarly, I argue that upon the report which your lordship makes upon this evidence everything depends, as to the price this association will put upon the unfortunate purchaser. The purchaser is at their mercy. They control the market. Although there are mills outside their association, the price they fix is, as witnesses say, the price that regulates, and with this association in control of the market, the purchaser is helpless; the purchaser is at their mercy, and must pay and return to the old figure of \$2.50, if your lordship reports that the present enhancing of the price is not undue. Just as if your lordship is in favour of the association, they may a month or a week later increase the price arbitrarily to 3c. or 3½c., or any other figure they please.

They are limited by the extent of the duty which is imposed. They can go just the extent of that duty beyond the cost of production here or in the United States. If they go too far beyond it, they, of course, will make it worth the consumers’ while to pay that duty and import his paper from the United States, but so long as they keep within the limits, so long as they do not, by their regulations, put into their pockets more extra profit than the amount of duty that is imposed, the purchaser is helpless in their hands, and we point to that circumstance made perfectly arbitrarily as evidence that with the same freedom wherewith they reduced the price themselves, they can increase it again if they desire, either resorting to the old figure or a higher one, if they think they can do it with safety.

With this, I will leave the case in your lordship’s hands.

MONTREAL, July 31, 1901.

By Mr. WHITE, K.C., representing the Paper Makers' Association:

May it please your lordship.—My learned friend has dealt so very exhaustively with the evidence, I think it will hardly be necessary for me to go very fully into that, but I would like rather to discuss with your lordship the principles, chiefly the legal principles, upon which this inquiry will be based.

The section under which the commisison has been appointed follows the terms of the Criminal Code almost exactly, that is, section 520 of the Criminal Code. This section is amended by 63-64 Victoria, chapter 46, and now provides that every one is guilty of an indictable offence and liable to a penalty, &c., who conspires, combines, agrees or arranges with another person or with any railway or steamboat or transportation company :—

*See* section 520, Criminal Code, as amended by 63-64 Victoria, chapter 46.

*See* Eddy on Combinations :

Vol 1., P. 121, Sec. 185.

P. 124, Sec. 189.

P. 128, Secs. 192, 193, 195 and 197.

P. 126, Secs. 199, 200, 203.

P. 127, Sec. 207.

P. 139, Sec. 225, note.

P. 141.

P. 200, Sec. 275.

P. 203, Secs. 288, 289 and 290.

*Central Shade Roller Co. vs. Cushman*, 143 Mass. 353, 9 N.E.R. 629.

*The Ontario Salt Co. vs. The Merchants' Salt Co.*, 18 Grant's Ch. Rep. 540.

*United States vs. Trans-Missouri Freight Association, et al.*, 53 Fed. Reporter 440.

*Com. vs. Carlisle*, Brightly, N.P. 36.

*Gibbs vs. Gas Co.*, 130 U.S. 369 Sup. Ct. Rep. 553.

*Cloth Co. vs. Lorisont*, L.R. 9 Eq. 345.

*Navigation Co. vs. Winsor*, 20 Wall 64.

*Beal vs. Chase*, 31 Mich. 521.

*Collins vs. Locke*, 41 L.T.N.S., 292.

*Johns vs. North*, L.R. 19 Eq. 426.

*Mogul SS. Co. Ltd. vs. McGregor. Gow & Co., et al.*, 1892. Appeal cases, 25.

*Hearn vs. Griffin*, 2 Chitty's Rep. 407.

*Wickens vs. Evans*, 3 Y. & J. 318.

Under this section, under the general law with regard to restraint of trade, we have a number of decisions, and I think the jurisprudence is pretty well defined.

I was rather sorry my learned friend did not deal with that aspect of the matter, because in arguing on the evidence as produced as to what would be an undue enhancing of the price, it seems to me we should be guided almost entirely by the jurisprudence. The principles are laid down very clearly in Eddy on Combinations, which I cite to your lordship, at page 125, beginning at section 192. Section 192 is :

'Inasmuch as it is legal for one man by competition to strive to drive his rival out of the field, it is lawful for two or more to combine for the same end, provided the means to be used are only such as the individual can use, viz., lawful means.'

Section 193 : 'It is legitimate for any trade to obtain the highest prices he can for any commodity in which he deals.'

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Section 195 : 'It is legitimate for any number of manufacturers or traders to agree on the selling price for their manufactures and the division of their profits.'

Then, section 197 : 'Combinations which have for their object the realization of a fair price for the product of their manufacture and even more, are not against public policy, though they operate against the restraint of trade.'

Section 199.

Section 200 : 'It is not contrary to public policy that two lawful traders agree to consolidate their concerns, and that one shall discontinue to become a partner with the other for a specific term, even though by such an arrangement the public have to pay more for the commodity in which the parties deal.'

Section 203.

Section 207.

Then, there are some Canadian cases to which I would like to refer your lordship. First of all, the Ontario Salt case. In that case several incorporated companies and individuals engaged in the manufacture and sale of salt, entered into an agreement whereby it was stipulated that the several parties agreed to combine or amalgamate under the name of The Salt Combine, &c.

In that case it was held on demurrer that this agreement was not void as tending to the public policy of being a monopoly, as being a restraint to trade, but that it was such in its nature as the court would enforce.

Then, here is a very interesting decision in the United States, 'The United States against the Trans-Missouri Freight Association and others' reported in the 53rd Federal Reporter, page 440. In that case it is very fully dealt with, at great length, and I invite your lordship's attention to it particularly as the particulars are very fully discussed. I need not read the detail holdings. Then the case of Gibbs against the Gas Company, 130 U. S. Reports, page 396; also reported in S.C.R. 553, U.S. In commenting upon this case, in his judgment, District Judge Reiner said : 'It will be seen,' &c. I will send all these references to your lordship.

Then there is a leading English case, which has been frequently referred to, of the Mogul Steamship Company against the McGregor Gow, and Company (25 Appeal Cases). 'Owners of ships, in order to secure the carrying of freight exclusively for themselves at profitable rates, formed an association and agreed for a number of ships to be sent by members of the association to the loading port ; the division of cargoes and the freights demanded should be the subject of regulation.'

'That a rebate of 5 per cent. to all shippers should be allowed, who shipped only with members of the association——.'

I will also send this to your lordship.

Now, in that case, it is not very much different from the facts as brought out in the present inquiry. In the present inquiry, we may probably agree upon the facts. We have admitted that there is an association ; the contract of agreement is produced. There is no question about it whatever. It is also undoubted that this association fixed a minimum price. They fixed \$2.50 as being the minimum price at which this news print was to be sold. \$2.50 being of course, less the 3 per cent discount, as explained in the evidence, and also the delivery. We may also admit that this was to be enforced under penalties. The contract shows exactly the organization of the association. But, I would respectfully submit to your lordship that there is nothing in that to show that this was an illegal agreement, that this was an agreement that could be attacked in the courts. Under these decisions, the parties to the agreement had a perfect right to make that contract ; they were quite within the law in entering into this agreement, and it has not been shown, I submit, that the price that was fixed, the minimum price, was an undue or unreasonable or a price that was prejudicial to the public at large.

Now, my learned friend has objected throughout this inquiry, to being put in the position of the complainant; but at the same time, it seems to me, that it would have been proper on the part of the Press Association to have made out their case.



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In the argument yesterday, my learned friend suggested that he had been unable to obtain certain evidence, and he had been unable to get at the cost of manufacture ; that he had been unable to find out exactly what profit was being made by these various manufacturers. But your lordship must have noticed that no effort was made, no attempt was made whatever on the part of my learned friend to obtain this evidence. It would have been very simple, and under the article under which your lordship was appointed as commissioner, there was power to make any of the manufacturers produce their books and state exactly what the profits were. There was no attempt to do that at all: the complainants have relied entirely on cross-examination; they put one or two witnesses in the box, Mr. Ross and Mr. Tarte and these gentlemen simply said that they found that after the association had been formed they could not get their paper as cheaply as they had been getting it before. Well, that of itself, does not show any undue enhancement of the price, but it merely shows what we contend, that the manufacturers had associated themselves together to obtain a fair price.

In regard to the price, I might say, that Mr. Barber in his evidence offered to have his books examined by an expert accountant. The question was raised as to whether these figures were correct or not, and the figures were submitted ; Mr. Barber said he knew they were correct and he stood by these figures, and said they could very easily be verified.

But, as I have said, no attempt has been made on the part of the complainants in this matter to make a case by showing exactly what the profit was or the cost of manufacture was.

Your lordship will remember that when the case was closed for the complainants,— I should have thought that your lordship would declare that you were satisfied that there was no evidence made out which would sustain the fact of undue enhancement of price. After that I felt it my duty to give your lordship as full information upon the whole subject.

Now, what I contend that we have proved is this :—

In the first place, that the price, the market price, not only in Canada, but in the United States and in England at the time, that this price of \$2.50 was fixed with the discounts, which I have referred to, that the market price outside was higher than this minimum price.

We have shown that in Canada manufacturers were obtaining as high as 3 cents and over 3 cents for their product, when the minimum price fixed by the association was \$2.50. We have shown that in the United States \$2.50 was considered a low price during this time. With a ruling price there at above \$2.50, we have shown that manufacturers who were selling their paper in Canada, instead of shipping to England, were losing money ; and we have shown also that all mills manufacturing news print in Canada were working to their full capacity.

Now, there is nothing in the evidence here to show any attempt to limit production. Every manufacturer was perfectly free to run his mill to its fullest capacity. There is no attempt to force sales through one agent ; there is no attempt at all to put any disadvantage on the consumer, but the manufacturers, as has been explained, found, before this agreement was entered into, that they were doing their business practically at a loss. Some of them were making money ; Mr. Woodruff, it has been stated, said that the trade was in a healthy condition. That apparently was a misunderstanding, because it was explained by all of the manufacturers who were examined, that previous to this time, trade was not in a healthy condition ; travellers were constantly asking for better terms, and the competition which then existed had brought the business down until it could not be profitably conducted. So soon as the agreement was formed, there came to be a uniformity, not only in the minimum price, but a uniformity in the discount, and then the competition continued, because, of course, manufacturers had advantages one against the other, and they had their own regular customers whom they had been supplying for years and naturally would continue to supply. But I would like to point out one advantage to the smaller consumer,



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and this inquiry seems to be directed, and promoted largely by small consumers. The fixing of a minimum price, which was made public, which was known to the trade throughout Canada, the fixing of a minimum price enabled the small consumer to know exactly what he would have to pay. Previously, when there was competition, and one mill against another, if a man wanted a small lot of paper, was simply buying in a small way, as Mr. Dingman and Mr. Preston, and those other newspaper men who were examined, they may have to pay, and they did have to pay, much higher prices than they have been ever since. So that the fixing of a standard minimum price was really an advantage to the small consumer.

In speaking of that, your lordship must have noticed that the complaint comes not from the majority of consumers, but from consumers who were using a very small, a very limited quantity of news print, country newspapers.

My learned friend spoke yesterday of the abnormal profit which was being given to the manufacturers, and spoke of 25 per cent being added to the profits of the manufacturer, because they were not able to purchase in the United States. Well, it was shown that the abnormal profits do not arise from the question of duty ; it is not that. In the first place it was shown by Mr. Barber's evidence that there was no abnormal profit. He showed that he made, I think, 4 per cent profit one year ; another year it was 7 per cent, and the best year, 1898, was 20 per cent of profit. As against that the witnesses for the complainant are asked what they consider would be a fair profit, and your lordship will remember that they put this profit as high as 50 per cent. One of the witnesses was asked, in connection with job printing, for instance, what he would consider a fair margin of profit to add after paying his expenses, and he said he usually added 50 per cent ; another witness said he thought 20 per cent would be low.

In view of these facts and the statement produced by Mr. Barber, which shows that his maximum profit was 20 per cent, and the statement of Mr. MacFarlane and others that they would be well content with a profit of 15 per cent, I respectfully submit that there is no evidence made to show any undue profits made by the members of this association.

Turning now to this question of tariff changes, I think I should point out the very serious effects which would result from any change in the tariff, and the large amount involved. It was stated in evidence that the amount of capital invested in the manufacture of paper in Canada was something over \$20,000,000. Not only is this amount involved, because this is the amount invested in the mills themselves, but all the other industries which lead up to the manufacture of paper, and which employ thousands of men, would be very seriously and disadvantageously affected by any change in the tariff. At the same time, what would be the result ? It is not proposed that the tariff of the United States should be affected at all. That would be maintained, and the tariff would be taken off the United States paper coming into Canada, duty would be taken off that, but the duty on paper going into the United States would remain. Manufacturers in Canada would be limited to the small market in Canada they already have, whereas the manufacturers of the United States with their large market, as was explained to your lordship, where they are manufacturing at a very much less expense than the Canadian manufacturers, would retain their market, and they would simply have the Canadian market added.

Now, I respectfully submit that any change in the tariff would mean ruin to this industry in Canada, and what advantage would it be to the complainants ? None whatever, because it has been shown that they could not buy their paper in the United States as cheaply as they are getting it to-day in Canada. An attempt was made to show that paper had been offered at \$1.87, that if there were no duty that paper would come in with an addition of 17c. for freight, and be laid down here at about 2c., but that was fully explained by Mr. Scrimgeour's evidence. Mr. Scrimgeour says that he heard that the Canadian manufacturers proposed to give a rebate of \$6 a ton on all paper that was shipped to England. They were to combine to make a surplus of paper and ship that to England, to compete with the American manufacturers, who are now

supplying the English market, and his intention was, with the consent of his company, to come into Canada and let it be known generally that if there was any attempt to interfere with the market which the United States had in England, that then the United States manufacturers would come into Canada, and come in even at a loss.

The manufacturers in the United States have this advantage, that they can start a machine, as has been pointed out, on one grade of paper, start it on the 1st of January on that same grade of paper and continue on it all through the year. There is no delay, no loss, and one newspaper in the United States will take the full output of that machine day after day, without any change, without any loss, simply putting in the same material and running it off. Now, in Canada, what is the position? The largest consumer of news print takes about twelve tons a day. The sale referred to of 7,000 tons in the United States would supply for two years for that consumer, and yet it was not looked on as a very extraordinary or large sale in the United States. The consumption there is so much greater, the advantages of manufacture are very much greater, and it is for that reason that they can make these long runs of paper. There is no change, no loss and no delay; so that it would be impossible for the Canadian manufacturers to compete against the manufacturers of the United States if it were not that the duty protects them.

Your lordship has the full minutes of this association before you, and I am sure you will have seen there that while one of the particular objects was the arranging of prices, there were other objects which the association had in watching the general interests of the trade in Canada.

The statement of the objects in the agreement, I think, is a very fair and very comprehensive statement and shows exactly what was intended. This association had existed before; manufacturers had been meeting for purposes of consultation, and they simply reorganized. It was not a new thing; they fixed prices before, years previous to the agreement, showing that they had been fixed before, but it was the increase in price, the raising of the price that directed attention particularly to the reorganization of this association.

I shall send your lordship these authorities. I submit that under the jurisprudence, the manufacturers of any commodity have a perfect right to form an association such as this; that there is nothing in this association that resembles what is known as a 'corner'; there is no restraint of trade; there is nothing illegal and nothing improper. It is simply as though individuals had formed a co-partnership, or came to an agreement as to what price they should sell at.

I submit there is nothing whatever in the evidence to show that the price fixed is undue or unreasonable, or that they yielded abnormal profits to the manufacturers, and I submit that under the law there is nothing to prevent a man from getting such profits as he can by all lawful means.

There was one point in my learned friend's address which I think I should refer to, that is, with regard to the manufacture of sulphite pulp. My learned friend could not apparently understand why Mr. Rowley should have laid such stress on sulphite being contraband of war, because it entered slightly into the manufacture of sulphite pulp, assuming that to be a slight part in the production thereof. It is an essential part. It was not a question of increased cost, but it was the reduced production that increased the value of this pulp; sulphur could not be obtained, and the pulp could not be made, and therefore the production being reduced, the cost naturally was increased, and in the same way during those two years when the price of paper was constantly increasing, all the raw material went up. It has been clearly shown to your lordship, which I need not refer to in detail, that all the cost of raw material steadily increased.

Now, there is one other point regarding the reduction which has been made in the minimum price. I submit it is in evidence by the manufacturers themselves that after this year the price of paper decreased, the cost of the raw material was less, and without regard whatever, and without feeling that this commission was issued as a threat, they reduced voluntarily the price of paper. It was not as a result of this commission, but

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it was as a result of the reduction in the cost of the raw material, just exactly in the same way as the increase in price was due to the increased cost of raw material.

Then your lordship will have noticed that one of the witnesses examined,—two of the witnesses of the Consolidated Pulp and Paper Company who had been members of the association—they explained that the price did not give them a living profit, and that company has failed and gone out of business, although they were maintaining the prices which were fixed by the association. In the same way, within the past few days, there has been a large failure of sulphite pulp manufacturers in New Brunswick, showing that the profits in that department alone are not abnormal. I hardly think that your lordship will find that the manufacturer of paper must necessarily manufacture his own pulp. My learned friend appeared to argue that the price to be fixed by the manufacturers of paper for their commodity should be based upon the cost of production by manufacturers who produce not only their own paper, but who manufacture their pulp as well, which naturally would give them a profit on the pulp and reduce the cost to them of the paper.

I feel confident that your lordship will not hold that manufacturers like Mr. Barber, whose cost is in the record, that manufacturers like him should be excluded from the business because they are obliged to purchase their raw material. When we gave Mr. Barber's figures, we thought it was fair and just to give the cost of manufacture by those who had to purchase their raw material. No doubt, Mr. Barber could purchase his raw material as cheaply as anyone else, and purchase it at the regular market price. When we show that under those circumstances, manufacturing without any special disadvantages that his profit is less than 6 per cent or 7 per cent, I submit there is nothing whatever to show that the minimum price fixed by the association is an undue or unreasonable price.

On the whole, I would ask your lordship to find that the association is a legally organized one; that it does not fall within the contemplation of the Article under which this commission is appointed and that there would be no reason for the government to move or change the duty in any respect in regard to the importation of paper.

COUNTER ARGUMENT BY MR. AYLESWORTH, K.C., REPRESENTING THE PRESS ASSOCIATION :

MAY IT PLEASE YOUR LORDSHIP :

I shall be very brief in what I have to say, as the new matter developed by my learned friend this morning does not cover a very wide range of ground. I fully concede that I did not attempt to address your lordship yesterday upon the legal aspect of the case, because, whether rightly or wrongly, I certainly consider the matter to be one depending entirely upon questions of fact. This is certainly an inquiry not of the nature of a criminal prosecution. This is not in the nature of a civil action for damages. Any person who felt disposed to think a case for it existed, could have set the criminal law in motion if an offence against the criminal law had been committed, and the very fact that no such proceeding is taken, that the question does not come before your lordship as any question of judging on the civil rights of the parties, or of any question of adjudicating upon the query whether or no a criminal offence has been committed is the best evidence of its non-existence.

The government needed no commission to be directed to inform themselves upon that point. Had the desire been to ascertain whether or no this combination was admittedly existing, was an illegal bond between manufacturers, that could be proceeded with before the ordinary tribunals of the country.

But without any question of legality or illegality, the government has issued this commission, I take it, that it may be apprised by the evidence given before your lordship and by your lordship's report of the facts of this matter in order to ascertain



whether or no it should recommend to parliament the abrogation of the duty which parliament has now imposed on this commodity. The whole purpose of the clause under which this commission issued is, I take it to be, that the government may, by exercising the power which the legislature has by that enactment conferred upon it, obtain accurate information upon which parliament, if so advised, may act, and I submit without any regard to the question of the legality or illegality of the combination among manufacturers. We, on our part, have, in no respect, addressed ourselves, either in the framing of our cause before your lordship or in the presentation of it that I made yesterday, to any such considerations. It may be ever so legal. I don't question ; I don't care. If, upon the facts, your lordship reports, your lordship concludes on this testimony, that we have shown a combination to exist, the purpose and the effect of which is unduly to enhance prices, then parliament in its wisdom, will act, and without regard entirely to any question of whether or no that combination is against the laws of the land.

Now, with respect to the special circumstance that my learned friend shortly adverted to, just a word or two. My learned friend says much that is plain to me, as I might observe, that as I understand the position taken, that my learned friend and partner who preceded me in acting for the complainants in this inquiry, he took no position that the Canadian Press Association were not in the attitude of complainants. And it is evident that they were not to be regarded as prosecutors, but they were informing the court of facts which were within their knowledge, which to them seemed to establish a case that there had been here such a combination as is pointed out in the section of the Customs Act.

Now, my learned friend says with reference to the complainants here, whom I represent, that in a large measure the complaint or the attack, whichever you choose to call it, comes from the small consumers. I scarcely know why my learned friend should have come to that conclusion unless it be from the attitude taken by the large consumer. No doubt the large consumer, who enjoys special advantages from the manufacturer, is in sympathy with the manufacturer as against his fellow-consumers who do not enjoy like advantages and as against the small country newspapers not requiring to buy its news print in rolls, buying it in reams, and being charged \$2.75 plus freight, as the witnesses testified before your lordship in this matter. No doubt the combination presses more heavily upon the small consumers ; no doubt they feel it most, but I am quite unable to say what bearing that has on the inquiry, suppose it be so. The small consumer is as much entitled to the protection of the government of the country as the large. It is just as much the interest of the small consumer that parliament is concerned as with regard to the interest of the wealthy and large consumer, who might be able to make favourable terms with an association such as exists here. And aside from that altogether, it is difficult, it is impossible to understand how there is the slightest benefit or the slightest regard to the interests of these small consumers that my learned friend adverted to.

He says it is an advantage to the small consumer because he now knows exactly what he is going to have to pay. Well, that reminds one of the answer which your lordship may recall, Mr. Atkinson made when my learned friend pointed out to him the advantage that this uniformity of price gave to the consumer. 'Certainly,' he says, 'it posess the merit of being uniform.' Now, what earthly advantage is it to the small consumer to know that he is going to have to pay a price which to him seems extortionate ? The maximum price is not fixed ; there is no certainty about it except this certainty that there won't be relief from the pressure. There is this certainty, that it cannot go below \$2.75 per 100 pounds for the ream paper. There is no knowing how hard around the wheel may be turned and how much may be extracted from the unfortunate consumer. The price may go up to any limit the manufacturer chooses to place upon it. He commits no infraction of his obligations to his fellow-manufacturers because he may add on to the price. The moment he goes below he subjects himself to a penalty. So that this price does not possess even the virtues my



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learned friend claims for it ; it does not possess any of the virtues of uniformity. It may be uniformly heavy, but it does not possess even the merit of certainty.

Then my learned friend says the profit his clients make is not inordinate because witnesses on our part have said that they would not regard a profit of 20 per cent or even 50 per cent as too great. I presume my learned friend was having in mind when he spoke, the testimony given him on cross-examination by Mr. Dingman. Mr. Preston and Mr. Dingman are the only witnesses whom I recall that gave such information to my learned friend. Your lordship will find Mr. Dingman's evidence in that respect on pages 52-53 of the report. My learned friend asks him if he is carrying on a jobbing business.—A. Yes.

Mr. Dingman is, your lordship will recall, the proprietor of a newspaper in Stratford, doing a general business.

‘Q. What advance on cost do you figure generally in making your estimates ?—A. It varies. Generally in estimating a job, I usually add 50 per cent to the job cost ; the 50 per cent including profit and share of the general expenses of maintaining the business, office expenses, &c.’

There is where my learned friend gets his 50 per cent, but the witness immediately says : ‘I might say this basis I speak of is in regard to small jobs of a few dollars at a time.’ A very different thing from a regular business of a manufacturer extending continuously during twelve months. The small job, the odd job that comes into the printing office, that comes in to-day and may not come in again for a week or a fortnight, the printer adds to the general cost of that job 50 per cent, and does not deem it at all an extravagant profit. Speaking of such small periodical odd job, he says he would not regard 50 per cent too much, but to say that this profit is an ordinary profit for the manufacturer upon his whole year's business, upon an investment of hundreds of thousands of dollars capital is something very much different, very much opposed, I venture to say, to the idea of any witness who has spoken.

Then my learned friend asked your lordship's consideration of the results that might flow to his clients or to the country generally from the report, in answer to the questions propounded by this commission, adverse to the interests of those whom he represents. My learned friend urged upon your lordship considerations of whether the removal of the tariff duty, which now exists upon the import of this commodity into the country, would be in the general interests or not.

I submit that this is a consideration altogether foreign to the inquiry here. Your lordship, as I understand it, is asked to report to the House the facts in regards to this matter ; to say whether it has been established that a combination does exist, to say consequently whether it has been shown that that combination which admittedly does exist, has had for its purpose or for its effect undue increasing of prices, or undue advantage to the manufacturer at the expense of the consumer.

Surely it is for parliament to consider the whole question of whether or not the duty which has been imposed is one that is no longer necessary.

No doubt, it stands on the face of the inquiry, that if there had been, by reason of this association, an undue enhancement of the price, the extent to which that enhancement is attributable, and the unnecessary imposition of the duty is one that is unduly to the advantage of the consumer. And even though your lordship should report, as I submit, upon the evidence, the effects as justified, it will be entirely in the hands of parliament to diminish or increase the duty as it may see fit, and the price which will obtain in that regard will be solely, as we think, for parliament to decide.

Now, it is not surely any question of decision here or for consideration here of the amount of capital that may be invested or the amount of men that might be affected by the interference with the duty that is now imposed on this commodity. That raises a wide question, an old question of free trade and protection, the whole subject of whether the interests of the manufacturer or the interests of the consumer ought to be regarded, and that surely is a question of politics, for the statesmen of the country to decide. I might say thousands of men are dependent on the printing business for their

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livelihood. If I took and estimated the number of men who are engaged in the production of these newspapers, daily or weekly, I venture to think that an equally large proportion of our newspapers might be found interested in the question of whether or not the price of this commodity to the newspaper was to be increased or diminished.

But surely these are not considerations to be determined here. These are entirely for weighing in another place. Those are but in fact the time honoured considerations which rest on one side or the other of the large question of free trade, or the necessity for protection to what are called 'the infant industries of the country.'

I do not discuss these questions at all. I have nothing more to say on the general effect, in which my learned friend ventured to travel out of the record when he spoke of a recent large failure in New Brunswick of a sulphite pulp manufacturer. Of course no evidence is in the record before the court of that. No doubt, all of us read the newspapers, and we see these things as we do other things. It would be equally appropriate, if I would refer your lordship to the paper and show you a large dividend declared by companies we are familiar with, whose names were mentioned frequently since this inquiry began. Whether or not some companies have been unfortunate and have failed does not certainly concern this investigation. I refrain from referring to these subjects because we have no evidence about them.

The danger of considering such matters is well illustrated by the evidence regarding the Consolidated Pulp Company, which failed shortly before this inquiry began, simply because it was endeavouring to do \$100,000 worth of business on \$12,000 of capital, failing not at all by reason of any lack of price for its commodities, failing simply and entirely, because it had not the necessary credit or the necessary capital on which to do business. The same reasons exactly may have existed for anything we know as the cause of the failure my learned friend alluded to, and I simply content myself in regard to it by saying : 'There is no evidence about it one way or the other.'

THE COMMISSIONER.—Before closing this important inquiry, I have to thank the learned counsel engaged in this case for the able, courteous and satisfactory assistance they have given me in the performance of my duty on this commission.

The parties have now the right to expect an early report from the government and this report will be sent as shortly as possible after the inspection of the voluminous evidence in this case ; and I expect to be able to forward my report the early part of September.

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## COPY OF EXHIBITS FILED.

## EXHIBIT P. 1.

THE E. B. EDDY COMPANY, LIMITED.

HULL, CANADA, 5 March, 1900.

Messrs. The *Journal* Printing Co., Ottawa,—

DEAR SIRs,—Inclosed please find specifications for paper shipped you on the 20th ult., and the 3rd instant amounting to 5,006 and 4,964 lbs. for which we will send you invoice so soon as the price and terms fixed upon by The Canadian Paper Makers' Association have been advised to us for this paper product, but you may be sure that not only will you have as low prices, but the best attention, as prompt delivery and the most favorable terms and discounts going, for we are in this, as in all other matters, always with pleasure at your service, and only regret that you did not take advantage of the opportunity offered on a rising market by contracting for your requirements over the year with

Yours truly,

THE E. B. EDDY COMPANY, LIMITED,

By W. H. Rowley.

## EXHIBIT P. 2.

THE E. B. EDDY COMPANY, LIMITED.

HULL, CANADA, 10 March, 1900.

Messrs. The *Journal* Printing Co., Ottawa,—

DEAR SIRs,—Inclosed please find invoice and specifications for shipment of roll news to you under date of 28th February, 3rd, 6th and 9th inst., weighing in all 18,780 lbs., which, subject if you please to the approval of and confirmation by the Paper Makers' Association of Canada, or otherwise to necessary alteration and advance in price, we have invoiced at \$2.50, and beg leave to say that as the uniform quantity price for roll news as fixed by the C.P.M.A. is:—

\$2.50 for carloads ;

\$2.75 for 2 ton and up lots ;

\$3.00 for less than 2 ton lots ;

With an advance of 25c per 100 for similar quantities of ream news and a further advance or extra charge for frames on any framed news, we have invoiced you this lot at the min. price in effect for the maximum quantity, and if you please to confirmation of our action in this connection on your behalf as stated above; and have to add, that if you are inclined to do so, we are ready to enter into a contract with you at current prices although the market is steadily advancing, for your requirements over the year 1900, and to say that if you will name a day and hour when we may call upon you, we will with pleasure do so, meanwhile remaining,

Yours truly,

THE E. B. EDDY COMPANY, LIMITED.

By W. H. Rowley.

P.S.—This will serve to confirm the conversation had with you and to acknowledge your letter of the 7th.

W. H. R.

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## EXHIBIT P. 3.

THE E. B. EDDY COMPANY, LIMITED,  
HULL, CANADA, 13 March, 1900.

Messrs. The *Journal* Printing Co., Ottawa,—

DEAR SIRS,—Answering your favour of the 12th inst., unless and until you hear from us to the contrary we are willing to continue to deliver paper to you as at present at the present carload price of \$2.50 per 100 lbs. on the distinct understanding which we beg leave here to reiterate that if the Canadian Paper Makers' Association rules contrary to this you will take the paper from us in carload lots to obtain the carload price, or in 2 ton and up lots to obtain the 2 ton and up price, or in smaller quantities at the then 2 ton price, your quantity wish shall be our pleasure in the matter.

If you wish to make a contract now for the next six months—say to 1st Sept., 1900, at \$2.50 less 3 per cent, 30 days, we will conclude such at once subject to Canadian Paper Makers' Association ruling as above and at the end of the six months review and revise the contract and give you benefit of any decline that may rule or charge you any advance that may then be in order.

Yours truly,  
THE E. B. EDDY COMPANY, LIMITED.  
By W. H. Rowley.

## EXHIBIT P. 4.

In consideration of one dollar to us paid by the members of the Paper Makers' Association of Canada, we hereby become members of the said Association, and agree to maintain the prices, terms and conditions of the said Association, as per agreement forming the same, dated February 21st, 1900, or as the same may have been or may in the future be altered from time to time by resolution of the Association, as fully and entirely as if we had been one of the original parties thereto.

Witness our hand and seal this twenty-sixth day of March, 1900.

(Signed) THE CONSOLIDATED PULP AND PAPER CO. LIMITED,

JOHN M. POOLE, *President*.

Witness:

(Signed) R. J. Dilworth.

In consideration of one dollar to us paid by the members of the Paper Makers' Association of Canada, we agree to become members of the said Association, to maintain the prices, terms and conditions of the said Association, as per agreement forming the same, dated 21st February, 1900, or as the same may have been or may in the future be altered from time to time by resolution of the association, as fully and entirely as if we had been one of the original parties thereto.

Any member retiring from this Association, under the provision of the agreement, shall be entitled to receive back his deposit if he is in good standing.

Witness our hand and seal this twenty-sixth day of March, 1900.

(Signed) ST. CROIX PAPER CO., LIMITED,

H. McC. HART, *Manager*.

Witness,

(Signed) F. A. Young.



## SESSIONAL PAPER No. 53

THIS AGREEMENT made this 21st day of February, one thousand nine hundred

Between

1. W. Barber & Brothers, of the town of Georgetown.
2. Alex. Buntin & Son, of the town of Valleyfield.
3. The Canada Paper Company, Limited, of the city of Montreal.
4. The Dominion Paper Company, of the city of Montreal.
5. The E. B. Eddy Company, Limited, of the city of Hull.
6. John Fisher & Sons, of the town of Dundas.
7. J. Ford & Company, of Portneuf.
8. S. A. Lazier & Sons, of the city of Belleville.
9. The Laurentide Pulp Company, Limited, of Grand Mere.
10. The Lincoln Paper Mills Company, of the town of Merriton.
11. Alexander McArthur & Company, of the city of Montreal.
12. Miller Brothers & Company, of the city of Montreal.
13. The Northumberland Paper and Electric Company, Limited, of the town of Campbellford.
14. The Ottawa Paper Company, of the city of Ottawa.
15. The Riordon Paper Mills Company, of the town of Merriton.
16. The Royal Paper Mills Company, of East Angus.
17. Reid, Craig & Company, of the city of Quebec.
18. The Rolland Paper Company, of the city of Montreal.
19. J. Stutt & Son, of West Flamboro.
20. The St. Croix Pulp and Paper Company, of the city of Halifax.
21. The Toronto Paper Manufacturing Company, of the town of Cornwall.
22. The Trent River Company, of Frankford.
23. C. W. Thompson, of the town of Newburgh.
24. The Thomson Paper Company, of the Town of Newburgh.
25. Taylor Brothers, of the city of Toronto.
26. J. C. Wilson & Company, of the city of Montreal.

## WITNESSETH :

1. That the said parties do hereby form themselves into an association, to be called and known as 'The Paper Makers' Association of Canada.'

2. The object of the said Association shall be the promotion of friendly business relations between the manufacturers, their agents, and the trade generally; also for the regulation and maintenance of fair prices of paper, and for conference and mutual aid, with reference to purchase of supplies and the like.

This agreement embraces all sales in the Dominion of Canada and Newfoundland, but does not embrace papers exported out of the Dominion of Canada, with the exception of Newfoundland.

3. This agreement is entered into until dissolved by mutual consent, but any of the parties hereto shall have the right to retire therefrom on giving three months' previous notice in writing to the Secretary-Treasurer of their intention so to do.

4. The officers of the Association shall be a President, first and second Vice-President, and Messrs. Jenkins & Hardy, of Toronto, accountants, as secretary-treasurer, all of whom have been elected by the parties here to serve until the next annual meeting, or until their successors are appointed.

5. The duties of the President shall be to preside at the annual and other meetings of the Association, and generally to perform the ordinary duties of President or Chairman of such an Association.

The Vice-Presidents, in order, shall perform the duties of the President in his absence.

The secretary-treasurer shall have charge of all books, papers and records of the said Association. He shall also collect and receive all moneys due or payable to the

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Association, which said moneys shall be deposited in a good chartered bank at the City of Toronto to the credit of the association. The secretary-treasurer shall make all payments required for the purposes of the said association out of the funds of the same. He shall keep the necessary books of account for the purposes of the said association. He shall have the right to call a meeting of association at any time, and shall also take the minutes of the meetings of the said association, and shall record the same in a minute book, and shall give all notices and sign all papers and documents required for the purposes of said association, and shall generally perform all the duties of such secretary-treasurer. He shall advise simultaneously, by wire or post, as directed by the Association, all members of the Association, all resident or other agents of members of the Association, and, as far as possible, all travellers, of any changes in the Association prices and terms.

6. The regular quarterly meetings of the Association shall be held in the City of Toronto within the first ten days of June, in the City of Ottawa within the first ten days of December, and in the City of Montreal within the first ten days of March and September, during the continuance of this agreement. The annual meeting shall be held within the first ten days of June in each year.

Special meetings of the said association shall be held at any time at the place mentioned in the notice thereof, upon a requisition signed by four members of the Association. The secretary-treasurer (upon such requisition) shall give to each member of the said Association at least three clear days' notice of the said meeting, which said notice shall set forth the date, place and hour of such meeting, and the nature of the business to be transacted thereat. No other business shall be transacted at such special meeting than that stated in the notice calling the same, unless with the consent of all the members of the Association.

A committee meeting shall be held upon the requisition signed by one member of the Association.

All notices of meetings shall be given by registered letter to the address of the respective members, or by telegraphic message, at the discretion of the Secretary-Treasurer.

A corporation member of said Association may be represented by one, or two, or three of its Directors, or by any duly appointed agent, but it shall only be entitled to one vote. Any member (other than a corporation member) may also be represented by any one, two or three duly appointed agents, but he shall only be entitled to one vote. Resident agents or travellers shall not be appointed agents under this clause.

A majority of the members of the Association or committee shall constitute a quorum.

Any resolution adopted at any meeting of the Association by a majority of the members then present shall be binding upon all the parties hereto.

7. Each of the members shall be entitled to attend all meetings and to vote thereat, either personally or by proxy, appointed as provided for in clause 6 of this agreement.

8. The said parties hereto do each hereby (but so far only as relates to the acts or defaults of themselves or those for whom they are respectively responsible) covenant and agree with the other parties hereto as follows:

(a) That they, the covenantors, shall be responsible for the acts defaults of and breaches of the provisions of this agreement by the respective agents, travellers and employees of the parties hereto, and the agents, travellers and employees of the respective agents of the parties hereto.

(b) That they, the covenantors, and the agents and others for whom they are respectively responsible, will conform to and abide by any resolution adopted under the provisions of article 6 hereof.

(c) That they, the covenantors, and the agents and others for whom they are respectively responsible, will not quote, accept or book orders for, offer or agree to sell, or sell the goods covered by the agreement at lower prices or on better terms and conditions than those fixed by the schedule of prices annexed to this agreement or fixed by

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any schedule of prices which may be adopted by resolution of the association under article 6, in substitution for all or any of the said schedule hereunto annexed.

(d) And that they, the covenantors, and the agents and others for whom they are respectively responsible, will not aid, abet, counsel, advise, or procure any purchaser or purchasers, or intending purchaser or purchasers, to evade, elude, escape from, or get round the provisions of this agreement, by suggestions of the consolidation of the orders of two or more purchasers, or in any way whatsoever..

(e) That they, the covenantors, and the agents and others for whom they are respectively responsible, shall not, on any pretext consign goods covered by this agreement, nor allow nor pay any commission to any person whomsoever, except to a bona fide agent (who shall in no case be a dealer in the goods covered by this agreement, or the employee of any such dealer) whose name has been previously declared to the Secretary-Treasurer, nor sell nor invoice goods covered by this agreement except in the name of the manufacturer, or, if bought by a member of the Association from some other manufacturer for the purpose of being re-sold, then in the name of the member so re-selling the same.

(f) That they, the covenantors, and the agents and others for whom they are respectively responsible, shall not (except as authorized by resolution of the Association) either directly or indirectly resort or have recourse to any scheme or subterfuge whatsoever (such as the giving of presents, or the giving or allowing of rebates on goods previously sold, or the allowance of discounts on or deduction from, or reductions in the price of other goods, or the giving or promising of any kind of benefit or advantage whatsoever, or otherwise) as an inducement or aid, or which may operate as an inducement or aid, in the making of present or future sales of goods.

(g) That they, the covenantors, and the agents and others for whom they are respectively responsible, will not directly or indirectly advise or notify their respective agents, travellers, employees, customers, or other persons whomsoever, of the calling or holding of any special meeting of the Association, or of any anticipated fall or rise of prices thereat, or at any other meeting of the Association, and further, will not sell goods subject to a decline in price, and also will not sell goods to be delivered more than ninety days after the day the order for the same is taken, but any goods not shipped within the ninety days above named, after the order for the same is taken, shall only be shipped subject to, and shall be invoiced at, the price ruling at the date of shipment, with the exception of contracts for news print or periodical publications, for which contracts may be taken for longer period than ninety days.

(h) That they, the covenantors, will allow the Secretary-Treasurer at all times access to their books of account, papers and correspondence, to enable him to verify any statement made by any of the parties hereto, or to investigate any accusation made against them respectively, and the agents and others for whom they are respectively responsible.

And the parties hereto do hereby severally promise, bind and oblige themselves, each in the penal sum of five hundred dollars, towards the others of them, to strictly adhere to, observe and fulfil all the above agreements and obligations, and all rules, regulations, prices and discounts which may from time to time be resolved on, or adopted by the Association. And they further severally bind themselves to pay all penalties that may be imposed upon them under this agreement for any breach or violation of the same by themselves or their agents, or other persons for whom they are respectively responsible.

And to secure the payment of all such penalties when incurred, each of the parties hereto shall forthwith deliver to the Secretary-Treasurer an accepted cheque for the sum of five hundred dollars, to be deposited by the Secretary-Treasurer to the credit of the Association in the bank aforesaid. And the interest on all moneys deposited under this clause shall be accounted for to the members respectively, who shall have delivered such moneys to the Secretary-Treasurer, as aforesaid, and such interest is to be placed to their credit in the books of the Association.



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9. On or before the fifteenth day of each month each of the parties hereto, and their respective book-keepers, and each traveller and each agent whose name has been declared to the Secretary-Treasurer, and the traveller of each agent (all of whose names must be declared to him forthwith) shall send to the Secretary-Treasurer a solemn declaration in the form 'A' hereto annexed, that he has not, directly or indirectly, broken or violated, or permitted to be broken or violated, the terms of this agreement, and is not aware of any such breach or violation. Any member failing or neglecting to send such declaration to the Secretary-Treasurer on or before the said fifteenth day of each month, shall *ipso facto* become liable to a penalty of five dollars per day for each and every day such default continues. And a like penalty shall be exacted from such member for each statement to be made by his book-keeper, traveller or agent, or by the book-keepers or traveller of his agent or agents, which such book-keeper, traveller or agent may fail or neglect to make, for each and every day such default continues. And the Secretary-Treasurer shall have the right to charge the amount of every such penalty so incurred by any such member against the amount in the hands of the Association at the credit of such member.

10. On or before the fifteenth day of each month, each member shall send to the Secretary-Treasurer of the Association a statement in the form 'B' hereto annexed, which shall contain a summary of all sales made by and for such member for the previous calendar month, and to be accompanied by a solemn declaration of such member, And any member failing or neglecting to send such statement on or before the said fifteenth day of each month shall *ipso facto* be liable, and he hereby binds and obliges himself to pay a penalty of five dollars per day for each and every day such default continues. And the Secretary-Treasurer shall have the right to charge the amount of any such penalty against the amount standing at the credit of such member in the hands of the Association.

11. The Secretary-Treasurer shall have the right to verify any statements made by the members of the said Association, by making such other inquiries as he may deem necessary, but the Secretary-Treasurer shall not make known to any one any part of the information which he may have so obtained, except when such member shall be found to have broken or violated this agreement, in which case the Secretary-Treasurer shall communicate to the Association at a meeting duly called, such details and particulars of such breach or violation as may be necessary, and the refusal of any member to allow the Secretary-Treasurer to examine his books and other papers relative to any matter covered by this agreement, shall be considered a breach or violation of this agreement, and shall subject such member to a penalty of not less than fifty dollars or more than five hundred dollars.

If any complaint be made of the breach or violation of this agreement by any member, or his agents, employees or travellers, for the investigation of which it may be necessary to check the goods in the factory, or stores, or on the premises of such member, the Secretary-Treasurer shall have the right to place one or more agents in the manufactory of such member, to investigate such company and check the goods and effects therein, so far as may be necessary for the information of the Secretary-Treasurer, and to enable him to judge whether or no the provisions of this agreement are being faithfully performed, and to pay such agent or agents out of the funds in his hands belonging to the Association.

12. If any member, or his agents, or his or their agents, employees or travellers, shall be reported to the Secretary-Treasurer as having broken or violated any of the provisions of this agreement (the report giving particulars of such breach or violation so as to enable the Secretary-Treasurer to investigate the same), or if the Secretary-Treasurer shall discover any breach or violation or supposed violation thereof, the Secretary-Treasurer shall notify such member of such breach or violation, giving him particulars of same, and such accused member, on being so notified, shall furnish to the Secretary-Treasurer, within fifteen days thereafter, all evidence within his power, or under his control, that he has not, nor have such agents, employees or travellers, broken



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or violated any of such provisions, and the Secretary-Treasurer shall fully investigate the matter, taking and acting upon such evidence as he sees fit, and if he is not perfectly convinced that no violation has been made, he may further call upon the accused member, as well as any of his salesmen, agents or clerks that he may indicate, to make affidavit or declaration in his presence, or in the presence of his duly authorized agent, and before a recognized notary public or justice of the peace in the province of Quebec, and a commissioner or justice of the peace in any other province of the Dominion, to be selected by the Secretary-Treasurer, that the charges are false and incorrect. The failure on the part of the member or any of his employees to make such affidavit or declaration forthwith when requested to do so by the Secretary-Treasurer shall be considered as proof positive that the agreement has been violated; and further, if in his opinion the member complained of has, or any of such agents, employees or travellers have, broken or violated this agreement, as charged against him or them, the Secretary-Treasurer shall declare and decide the same in writing, over his own signature, giving particulars of such breach or violation, and shall in such writing fine the accused member not less than fifty dollars and not more than five hundred dollars, at the discretion of the Secretary-Treasurer, for such breach or violation, and shall deliver a copy of such writing to the accused member, and such member shall thereupon be held to have incurred the penalty mentioned in such decision.

Provided that any member upon whom such penalty has been imposed shall have the right to appeal within ten days to the Association from the decision of the Secretary-Treasurer.

Provided always that any member not appealing to the Association within the time aforesaid, shall be held *ipso facto* to have incurred the said penalty.

Provided also that in the event of the Secretary-Treasurer's discovering what in his opinion is only a clerical error in any invoice sent out by any of the parties hereto, he shall not enforce the penalty, but shall report the matter at the next quarterly meeting, when it shall be adjudicated upon.

13. As soon as any penalty has been established against any member as provided for in the preceding section, such penalty shall be charged by the secretary-treasurer against the sum of five hundred dollars deposited by such member and in the hands of the Association, and the Secretary-Treasurer is hereby specially authorized by each of the members, parties to this agreement, to charge against such sum as may be at the credit of such member, the amount or amounts of the penalty or penalties which may be imposed upon such member under the provisions herein contained.

14. Should the amount at the credit of any member of the said Association at any time be reduced or become less than the said sum of five hundred dollars, by reason of any penalty having been imposed on such member or otherwise, the Secretary-Treasurer shall at once notify such member of the said reduction and the amount thereof, and the said member shall forthwith pay and he hereby binds and obliges himself to pay to the Secretary-Treasurer a sufficient sum to make up the amount in the hands of the Association to the sum of five hundred dollars. Any member who within ten days after the mailing to him of such notices by the Secretary-Treasurer, shall not make up his deposit to five hundred dollars as aforesaid, shall pay a penalty of five dollars per day for each day during which he shall be in default so to make up the said amount, all of which penalty shall be paid to the credit of the Association from the funds in the hands of the Association to the credit of such member, and such member shall be considered as not in good standing.

15. All or any penalties imposed on any member as aforesaid shall be charged by the Secretary-Treasurer against the amount at the credit of such member as aforesaid, and shall be divided quarterly, by the Secretary-Treasurer, amongst the other members of the said Association in good standing, except such member.

16. And the undersigned members of this Association enter into this agreement in honour bound to fulfil its conditions, irrespective of any legal question or technicality.

17. The Secretary-Treasurer of the Association shall, in addition to the other duties hereinbefore assigned to him, be generally the manager and superintendent of the said

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Association, and it shall be his duty to see that all statements and returns required by this agreement to be made by the members of said Association and others, are duly made, and in the event of any member or other persons deviating from the provisions of this agreement the Secretary-Treasurer shall forthwith impose the penalty hereinbefore provided for any such infraction of the said provisions or rules, and his decision in the case of any such infraction of the said rules or provisions of this agreement shall be final and without appeal. He shall make the division of the penalties among the members according to article 15, and shall render an account of the business at the end of the year.

The salary of the Secretary-Treasurer is hereby fixed at the rate of dollars per annum, to include both hotel and travelling expenses, payable quarterly by the members hereto in proportion to the value of goods sold by each. His engagement shall terminate on the dissolution of the Association, he being paid *pro rata* to the date of dissolution.

And the parties to this agreement do hereby severally promise, covenant and agree with the said secretary-treasurer, to hold him absolutely indemnified and harmless in respect of any moneys paid out by him by way of settlement or division of any penalties or forfeitures that may be exacted under this agreement.

In witness whereof the parties hereto have hereunto set their hands and seals the day, month and year first above written.

Signed, sealed and delivered in presence of

(Sgd.) S. J. FRAME, as to signature of  
WM. BARBER & BROS.

(Sgd.) J. HARDY, as to this signature.

WM. BARBER & BROS.

ALEX. BUNTIN & SONS,

Per GEO. M. TOY.

CANADA PAPER COMPANY, LIMITED.

JOHN MACFARLANE, President.

DOMINION PAPER COMPANY,

W. CURRIE, President.

THE E. B. EDDY COMPANY, LIMITED.

Per E. B. EDDY, President.

JOHN FISHER & SON.

JOSEPH FORD & CO.

LAURENTIDE PULP CO., LIMITED.,

RUSSELL A. ALGER, Jr., Secretary-Treasurer.

THE LINCOLN PAPER MILLS CO., LIMITED

Per W. D. WOODRUFF

ALEX. McARTHUR & CO.

THE MILLER BROS. CO., LIMITED.

Per W. T. MILLER, President.

THE RIORDON PAPER MILLS CO., LIMITED,

Per GEO. E. CHALLAS.

THE ROYAL PAPER MILLS CO., LIMITED,

F. P. BUCK, President.

THE ROLLAND PAPER CO.,

Per S. J. B. ROLLAND.

JAMES STUTT & SON.

C. W. THOMPSON.

TAYLOR BROS.

J. C. WILSON & CO.

THE PAPER MAKERS' ASSOCIATION OF CANADA.

Signed and declared before me }  
at this }  
day of A.D., 19 }

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## EXHIBIT P. 5.

GEORGETOWN, December 1, 1900.

T. H. PRESTON, Esq.,  
Brantford.

DEAR SIR,—We have your favor of the 30th, asking for quotations on 100 tons news in rolls, and in sheets delivered in Brantford.

We quote you for rolls  $2\frac{1}{2}$  cents, and for sheets  $2\frac{3}{4}$  cents. Terms 3 months or 3 per cent cash 30 days.

Yours truly,

WM. BARBER &amp; BROS.

## EXHIBIT P. 6.

TORONTO, Dec. 1, 1900.

THE EXPOSITOR,  
Brantford.

GENTLEMEN,—In reply to your letter of yesterday, asking us to quote a price on a hundred tons of our news in rolls and also in sheets, we will furnish you with the amount required, in carload lots, as desired, freight paid, as follows:—

Rolls, \$2.50 per hundred pounds.

Sheets, \$2.75 per hundred pounds.

We are placing a new set of calendars in our mills which will shortly be in working order, when we will turn out a very fine news.

We shall be very glad to receive your order and will give it our best attention. We could have our representative see you, if advisable.

Yours truly,

THE CONSOLIDATED PULP AND PAPER COMPANY OF TORONTO,  
LIMITED,

W. C. MACKAY,  
*Secretary.*

## EXHIBIT P. 7.

TORONTO, Dec. 1, 1900.

Mr. T. H. PRESTON,  
Brantford.

DEAR SIR,—Replying to your inquiry of November 30, we beg to quote you news paper in sheets  $2\frac{3}{4}$  cents per pound, carload shipments, rolls  $2\frac{1}{2}$  cents per pound, carload shipments, 3 per cent 30 days or three months. We hope to be favoured with a continuance of your orders and will do our best to give you a satisfactory paper and to give your business careful attention. As you know we have been greatly pressed during the past year and it has been impossible to avoid causing our customers a little anxiety regarding their supply. Increased facilities, however, and a somewhat in-



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creased supply will remove the acute pressure and we shall, we think, be able to give you the best of service.

Hoping to be favoured with a continuance of your orders during the coming year, we are

Yours truly,

THE CANADA PAPER CO., LTD.,

F. J. CAMPBELL,

*Manager.*

### EXHIBIT P. 8.

HULL, CANADA, 5th December, 1900.

THE EXPOSITOR,

Brantford, Ont.

DEAR SIRs,—Answering the obliging inquiry in your favour of the 30th November, the uniform prices on news paper in carload lots, freight paid or allowed to Brantford, are

Rolls.....	\$2.50
Reams.....	2.75

We shall hope to be favoured with your order for your requirements, as we shall be ready to ship in a short time now.

We have instructed our Mr. McLean to call and see you as soon as possible.

Yours truly,

THE E. B. EDDY COMPANY, LTD.,

By W. H. ROWLEY.

### EXHIBIT P. 9.

MERRITTON, ONT., January 9, 1901.

THE EXPOSITOR,

Brantford, Ontario.

DEAR SIRs,—We are in receipt of your kind favour of the 8th inst., advising us that you will let your contract for news on or about the 22nd inst. Our Mr. Riordon will be at the mill Saturday or Monday, and if we can possibly make you any special inducement to give us your contract we will be pleased to do so, but may frankly say that we have already booked contracts for the year 1901 for nearly, if not quite, our full production, and we cannot see our way clear at present to name any lower figure than that quoted by Mr. Challes, namely \$2.75 per 100 pounds in car lots for sheets, terms 3 months or 3 per cent 30 days. However, we will write you finally early next week, or if Mr. Challes can go down to see you we will send him, as we very much desire to do business with you, being the nearest mill to Brantford.

Yours truly,

THE RIORDON PAPER MILLS, LTD.,

T. J. STEVENSON.

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**EXHIBIT P. 10.**

TORONTO, ONT., 11th May, 1901.

MR. T. H. PRESTON,  
Brantford, Ontario.

DEAR SIR,—Regarding your contract for news, we are pleased to say that we shall be able to make you a reduction on the car now on order, making the price 2½ cents per pound, usual terms and conditions.

Trusting this will not be unappreciated, we are

Yours truly,

CANADA PAPER COMPANY, LTD.,

F. J. CAMPBELL,  
*Manager.*

**EXHIBIT P. 11.**

MERRITTON, ONT., August 22, 1900.

MESSRS. STRATFORD HERALD PRINTING Co.,  
Stratford, Ont.

DEAR SIR,—Your favour of 20th instant is received.

We enter your esteemed order and will ship in good time to arrive safely before September 8. In regard to freights, we find Stratford is not a delivery point, and apparently the nearest delivery point is London. We have therefore allowed you the freight on the basis of f.o.b. cars London. This is what all the mills are doing and we cannot do otherwise. We will, however, make the contract price \$2.75 f.o.b. cars Merritton in car lots, or \$3 less than car lots and deduct the freight on the basis of London delivery, as per last invoice.

We are about to inquire whether Georgetown would be nearer as a freight basis and will advise accordingly.

As regards draft, kindly accept same as we cannot make any alteration from the three months' terms, and as it has gone forward will thank you to accept it.

Yours truly,

THE RIORDON PAPER MILLS, LTD.,

T. J. STEVENSON.

**EXHIBIT P. 12.**

CHICAGO, March 28th, 1901.

STRATFORD HERALD PRINTING Co.,  
Stratford, Canada.

GENTLEMEN,—Replying to your favour of the 26th inst., would say that we have forwarded your letter to our Mr. Barr, who may be able to call on you before he returns.

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In regard to price on print paper in carload lots would say that we could quote you on paper to weigh 24 x 36—28 lbs. to the ream and heavier, either in rolls or in sheets, \$2.10 per cwt., f.o.b. mill, Anderson, Ind. Terms as usual. We do not think the rate would be more than 20c per cwt., and we do not know what the duty would be.

We are not working with any combination of any kind, and we would be very glad to help you in any way we could to buy paper at a lower price than you can get it from the Canadian mills.

Yours truly,

BRADNER SMITH & CO.

## EXHIBIT P. 13.

## INLAND DAILY PRESS ASSOCIATION,

MICHIGAN CITY, IND., March 18, 1901.

W. S. DINGMAN,  
Stratford, Canada.

DEAR SIR,—Absence from home prevented my answering your letter at an earlier date.

I enclose you copy of contract which our Association has recently made, making us a saving of from 25 to 40 cents per 100 over what we were paying previously.

The Cliff Paper Co., Niagara Falls, gave about the same quotations for paper on cars at Niagara Falls, as we are now paying.

The proceedings of our meetings are not published, members being required to attend meetings in order to get the benefits thereof.

If the information herein contained is of any benefit to you, you are very welcome to same.

Very respectfully,

IRA S. CARPENTER,  
Secretary I. D. P. A.

## CONTRACT WITH BRADNER SMITH &amp; CO., FOR PRINT PAPER.

OFFICE OF BRADNER SMITH & CO., PAPER MAKERS,  
CHICAGO, December 11, 1900.

We hereby agree to furnish the members of the Inland Daily Press Association their supply of print paper for the ensuing year, 1901, at the rate of \$2.18 per cwt., f.o.b. cars Menasha, Wisconsin. Terms 3 per cent in 30 days, or 60 days net.

In case of a general decline in the market, we agree to meet it. We reserve the right, should the market decline below the price we can afford to handle this contract, that we may cancel same.

The paper is superior to the so-called No. 2 news, and the same as sample submitted to the executive committee.

BRADNER SMITH & CO.,  
T. F. RICE, V. P.

The following resolution in regard to the above proposition was unanimously adopted:

Moved by O. Scott, *Herald*, Decatur, Ill., that the members of the Inland Daily Press Association hereby accept the above proposition.

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## EXHIBIT P. 14.

NIAGARA FALLS, N.Y., March 27, 1901.

THE STRATFORD HERALD PRINTING COMPANY,  
Stratford, Ont.

GENTLEMEN,—We have yours of the 26th and would say that a carload of paper by our railroad classification is 30,000 pounds. We can name you a special price on this of 2½c. f.o.b. cars this city, less 3 per cent cash. We imagine, however, from the duty, that this would make it higher than you could get it for at home and 2½c. is lower than we are securing here as we usually make a lower price for export business.

Yours very truly,

CLIFF PAPER COMPANY.

## EXHIBIT P. 15.

TORONTO, ONT., 23rd May, 1901.

W. S. DINGMAN, Esq.,  
Herald Printing Co.,  
Stratford, Ont.

DEAR SIR,—We beg to thank you for yours of 22nd inst. We might say the writer has always opposed the present freight arrangement, but the solons who control matters, not being so closely in touch with the trade, did not see it in quite the same way. We think, however, that they are now coming to our way of thinking, and shall write you further in the course of a few days.

Yours truly,

CANADA PAPER CO., LIMITED,

F. J. Campbell, Manager.

## EXHIBIT P. 16.

CHATHAM, ONT., March 22nd, 1900.

MESSRS. JENKINS & HARDY,  
Mgrs. Canada Paper Association,  
Toronto.

DEAR SIR,—I am much surprised to find in the arrangements of your petitions of delivery of paper, Chatham should have been omitted, when such points as Sarnia and Windsor have been allowed, when double the quantity of stock is consumed here each year than at either of the points mentioned.

I will be glad to know the reasons advanced (if any) why such a conclusion was arrived at, and cannot believe the Association is desirous of being a party to such a manifestly unjust act.

Yours truly,

S. STEPHENSON.



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## EXHIBIT P. 17.

TORONTO, March 22nd, 1900.

S. STEPHENSON, Esq.,  
*The Planet*,  
Chatham, Ont.

DEAR SIR,—

*Re* Paper Makers' Association of Canada.

We beg to acknowledge receipt of your favour of the 22nd instant, which we will lay before the Association at its next meeting, when the matter will have due attention.

Yours truly,

JENKINS & HARDY,  
Sec.-Treas.

## EXHIBIT P. 18.

MERRITTON, ONT., 10th July, 1900.

S. STEPHENSON, Esq.  
Chatham, Ont.

DEAR SIR,—Our recent quotation for print paper was for car lots. If in less than car lots price would be 3c. f.o.b. Windsor, terms 3 months or 3 per cent 30 days.

Trusting that our figures are acceptable, and to be favoured with your contract,

Yours truly,

THE RIORDON PAPER MILLS, LTD.

T. J. Stephenson.

## EXHIBIT P. 19.

CHATHAM, ONT., July 12th, 1900.

T. J. STEVENSON, Esq.,  
Riordon Paper Mills,  
Merritton.

DEAR SIR,—I am just going west, but upon my return will find your answer awaiting me.

You say f.o.b. Windsor. Please explain if this means that you will allow me the same freight as if it was billed to Windsor, and that the paper will be consigned to this point, and if so please give me an approximate on a car. I have offers at the same as you quote from travellers, but I have not discussed the matter with other parties up to the present.

Yours very truly,

S. STEPHENSON.

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## EXHIBIT P. 20.

CHATHAM, ONT., July 19th, 1900.

T. J. STEVENSON, Esq.,  
 Riordon Paper Mills,  
 Merritton.

DEAR SIR,—I would simply look upon such a discrimination as dishonest, and I can only express my amazement that the manufacturers of paper would be parties in such small-minded legislation. Individually, I can only assume that you opposed the enforcement of such a measure, and I have yet to meet a single representative of any paper mill in Canada who does not ridicule the motion, and say: "Our hands are tied."

I would rather lose double the amount than to know that I had to submit to such a ruling. However, I suppose I must submit to the inevitable, and await my time until the tables are turned.

Yours truly,

S. STEPHENSON.

## EXHIBIT P. 21.

THE RIORDON PAPER MILLS, LIMITED,

MERRITTON, ONT., July 20th, 1900.

S. STEPHENSON, Esq.,  
*The Planet*,  
 Chatham.

DEAR SIR,—Your favour 19th inst is received. We quite agree with you that there should be no discrimination in freight. Some time ago we applied to have Chatham put on the delivery list, only on your account, as we sell no one but yourself in Chatham. We are personally taking up this matter and hope to report success. In the meantime we are unfortunately not in a position to allow any different freight.

Yours truly,

T. J. STEVENSON.

## EXHIBIT P. 22.

THE RIORDON PAPER MILLS, LIMITED,

MERRITTON, ONT., 17th August, 1900.

S. STEPHENSON, Esq.  
 Chatham, Ont.

DEAR SIR,—We are in receipt of your favour of 16th inst. The oversight on our part was in failing to advise you that we could not fill your order by shipping it to Windsor. We took steps to learn if this could be done and not violate existing freight arrangements. We found we could not do so and apparently did not so advise you, as we fully intended doing.

We can sell you in no other way than invoiced and as we are trying to have Chatham made a delivery town, trust you will appreciate our position in the matter.

Yours truly,

T. J. STEVENSON.

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## EXHIBIT P. 23.

HULL, CANADA, November 22nd, 1898.

THE JOURNAL PRINTING Co., LIMITED,  
Ottawa, Ont.

DEAR SIRs;—This is to confirm the contract made between your good selves and us by your Mr. Robertson and our Mr. Hall this morning, whereby we sell and you agree to buy from us your full supply of No. 3 news in rolls for one year from this date (or if you prefer to the end of '99); we to take advertising space in *The Journal* to the extent and value of \$240 per year, that is \$20 per month, provided your purchases amount to 200 tons over the year. The two contracts, for paper and for space, to run concurrently.

If the foregoing is correct and acceptable to and accepted by you, please so advise us by return of mail when our advertising department will at once send you copy for advertisement to be inserted.

Yours truly,

THE E. B. EDDY COMPANY, LIMITED,

By W. H. ROWLEY.

## EXHIBIT P. 24.

OTTAWA, ONT., Feb. 22nd, 1900.

Mr. ALBERT E. HALL,  
The E. B. Eddy Co.,  
Hull, Que.

DEAR MR. HALL,—With reference to your request for an increase of 10 per cent in the price of our paper supply:—

The undersigned has gone over the matter carefully with our Mr. Ross, and we see no occasion, nor have we any desire to look elsewhere for our paper. You were to call the last of the month or the 1st of March for our reply. We hope that if your firm cannot do better by us you will at least retard for a time the putting of the price into effect. When you have put it into effect, if you will call upon us with any agreement which you desire to have us sign for the year's contract we will sign it.

We are, yours very truly,

THE JOURNAL PRINTING CO., LIMITED,

per C. N. ROBERTSON.

## EXHIBIT P. 25.

OTTAWA, ONT., March 7th, 1900.

MESSRS. THE E. B. EDDY Co.,  
Hull, Que.

DEAR SIRs,—We have your favour of March 5th, and in connection with the conversation had with you yesterday we beg to enclose our business manager's statement as to the view he took of the offer of your Mr. Hall on Feb. 14th to contract for our year's supply of paper at 10 per cent advance, *i.e.*, \$2.23.

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You will readily understand that had we not been perfectly sure that the order was open to acceptance until after March 1st, we would have closed at the time. We can understand your position when you assure us that your arrangement with the Canadian Paper Makers' Association does not admit of your making contracts except at their rates. We trust that the fact that we accepted your offer in good faith, and that had it not been for your arrangement with the Paper Makers' Association you would have carried it out, and adding to this your often-expressed desire to give us every assistance, will permit of your giving us this price with the sanction of the Paper Makers' Association, or at any rate a substantial reduction on the present rates. We trust you (and they on the presentation of the case to them) will take the matter under favourable consideration. In the meantime we understand that, pending reference to the Paper Makers' Association, we have the option of a contract for a year at \$2.50 per hundred, dating from March 1st, subject to your usual trade and cash discount.

We are, yours very truly,

THE JOURNAL PRINTING CO., LIMITED,

per P. D. Ross, *Man. Dir.*

### EXHIBIT P. 26.

OTTAWA, March 7, 1900.

Statement of the *Journal's* business manager to the E. B. Eddy Company.

DEAR SIRs,—On or about Feb. 14th your Mr. Hall called upon us and stated that since our contract had expired it would be necessary to increase the price which we were paying for paper. When asked what the increase would be he stated 10 per cent. Upon expressing the hope that the Eddy Co. would give us time to look into the matter and give our answer, he stated that there was no desire to be urgent, and when it was suggested that he should call in two weeks, being the last day of February or the 1st of March, he agreed to it.

On going over the matter with our managing director, we arrived at the conclusion that no advantage could be derived by looking elsewhere, and that the increase was not an unreasonable one. Adding to this our pleasant relations with the Eddy Co., we concluded to accept the offer, which we did on the 22nd February. Much to our surprise, however, we were informed that the offer of your Mr. Hall was made subject to immediate acceptance. Your Mr. Hall said absolutely nothing about immediate acceptance, but on the contrary agreed to call in two weeks. We naturally presumed, as we think anyone else would under the circumstances, that he would call for our reply if not sooner received.

The above facts, added to the fact that had it not been for the agreement reached on the 20th Feb. by the Canadian Paper Makers' Association, would have resulted in our obtaining a contract at \$2.23, will surely entitle us to consideration at your hands.

CHAS. N. ROBERTSON.

### EXHIBIT P. 27.

HULL, CANADA, March 5th, 1900.

Messrs. THE JOURNAL PRINTING Co.,  
Ottawa,

DEAR SIRs,—Enclosed please find specifications for paper shipped you on the 20th instant, amounting to 5,006 and 4,964 lbs., for which we will send you invoice so soon as the price and terms fixed upon by the Canadian Paper Makers' Association have



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been advised to us for this paper product, but you may be sure that not only will you have as low prices, but the best attention, as prompt delivery and the most favourable terms and discounts going, for we are, in this as in all other matters, always with pleasure at your service, and only regret that you did not take advantage of the opportunity offered on a rising market by contracting for your requirements over the year with

Yours truly,

THE E. B. EDDY COMPANY, LIMITED,

By W. H. ROWLEY.

## EXHIBIT P. 28.

HULL, CANADA, March 10th, 1900.

Messrs. JOURNAL PRINTING Co.,  
Ottawa.

DEAR SIRs,—Enclosed please find invoice and specifications for shipment of roll news to you under date 28th February, 3rd, 6th and 9th inst.. weighing in all 18,780 lbs., which, subject if you please to the approval of and confirmation by the Paper Makers' Association of Canada, or otherwise to necessary alteration and advance in price, we have invoiced at \$2.50, and beg leave to say that as the uniform quantity price for roll news as fixed by the C. P. M. A. is:

\$2.50 for carloads,

\$2.75 for 2 tons and up lots,

\$3.00 for less than two ton lots,

With an advance of 25c. per 100 for similar quantities of ream news and a further advance or extra charge for frames or any frames news we have invoiced you this lot at the min. price in effect for the maximum quantity, and if you please to confirmation of our action in this connection on your behalf, as stated above; and we have to add that if you are inclined to do so, we are ready to enter into a contract with you at current prices, although the market is steadily advancing, for your requirements over the year 1900, and to say that if you will name a day when we may call upon you, we will with pleasure do so, meanwhile remaining,

Yours truly,

THE E. B. EDDY COMPANY, LIMITED,

By W. H. ROWLEY.

P.S.—This will serve to confirm the conversation had with you, and to acknowledge your letter of the 7th.—W. H. R.

## EXHIBIT P. 29.

OTTAWA, March 12, 1900.

Messrs. E. B. EDDY Co.,

Hull, Que

DEAR SIRs,—We have yours of March 10th. We understand that you invoice at \$2.50 per 100 lbs., subject to the permission of the C.P.M.A., to deliver in waggon-load lots. Also that you are ready to enter into a contract with us at current prices for our year's supply. You also intimated in your conversation that the option to

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enter into this contract at present current rates would hold till after you got a decision from the C.P.M.A. as to delivery.

Please advise us if our understanding of the matter as above is correct. In this event we will be glad to have you inform us as soon as you have the decision of the C.P.M.A.

We are, yours very truly,

THE JOURNAL PRINTING CO., LIMITED.

per P. D. Ross.

### EXHIBIT P. 30.

HULL, CANADA, March 13th, 1900.

Messrs. JOURNAL PRINTING Co.,  
Ottawa, Ont.

DEAR SIRs,—Answering your favour of the 12th instant, unless and until you hear from us to the contrary we are willing to continue to deliver paper to you as at present at the present carload price of \$2.50 per 100 lbs. on the distinct understanding, which we beg leave here to reiterate, that if the Canadian Paper Makers' Association rules contrary to this, you will take the paper from us in carload lots to obtain the carload price, or in 2 ton lots and up lots to obtain the 2 ton and up price, or in similar quantities at the then 2 ton price, your quantity wish shall be our pleasure in the matter.

If you wish to make a contract now for the next six months, say to 1st Sept., 1900, at \$2.50 less 3 per cent 30 days, we will conclude such at once, subject to Canadian Paper Makers' Association ruling as above, and at the end of the six months review and revise the contract and give you benefit of any decline that may rule, or charge you any advance that may then be in order.

Yours truly,

THE E. B. EDDY COMPANY, LIMITED,

By W. H. ROWLEY.

### EXHIBIT P. 31.

OTTAWA, March 14, 1900.

Messrs. THE E. B. EDDY Co., Ltd.,  
Hull, Que.

DEAR SIRs,—We have yours of the 13th, but it does not make clear to us the points we desire to be informed on. May we ask your reply to the following :—

1. Have we an option of making a contract with you for a year's supply at \$2.75 per 100 lbs. in wagon load lots, or \$2.50 in carload lots, delivered (less 3 per cent 30 days), and will this option hold good till after we hear from you the decision of the C.P.M.A. with reference to the question of delivery.

2. If the C.P.M.A. decides to permit wagon load delivery at \$2.50, will the amount delivered thus previous to their assent be \$2.50 ?

3. If they do not assent, and we contract for carload lot delivery at \$2.50, will what has been delivered to date be at the carload lot rate of \$2.50 ?

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4. If we make a contract for a year with you at present or after we hear from you re C.P.M.A. and there is a decrease in price during the year, will we get the benefit of it?

5. When do you expect a decision from the C.P.M.A.?

We are, yours very truly,

THE JOURNAL PRINTING CO., LIMITED,

per P. D. RJSS.

### EXHIBIT P. 32.

HULL, CANADA, 16th March, 1900.

THE JOURNAL PRINTING CO. OF OTTAWA, Limited,  
Ottawa, Ont.

DEAR SIRs,—The reply to your letter of the 14th inst. will if you please be delayed until the return of our managing director, who is at present attending a special meeting of the Paper Makers' Association.

Yours truly,

THE E. B. EDDY COMPANY, LIMITED,

By W. H. ROWLEY.

### EXHIBIT P. 33.

OTTAWA, March 23rd, 1900.

Messrs. THE E. B. EDDY Co.,  
Hull, Que.

DEAR SIRs,—In reply to yours of March 2nd, we beg to state that the *Journal* does not intend to make arrangements to get its paper from other than the E. B. Eddy Co., pending your reply to our last letter. This reply we would, of course, like to have as soon as you are in a position to let us have it in a favourable manner, *i.e.*, after the C.P.M.A. has sanctioned the wagon load delivery clause.

We are, yours very truly,

THE JOURNAL PRINTING CO., LIMITED,

per C. N. R.

### EXHIBIT P. 34.

OTTAWA, ONT., April 12th, 1900.

Messrs. THE E. B. EDDY Co.,  
Hull, Que.

DEAR SIRs,—If agreeable to you we will close a contract with you for twelve months from date for our supply of number three news, price two dollars and fifty cents per hundred pounds, less 3 per cent for 30 day draft. We will have pleasure in acknowledging your acceptance.

We are, yours truly,

THE JOURNAL PRINTING CO., LIMITED.

**EXHIBIT P. 35.**

HULL, CANADA, 13th April, 1900.

THE JOURNAL PRINTING Co., Limited.

Ottawa, Ont.

DEAR SIRs,—We are in receipt of your proposal for contract for full supply of No. 3 news of the 12th inst., through our Mr. Lumley, and have pleasure in acknowledging the acceptance of the contract at prices and terms named by you therein.

Yours truly,

THE E. B. EDDY CO., LIMITED,

By CUSHMAN.

**EXHIBIT P. 36.****THE JOURNAL.**

OTTAWA, ONT., April 30th, 1900.

Messrs. J. FORD &amp; Co.,

Portneuf, Que.

DEAR SIRs,—In conformity with the conversation held with your Mr. Ford, will you please book our order for a carload of No. 3 News, to be 38½ inches wide, and of a weight such that 100 papers of this width and 23½ inches in length (2 sheets) may be obtained out of 13½ pounds.

We will ask you to be so good as to send us on this order, as soon as possible, about a dozen rolls, in order that we may try the paper. If we find it satisfactory we will ask you to send on the balance, and it will be understood between us that should we desire, we may have the privilege of entering into a contract with you for our year's supply of 38½-inch paper, the price to be \$2.50 per 100 pounds f.o.b. Ottawa, less 3 per cent for 30 days' draft, and this price will also apply to the lot ordered above; the paper in style and finish to approach that given your Mr. Ford.

We are, yours truly,

THE JOURNAL PRINTING CO., LIMITED,

Accepted for Joseph Ford &amp; Co.

**EXHIBIT P. 37.****CONSTITUTION AND BY-LAWS OF THE PAPER TRADE ASSOCIATION  
OF CANADA.****CONSTITUTION.**

1. This Association shall be called the Paper Trade Association of Canada.

2. This Association shall consist of all paper, or straw or wood board or paper bag makers and wholesale dealers in paper, paper bags and straw and wood board in the Dominion of Canada who shall subscribe to the constitution and by-laws of this Association.



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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 paper trade, to produce uniformity and certainty in the customs and usages of the trade, and to promote a more enlarged and friendly intercourse among the members of the Association.

4. The Association shall be divided into four divisions, the first comprising the news, book and fine writing makers; the second comprising the manilla, brown and rag wrapping makers; the third comprising the straw, tea, straw and wood board makers, with the makers of all other grades not above specified: the fourth comprising the paper bag makers and the dealers. Each division shall elect from among themselves a committee of three, who shall manage the business connected with their respective divisions. The member of the committee receiving the highest number of votes shall be chairman of the committee. In case of an equality of votes the members of the committee shall elect their own chairman. The President and Secretary of the Association shall be ex-officio members of all the division committees.

5. The affairs of the Association shall be managed by an executive committee, consisting of the President, Vice-President, Secretary and Treasurer of the Association, and four directors to be elected as follows: The President, Vice-President, Secretary and Treasurer shall be elected by a general vote of the members of the Association. The directors shall be the respective chairmen of the respective division committees of the Association. The members of the committee shall hold office for one year, or until their successors are elected.

6. The annual meeting of the Association shall be held on the second Tuesday of September in each year, alternately in the cities of Toronto and Montreal. At such meeting the officers of the Association and the four divisional committees 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 addresses of the members as entered in the books of the Association.

7. 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.

8. At all meetings of the Association each person, firm or corporation shall be entitled to one representative and one vote.

9. 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 proposed amendments shall be given by the secretary to the members.

10. 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 two of the committees of the divisions to the executive committee such special meeting shall be called.

## BY-LAWS.

## MEMBERSHIP.

1. Any person, firm or corporation in the Dominion of Canada, of good standing, doing business as paper or straw or wood board or paper bag makers, or wholesale dealers in paper, paper bags or straw or wood boards, shall be eligible for membership.

All applications for membership shall be in writing, signed by the applicant, and upon 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 become a member of the Association.

## PRESIDENT.

2. 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 the 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.

## VICE-PRESIDENT.

3. 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 meeting of officers.

## SECRETARY.

4. The Secretary shall be *ex-officio* a member of all committees. He shall conduct all the correspondence of the Association, and notify all officers and members of committees of the meeting of their respective committees. Give due notice of all meetings of the Association. Keep true records and minutes of all 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.

## TREASURER.

5. 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 \$100 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.

## CHAIRMAN OF DIVISIONAL COMMITTEES.

6. The Chairman of the Divisional Committees shall preside at the respective meetings of their respective committees. They shall have a general oversight over the interests and business of their respective committee divisions, and shall promote the same by all means in their power, and they shall, in case of a tie, have a casting vote

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in addition to their vote as a member of the said committee. They may call meetings of their respective committees when they see fit, and shall call a special meeting thereof upon the written request of two members of the committee.

## MEETINGS.

7. At a meeting of this Association seven members shall constitute a quorum. At a meeting of the Executive Committee four members shall constitute a quorum, and at a meeting of a Divisional Committee three 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 the roll.
2. Reading and confirming minutes of previous meeting.
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.

## DUES.

8. The annual dues for each person, firm or corporation shall be \$10, payable in advance. Members joining after the expiration of the first six months of the year shall pay \$5 for the balance of the then current year.

The Executive Committee shall have power to assess for such further sum as may be actually required for the general purposes of the Association. The Divisional Committee shall have power to assess the members of their respective divisions for such amounts as may be actually required for the benefit of the division.

## EXPULSION OF MEMBERS.

9. The Association shall have power to expel any member, 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 expulsion will be moved, and specifying the day, hour and place of meeting, shall have been mailed, prepaid and registered, to the address of the member in respect of whose expulsion the motion will be made as given in the books of the Association.

## SEAL.

10. The seal, the imprint of which is stamped upon the margin of this by-law, shall be the seal of this Association.

## AUDITORS.

11. The Executive Committee shall in each year appoint two auditors who shall duly audit the books and accounts of the Association at such times as the Executive Committee may direct.

## PROXY.

12. 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.

13. The by-laws of the Association may be amended at any regular or special meeting called for that purpose of the Association, and a vote of two-thirds of the members present in person or by proxy.

Amendments must be sent in, 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 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.

EXHIBIT P. 38.

PAPER MAKERS' ASSOCIATION OF CANADA.

LIST OF DEPOSITS.

Wm. Barber & Bros. . . . .	\$500 00
Canada Paper Co.. . . . .	500 00
Dominion Paper Co. . . . .	500 00
E. B. Eddy Co. . . . .	500 00
Lincoln Paper Mills Co. . . . .	500 00
A. McArthur & Co. . . . .	500 00
Riordon Paper Mills, Limited . . . . .	500 00
Rolland Paper Co. . . . .	200 00
St. Croix Paper Co. . . . .	500 00
J. C. Wilson & Co. . . . .	500 00
Consolidated Pulp and Paper Co. . . . .	500 00
J. Ford & Co. . . . .	500 00
	<hr/>
	\$5,700.00

EXHIBIT P. 39.

INTERNATIONAL PAPER COMPANY,

NEW YORK, May 11th, 1900.

Mr. TARTE,  
Publisher *La Patrie*,  
Montreal, Canada.

DEAR SIR,—We have a note from Herman Ridder, Esq., of this city, asking us to quote you direct for your requirements in 34-inch rolls.

We are in receipt of a communication of the Laurentide Company saying that they have arranged to furnish you.

Assuming that this is correct, we conclude a quotation to be unnecessary.

Very respectfully,

FREMONT W. SPICER.



## EXHIBIT P. 40.

Contract made this the 7th day of May, 1900, between the Laurentide Pulp Company of Grande Mere, Que., and Louis J. Tarte, for the *La Patrie* Pub. Company of Montreal, Que., as follows :—

The Pulp Company agree to furnish *La Patrie* with their entire requirements of No. 3 printing paper, in rolls, from this date until the first of August, 1901. Quantity required being about 40 tons per month, more or less, according to the requirements of the user. Price  $2\frac{1}{2}$  cents per pound, delivered to user's office in Montreal. Terms, cash on delivery. Subject to the following conditions agreed upon by the buyer and seller :—

First.—The gross weight of reels, including strings, wrapper and cores, to be charged for in invoice. Cores when thoroughly stripped from all waste to be credited back by actual weight when returned.

Second.—If the total actual weight or yardage does not vary by more than 5 per cent either above or below the ordered weight or length, the order is duly executed, and no claim can be allowed. A claim will only be allowed for the amount of any excess over and above such five per cent.

Third.—Payment according to the yield of saleable copies cannot be claimed by the purchaser or entertained by the seller, and no allowance can be made for paper left on spools.

Fourth.—Claims for damaged paper cannot be entertained by the seller unless the goods are signed for as damaged, and the seller immediately advised. Such damaged paper to be kept for the disposal of the seller.

Fifth.—Deliveries may be suspended pending any contingencies beyond the control of the buyers and sellers (such as drought, war, flood, impediment of navigation by ice, strikes, lock-outs, or the like) also by accidents or partial fire during such time as may be required to make good the damage, but in the case of the works of either the buyer or seller being totally destroyed by fire, this contract to be null and void. In case of suspension, the buyer and seller may claim the same rate of delivery as previously agreed, commencing after the period assigned to this contract, if such claim be made within a month after due notice of the accident has been given.

Sixth.—Each delivery under this contract shall be considered as a separate contract, and in the event of the buyer failing to adhere to the terms of payment the seller, after giving two weeks notice in writing, shall be at liberty to cancel all, or any portion of the remaining deliveries or sell against buyer's account for full amount remaining quantity due on contract.

Seventh.—Any dispute arising out of this contract, with respect either to its construction or execution, shall be referred to arbitration in the usual manner, and the arbitrators shall have power to determine by whom the cost of the reference and award shall be borne. If either party shall fail to appoint an arbitrator within twenty-one days after notice in writing requiring him to do so, the arbitrator appointed by the other party may act as sole arbitrator. Each arbitrator named under this section shall be a resident of the Dominion of Canada, and willing and able to act as such.

Signed,

LAURENTIDE PULP COMPANY,

RUSSELL ALGER, Jr.,  
Manager.

## EXHIBIT P. 41.

MONTREAL, CANADA, July 10, 1899.

Messrs. *La Patrie* Printing Co.,  
City.

DEAR SIRs,—Replying to your letter of 7th instant which refers to the renewal of our present contract with you for the supply of your news print in rolls for the publication of *La Patrie* and *Le Cultivateur*,—

We beg leave to say that from and after the 13th of July, 1899, and for the space and term of one year from that date, we agree to furnish you with all the paper necessary for the publication of *La Patrie* and *Le Cultivateur* at the price agreed upon between you and Mr. Eddy at the interview which took place on Friday last, the 7th instant, viz.: \$2.05 per hundred pounds, all white waste to be returned and allowed for at contract price. The terms of payment to be 3 per cent off 30 days, or four months, your option.

It is furthermore understood that the present advertising contract shall continue and run concurrently with this new contract, and for the same amount as at present in force, viz.: \$600 for *La Patrie* and \$90 for the *Le Cultivateur*, to be expended during the term of the news paper contract, and to be paid for quarterly as at present.

Your acceptance of this letter, which is signed in duplicate, shall be considered of the same force and effect as a notarial contract.

THE E. B. EDDY COMPANY, LIMITED,

JNO. A. HARDISTY.

## EXHIBITS FILED BY THE PAPER MANUFACTURERS.

## EXHIBIT D. 1.

WM. BARBER &amp; BROTHERS, GEORGETOWN.

May 1st, 1898.

## COST OF MAKING ROLL NEWS.

Ground wood, \$18 per ton, 75 lbs. ....	\$0 67 $\frac{1}{2}$
Sulphite, \$34 per ton, 25 lbs. ....	0 42 $\frac{1}{2}$
Clay, \$10 per ton, 12 lbs. ....	0 06
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Material for 100 lbs. paper. . . . .	1 16
Coal, \$3.10 per ton.	
Wages. . . . .	0 20
Coal. . . . .	0 15
Cartage. . . . .	0 02 $\frac{3}{4}$
Freight to Toronto. . . . .	0 10 $\frac{1}{4}$
Supt. and office. . . . .	0 10
Felts. . . . .	0 03
Wires. . . . .	0 02
Repairs. . . . .	0 05
Oil and light . . . . .	0 03
General expense account. . . . .	0 07
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Cost of making 100 lbs. roll news. . . . .	\$1 94
Selling price in Toronto, \$2.40, less 3 per cent. ....	\$2 33
Profit. . . . .	0 39
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	\$2 33

WM. BARBER &amp; BROTHERS, GEORGETOWN.

May 1st, 1899.

## COST OF MAKING ROLL NEWS.

Ground wood, \$17 per ton, 75 lbs. ....	\$0 63 $\frac{3}{4}$
Sulphite, \$34 per ton, 25 lbs. ....	0 42 $\frac{1}{2}$
Clay, \$10 per ton, 12 lbs. ....	0 06
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Cost of materials for 100 lbs. paper . . . . .	\$1 12 $\frac{1}{4}$
Wages. . . . .	0 20
Coal. . . . .	0 15
Cartage. . . . .	0 02 $\frac{3}{4}$
Freight. . . . .	0 10 $\frac{1}{4}$
Supt. and office. . . . .	0 10
Felts. . . . .	0 03
Wires. . . . .	0 02
Oil and light . . . . .	0 03
Repairs. . . . .	0 05
General expense account . . . . .	0 07
<hr/>	
Cost of making 100 lbs. paper . . . . .	\$1 90 $\frac{1}{2}$
Selling price in Toronto, \$2.10, less 3 per cent. ....	\$2 03 $\frac{3}{4}$
Profit. . . . .	0 13 $\frac{1}{2}$
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	\$2 03 $\frac{3}{4}$

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## WM. BARBER &amp; BROTHERS, GEORGETOWN.

May 1st, 1900.

## COST OF MAKING ROLL NEWS.

Ground wood, \$23.50 per ton, 75 lbs. ....	\$0 88
Sulphite, \$42 per ton, 25 lbs. ....	0 52½
Clay, \$10 per ton, 12 lbs. ....	0 06
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Material for 100 lbs. paper ....	\$1 46½
Wages per 100. ....	0 20
Coal. ....	0 20
Cartage. ....	0 02¾
Freight. ....	0 10½
Supt. and office. ....	0 10
Felts. ....	0 04
Wires. ....	0 03
Oil and light. ....	0 03
Repairs. ....	0 05
General expense account. ....	0 08
<hr/>	
Cost of 100 lbs. paper in Toronto. ....	\$2 32½
Selling price in Toronto, \$2.50, less 3 per cent. ....	\$2 42½
Profit. ....	0 10
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	\$2 42½

## WM. BARBER &amp; BROTHERS, GEORGETOWN.

May 1st, 1901.

## COST OF MAKING ROLL NEWS.

Ground wood, \$21 per ton net, 75 lbs. ....	\$0 78¾
Sulphite, \$36 per ton net, 25 lbs. ....	0 45
Clay, \$11 per ton net, 12 lbs. ....	0 06½
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Material to make 100 lbs. paper ....	\$1 30½
Wages per 100. ....	0 20
Coal. ....	0 18
Cartage. ....	0 02¾
Freight. ....	0 10½
Supt. and office. ....	0 10
Felts. ....	0 04
Wires. ....	0 03¾
Oil and light. ....	0 03
Repairs. ....	0 05
General expense account. ....	0 08
<hr/>	
Cost of making 100 lbs. paper. ....	\$2 15
Selling price in Toronto, \$2.37½, less 3 per cent. ....	\$2 30
Profit. ....	0 15
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	\$2 30



## EXHIBIT D. 2.

## PRICES AND TERMS PRINTS AND MANILLAS.

MONTREAL, September 22nd, 1892.

We, the following members of the Paper Makers' Association of Canada in meeting at this date have agreed upon the following basis as minimum selling prices for the several grades of paper referred to, which prices are to go into operation from this date, provided the Dominion Paper Company also agree to same.

- \*3 print in rolls, carloads,  $3\frac{1}{2}$  cts. per lb. (three and a half cts.)
- 3 " " less than carloads,  $3\frac{3}{4}$  cts. per lb. (three and three-quarter cts.)
- 3 print in sheets, carloads,  $3\frac{3}{4}$  cts. per lb. (three and three-quarter cts.)
- 3 " " less than carloads,  $4\frac{1}{4}$  cts. per lb. (four and one-quarter cts.)

Terms same as heretofore agreed upon, 4 months, or 3 per cent cash 30 days.

Carloads to be minimum 10 tons, and carload orders to be given in one order, delivery to be taken inside of four months.

U. B. Manilla (natural colour) less than carloads,  $4\frac{3}{4}$  cts. per lb. (four and three quarter cts.).

U. B. Manilla, carloads,  $4\frac{1}{2}$  cts. per lb. (four and a half.).

Bleached Manilla, (canary colour), less than carloads,  $5\frac{1}{2}$  cts. per lb. (five and a half cts.).

Bleached Manilla, (canary colour), carloads, 5 cts. per lb. (five cts.).

Terms on Manilla paper, 4 mos. or 3 per cent 30 days, on small lots, 5 per cent, 30 days, if necessary.

JOHN MACFARLANE, CANADA PAPER COMPANY.

WM. BARBER & BROS.

GEO. E. CHALLES, FOR NAPANEE PAPER COMPANY.

FRANK FRIPP, FOR THE FRANKLIN PAPER COMPANY.

JAMES THOMPSON, PER C. W. THOMPSON.

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1899.	\$ cts.	\$ cts.	
January .....	32 00	17 00	
February .....	32 00	17 00	
March .....	32 00	17 00	
April .....	32 00	17 00	
May .....	32 00	17 00	Sulphite, \$33 16.
June .....	32 00	17 00	Ground wood, \$16 58.
July .....	32 00	17 00	
August .....	32 00	12 00	
September .....	32 00	12 00	
October .....	36 00	18 00	
November .....	36 00	18 00	
December .....	38 00	18 00	
1900.			
January .....	40 00	21 00	
February .....	42 00	21 00	
March .....	42 00	26 00	
April .....	42 00	22 00	
May .....	40 00	25 00	
June .....	36 05	25 00	
July .....	36 00	25 00	Sulphite, \$38 16.
August .....	36 00	25 00	Ground wood, \$24 16.
September .....	36 00	25 00	
October .....	36 00	25 00	
November .....	36 00	25 00	
December .....	36 00	25 00	
1901.			
January .....	35 00	24 00	
February .....	35 00	24 00	
March .....	35 00	24 00	Sulphite, \$35 00.
April .....	35 00	24 00	Ground wood, \$24 00.

## EXHIBIT D. 4.

Copy of Toronto *Globe*, of date 15th July, 1901.

## EXHIBIT D. 5.

Copy of Toronto *Star*, of date 15th July, 1901.

## EXHIBIT D. 6.

Copy of New York *Herald*, of date 16th July, 1901.

REPORT  
OF THE  
ROYAL COMMISSION  
ON  
CHINESE AND JAPANESE IMMIGRATION

---

SESSION 1902

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*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA

PRINTED BY S. E. DAWSON, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1902





## PREFACE.

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The Commissioners desired to examine separately the questions of Chinese and Japanese immigration, and this method was pursued as far as practicable. In many industries, however, both Chinese and Japanese are employed, and in most cases the witnesses treated them alike; so that while Part I has relation chiefly to Chinese immigration, much that is said there applies with equal force to the Japanese in Part II. There are certain questions, however, and certain industries peculiarly affected by Japanese labour that require special treatment. This applies especially to the fisheries and to the lumber industry.



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TORONTO, February 18, 1902.

The Honourable RICHARD W. SCOTT,  
Secretary of State,  
Ottawa.

I have the honour to transmit herewith the Report of the Commission appointed to inquire into the question of Chinese and Japanese Immigration, in so far as it relates to the immigration of Chinese.

Every interest and industry has been considered, and with each chapter is quoted so much of the evidence relating thereto as was considered necessary to convey the purport of the whole.

In the head note and summary of each chapter will be found a concise statement of the facts and findings relating to each subject matter dealt with.

The evidence of course had to be all reviewed before reaching a decision in each case, and it was thought conducive to a full exposition of each subject matter, that a condensed statement of the evidence upon which the findings were based should be quoted.

In the last chapters will be found a resumé of the whole and the conclusion at which the Commissioners have arrived. The head note and summary of each chapter and the concluding chapter fully set forth the views of the Commissioners. In quoting the evidence especial care was taken to give the views of all parties who employ Chinese labour, or whose interests might possibly be affected by its exclusion.

I am pleased to say that the Commissioners were unanimous in the conclusion arrived at, as to the necessity of excluding further immigration of Chinese labourers.

That portion of the report relating to Japanese Immigration is well advanced, and will be completed at an early date.

R. C. CLUTE,  
Chairman.

#### COMMISSIONS.

N. E. TASCHEREAU,  
Deputy Governor General,  
Canada.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland,  
QUEEN, Defender of the Faith, &c., &c., &c.

To all to whom these presents shall come, or whom the same may in anywise concern,

GREETING :

Whereas it appears from a report from Our Secretary of State that representations and statements have been made by the legislature and people of the province of British Columbia on the subject of Chinese and Japanese immigration into that province, as more fully set out in the Order of His Excellency the Governor General in Council, bearing date the twenty-first day of September, in the year of Our Lord one thousand nine hundred, a copy of which is hereunto annexed ;

And whereas We deem it expedient that inquiry under oath should be made with respect to the said statements and representations referred to in the said Order in Council hereunto annexed.

Now know ye that We, by and with the advice of Our Privy Council for Canada, do by these presents nominate, constitute and appoint Roger Conger Clute, of the city of Toronto, in the province of Ontario, one of our counsel learned in the law for the province of Ontario, Ralph Smith, of the city of Vancouver, in the province of British Columbia, Esquire, and Daniel James Munn, of the city of New Westminster, in said

province of British Columbia, Esquire, to be Our Commissioners for the purpose of investigating the said statements and representations so made as indicated in the Order of Our Governor General in Council hereunto annexed.

And We do hereby, under the authority of the Revised Statutes of Canada, chapter 114, intituled : " An Act respecting Inquiries Concerning Public Matters," confer upon you, Our said Commissioners, the power of summoning before you any witnesses and of requiring them to give evidence on oath, orally or in writing or on solemn affirmation, if they are persons entitled to affirm in civil matters, and to produce such documents and things as you, Our said Commissioners, shall deem requisite to the full investigation of the matters into which you are hereby appointed to examine, inquire into and investigate. To have, hold, exercise and enjoy the said office, place and trust unto you, the said Roger Conger Clute, you the said Ralph Smith and you the said Daniel James Munn, together with the rights, powers, privileges and emoluments unto the said office, place and trust of right and by law appertaining during pleasure.

And We do hereby require and direct you to report to Our Secretary of State the result of your investigation, together with the evidence taken before you and any opinion you may see fit to express thereon.

In testimony whereof We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed.

Witness, the Honourable Henri Elzéar Taschereau, Deputy of Our Right Trusty and Right Well-beloved Cousin The Right Honourable Sir Gilbert John Elliot, Earl of Minto and Viscount Melgund of Melgund, County of Forfar, in the Peerage of the United Kingdom, Baron Minto of Minto, County of Roxburgh, in the Peerage of Great Britain, Baronet of Nova Scotia, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, &c., &c., Governor General of Canada.

At Our Government House, in our City of Ottawa, this Twenty-first day of September, in the year of Our Lord one thousand nine hundred, and in the sixty-fourth year of Our Reign.

By Command.

JOSEPH POPE,

Under Secretary of State.

*EXTRACT from a report of the Committee of the Honourable the Privy Council, approved by His Excellency on September 21, 1900.*

On a memorandum dated September 3, 1900, from the Secretary of State, submitting that he has had under consideration the many representations made by the legislature and people of British Columbia on the subject of Chinese and Japanese immigration into that province to some of which he desires to call particular attention.

The minister observes that at a recent sitting of the Legislative Assembly of the province, a resolution was adopted declaring that the Chinese Immigration Act passed at the last session of the parliament of Canada, increasing the capitation tax from \$50 to \$100 is ineffective and inadequate to prevent Chinese immigration into Canada, and expressing the opinion that the only effective mode of dealing with the question of restricting Mongolian immigration into Canada would be by either increasing the amount of per capita tax to the sum of \$500, or by the passing of an Act based on the lines of the Natal Act, known as the 'Immigration Restriction Act of 1897.'

That in the month of May last (1900) two numerous signed petitions from the residents of British Columbia, to His Excellency the Governor General in Council, were received, representing that between January 1 and April 1 of the present year (1900) 4,669 Japanese landed in Victoria and Vancouver, and that during the same period 1,325 Chinese landed in Victoria, making a total of nearly 6,000 within the short space of four months, and alleging that the result is 'that the province is

## SESSIONAL PAPER No. 54

flooded with an undesirable class of people non-assimilative and most detrimental to the wage-earning classes of the people of the province, and that this extensive immigration of orientals is also a menace to the health of the community.'

That the petitioners assert that they are not unmindful of Imperial interests, and while expressing feelings of the greatest loyalty to those interests, they respectfully call attention to what they term a serious inroad upon the welfare of the people of the province and they ask that an Act may be passed inhibiting the immigration of the above mentioned classes of people to Canada.

That it has also been alleged in other communications on the subject that there was probability of a great disturbance to the economic conditions existing in the province and of grave injury being caused to the working classes by the large influx of labourers from China and Japan, as the standards of living of the masses of the people in those countries differ so widely from the standards prevailing in the province, thus enabling them to work for a much less wage.

That it is also urged that it is in the interest of the Empire that the Pacific Province of the Dominion should be occupied by a large and thoroughly British population rather than by one in which the number of aliens would form a large proportion.

The Minister also desires to call attention to the many acts passed by the Legislative Assembly of the Province declaring that Chinese or Japanese persons shall not be allowed to find employment on works, the construction of which has been authorized or made possible of accomplishment by certain privileges or franchises granted by the Legislature, which Acts have been disallowed by reason of the discrimination including Japanese.

The Minister submits that owing to these representations made by the Legislature and people of British Columbia, the Right Honourable the Premier during the last session of the Parliament of Canada, when introducing the Bill authorizing the increase in the capitation tax on Chinese coming into the Dominion from \$50 to \$100, announced that the government had come to the conclusion that it would be wise at the present time to follow the course adopted by the Government of Canada in the year 1884, and have the complaints and statements referred to, investigated, the inquiry to include the question as to whether the Japanese should be treated as the Chinese were, and whether or not they present the same objectionable characteristics as were alleged against the Chinese and that a royal commission would be appointed to investigate and examine into the whole question, making a full report so that the views of the people of British Columbia might be placed before the Imperial authorities.

The Minister therefore recommends that a thorough and full investigation be made, under a Royal Commission, into the foregoing statements and representations, and that Roger C. Clute, of Toronto, Ralph Smith, of Vancouver, and Daniel J. Munn, of New Westminster, be appointed Commissioners for the purpose of such investigation, and that pursuant to the provisions of Chapter 114, Revised Statutes of Canada, entitled "An act respecting inquiries concerning public matters," they as such Commissioners be given the full power of summoning witnesses and requiring them to give evidence on oath or on solemn affirmation, and to produce such documents and papers as they may deem requisite.

The Minister further recommends that reasonable advance be made to the Commissioners to cover living and travelling expenses, that F. J. Dean, of Kamloops, be appointed secretary to the Commission, and that for the purpose of taking such evidence they be authorized to employ a stenographer to take down the evidence, whose remuneration shall be fixed by the Commissioners.

The committee submit the foregoing for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

MINTO.

## CANADA.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland,  
 QUEEN, Defender of the Faith, &c., &c., &c.

To all to whom these presents shall come, or whom the same may in anywise concern.

## GREETING :

Whereas it appears from a report from Our Secretary of State that representations and statements have been made by the legislature and people of the Province of British Columbia on the subject of Chinese and Japanese immigration into that province, as more fully set out in the Order of His Excellency the Governor General in Council bearing date the twenty-first day of September, in the year of Our Lord one thousand nine hundred, a copy of which is hereunto annexed ;

And whereas We deem it expedient that inquiry under oath should be made with respect to the said statements and representations referred to in the said Order in Council hereunto annexed ; And whereas for the purpose of such inquiry, We duly appointed by Letters Patent under the Great Seal dated September 21, A.D., 1900, Roger Conger Clute, Ralph Smith and Daniel James Munn, to be our Commissioners, and the said Ralph Smith has since resigned his said office as such Commissioner, and it is expedient to appoint another Commissioner in his place ;

Now know ye that We, by and with the advice of Our Privy Council for Canada, do by these presents nominate, constitute and appoint Christopher Foley, of Rossland, in the Province of British Columbia, Esquire, to be One of Our Commissioners for the purpose of investigating the said statements and representations so made, as indicated in the Order of Our Governor General in Council hereunto annexed, in the room, place and stead of Ralph Smith, Esquire, who hath resigned the said office ;

And We do hereby, under the authority of The Revised Statutes of Canada, chapter 114, intituled 'An Act respecting Inquiries concerning Public Matters,' confer upon you, Our said Commissioner, the power of summoning before you any witnesses, and of requiring them to give evidence on oath, orally or in writing, or on solemn affirmation, if they are persons entitled to affirm in civil matters, and to produce such documents and things as you, Our said Commissioner, shall deem requisite to the full investigation of the matters into which you are hereby appointed to examine, inquire into and investigate. To have, hold exercise and enjoy the said office, place and trust unto you the said Christopher Foley, together with the rights, powers, privileges and emoluments unto the said office, place and trust of right and by law appertaining during pleasure ;

And We do hereby require and direct you to report to Our Secretary of State the result of your investigation, together with the evidence taken before you and any opinion you may see fit to express thereon.

In testimony whereof, We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed :

WITNESS ; Our Right Trusty and Well-beloved Cousin The Right Honourable Sir Gilbert John Elliot, Earl of Minto and Viscount Melgund of Melgund, County of Forfar, in the Peerage of the United Kingdom ; Baron Minto of Minto, County of Roxburgh, in the Peerage of Great Britain ; Baron of Nova Scotia ; Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, &c., &c., Governor General of Canada.

At Our Government House, in the City of Ottawa, this Eighth day of January, in the year of Our Lord one thousand nine hundred and one, and in the Sixty-fourth year of Our Reign.

By Command.

JOSEPH POPE,

Under-Secretary of State.



PART I.

CHINESE IMMIGRATION



## REPORT

[54]

OF THE

COMMISSIONERS APPOINTED TO INQUIRE

INTO THE

SUBJECT OF CHINESE AND JAPANESE IMMIGRATION

INTO THE

PROVINCE OF BRITISH COLUMBIA.

To the Honourable RICHARD W. SCOTT,  
Secretary of State,  
Ottawa.

We, the undersigned, having been duly appointed by a Royal Commission dated the twenty-first day of September, in the year of our Lord one thousand nine hundred, and by a further Royal Commission dated the eighth day of January, in the year of our Lord one thousand nine hundred and one (appointing the undersigned Christopher Foley as commissioner in the place and stead of Ralph Smith, resigned) to inquire into the subject of Chinese and Japanese immigration, have the honour to report as follows :—

## CHAPTER I.—INTRODUCTORY.

## REPRESENTATIONS BY BRITISH COLUMBIA.

Your commissioners are directed to investigate the statements and representations indicated in the Order of Council annexed to the Commission. It will be therefore necessary to shortly inquire precisely what representations and statements the people and Legislature of British Columbia have made on the subject of Chinese and Japanese immigration into that province.

In 1891 over 70 petitions were presented to the Dominion Parliament, representing nearly every trade and calling in British Columbia and from nearly every labour organization from Vancouver to Halifax, declaring that in the opinion of the petitioners 'the importation into Canada of Chinese labour is not in the best interests of the country and should be prohibited, and praying for such legislation as will have the effect of totally prohibiting the importation of Chinese labour into the Dominion.'

In 1892 a still larger number of petitions were presented, stating that the Chinese Immigration Act had been very beneficial, but not sufficiently restrictive, and declaring

that 'it would be in the interests of the people of Canada if Chinese immigration be prohibited by law, but if that cannot at present be accomplished, that the entrance duties on persons of Chinese origin entering Canada should be increased from \$50 to \$500 per head.'

Petitions of like purport have since been presented from time to time to parliament with increased urgency.

During the session of the Dominion Parliament of 1897 a petition signed by 1,934 electors of Vancouver District, and another signed by 600 citizens of Nanaimo, and another signed by 2,700 residents of British Columbia, and other petitions numerous signed from Port Haney and from the municipal council of the district of Burnaby, the municipal council of the city of Kaslo and the citizens of Vernon, and from other places, were presented, declaring that the tax of \$50 has proven wholly inadequate to effect the purpose for which said tax was imposed: that the large influx of Chinese into Canada is a serious menace to the prosperity and general welfare of this country and British Columbia in particular, for the following amongst other reasons: 'that these Chinese are non-assimilative and have no intention of settled citizenship, are in moral, social and sanitary status below the most inferior standard of Western life, and being usually single (the most of them being imported as coolies by labour-contracting organizations) accept less than the lowest living wage of white labour, yet expend but little of their scanty earnings in the land of their temporary adoption.'

The petition further recites that the Government of the United States, recognizing the great harm wrought to the citizens of the United States by competition of cheap Chinese labour, enacted legislation to totally prohibit the immigration of Chinese labourers in the interests and for the welfare of the said United States of America, and that in other parts of the British Empire the same evil has existed, and that the imposition of a tax of \$500 by the Australian colonies has been effectual in checking such Chinese immigration, and that the petitioners believe that the imposition of a per capita tax of \$500 would be efficacious in restricting the said immigration of Chinese, and the petitioners pray parliament to grant relief for the existing evils.

Subsequent petitions of like purport were presented to parliament, and in the month of May, 1900, two numerous signed petitions from the residents of British Columbia to His Excellency the Governor General in Council were presented, representing that between the first day of January and the last day of April, 4,669 Japanese landed in Victoria and Vancouver, and that during the same period 1,325 Chinese landed in Victoria, making a total of nearly 6,000 within the short space of four months, and alleging that the result is 'that the province is flooded with an undesirable class of people, non-assimilative and most detrimental to the wage-earning people of the province, and that this extensive class of Chinese labourers is also a menace to the health of the community.'

The petitioners assert that they are not unmindful of Imperial interests, and while expressing feelings of the greatest loyalty to those interests, they respectfully call attention to what they call a serious inroad to the people of that province, and they ask that an Act may be passed prohibiting the immigration of the above-mentioned people to Canada. That it has also been alleged in other communications on the subject that there was a probability of great disturbance to the economic conditions existing in the province and of grave injury being caused to the working class by the large influx of labourers from China and Japan, as the standard of living of the masses of the people in those countries differs so widely from the standard prevailing in the province, thus enabling them to work for a much less wage. That it is also urged that it is in the interest of the Empire that the Pacific province of the Dominion should be occupied by a large and thoroughly British population rather than by one in which the number of aliens would form a larger proportion.

#### ACTION OF BRITISH COLUMBIA GOVERNMENT.

Since 1891 the Government of British Columbia have from time to time urged that the 'Chinese Immigration Act of Canada' be made more restrictive by increasing the



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capitation tax and decreasing the number each vessel is permitted to carry, or that 'their importation be prohibited.'

These representations were made from year to year with increasing force, both by the Executive Council of the province and by resolution of the Legislative Assembly.

In a report of the Committee of the Honourable the Executive Council of March 2, 1899, it is pointed out that 'during the fiscal year ending June 30, 1898, as shown by the customs returns, no less a number than 2,263 Chinese immigrants paid the tax and entered Canada through the ports of this province alone, the average for the past three years being over 2,100 per annum, and declaring that this enormous influx, together with the present Chinese population of the province, has already driven workingmen of British race and blood out of many of the fields of labour, and threatens before long, if not stopped, to leave very little occupation remaining for the white labourer, and recommends that the capitation tax should be increased to at least \$500.'

On August 14, 1900, the Lieutenant Governor of British Columbia approved of a minute to the Privy Council submitting certain resolutions of the Legislative Assembly, declaring 'that in the opinion of this House the said Act is ineffective and inadequate to prevent Chinese immigration into Canada, and respectfully urging upon the Dominion Government that the effective mode of dealing with the question of restriction of Mongolian immigration into Canada would be by either increasing the amount of the per capita tax to the sum of \$500, or by the passing of an Act based on the lines of the Natal Act known as the 'Immigration Restriction Act, 1897.'

Attention is also called to the many Acts passed by the Legislative Assembly of the province declaring that Chinese or Japanese persons shall not be allowed to find employment on works, the construction of which has been authorized or made possible of accomplishment by certain privileges and franchises granted by the legislature, which Acts have been disallowed by reason of the discrimination, including Japanese.

These are the statements and representations constituting the subject of inquiry by your commissioners.

## VISIT TO WASHINGTON.

Desiring to obtain the fullest information upon which had been based the legislation and treaty rights regulating the question of Chinese immigration and exclusion from the United States, Mr. Clute, accompanied by Mr. Simpson, the stenographer of the Commission, left Toronto on October 11 for Washington, where they met Mr. Munn, and by the courtesy of various officials of the United States Government obtained copies of all state papers constituting the history of the Chinese immigration question in the United States, including the evidence taken and the reports made under the various commissions, and the subsequent negotiations, treaties and Acts of Congress affecting the same, and the report of the commissioner sent to Japan to inquire into Japanese immigration.

## VISIT TO BRITISH COLUMBIA.

Owing to the resignation of Commissioner Smith your commissioners were not able to proceed at that time further with the work of the Commission. Mr. Christopher Foley having been appointed in the place of Mr. Ralph Smith, your commissioners met at Vancouver on March 6, 1901, where interviews were held with various persons representing the different interests affected, and the nature of the evidence to be brought before the Commission was fully considered. Your commissioners then proceeded to Victoria where they arrived on March 9.

Due notice was given in the newspapers of the sittings of the Commission, and an invitation was extended to all who desired to give evidence to do so. The sittings of the Commission at Victoria and elsewhere were held in the court-house by the courtesy of the Honourable Mr. Eberts, Attorney General for the province, and the public and the press were admitted.

Your commissioners were attended from the first by counsel : Mr. Charles Wilson, K.C., representing the Province of British Columbia ; Mr. J. M. Bradburn representing the Chinese, and Mr. R. Cassidy, K.C., representing the Japanese.

Counsel representing the different interests were consulted from time to time with respect to the witnesses to be summoned, and were requested to suggest the names of any witnesses whom they might think capable of giving important evidence from their standpoint, and in every instance the attendance of witnesses so suggested was procured.

In order to solicit the fullest information and to indicate to witnesses the line of inquiry, the following announcement was made by publication in the newspapers and free distribution :—

The commissioners appointed to inquire into Chinese and Japanese immigration desire information upon the following points :—

It will be necessary to treat the various questions affecting Chinese and Japanese immigration separately.

The object of the commissioners in suggesting the following subjects, is to enable you to give them consideration before giving evidence touching such of them as may be within your knowledge.

The commissioners will greatly appreciate any information you may be able to give bearing upon the subject.

1. The number of Chinese and Japanese in British Columbia.
2. What has been the annual immigration since 1884 ?
3. From what class in China and Japan are they principally drawn, and what was their condition before coming here ?
4. What is their character for honesty, obedience, diligence, thrift, sobriety and morality, and keeping of contracts ?
5. How many are engaged in :—
  - (a.) The fisheries.
  - (b.) The mines.
  - (c.) The lumber business.
  - (d.) Manufactures.
  - (e.) Farming and market gardening.
  - (f.) Domestic service.
  - (g.) Other callings.
6. What is the difference in wages paid to Chinese and Japanese, and to the wages of white men in the same trade or calling ?
7. Has any industry been called into existence by reason of their presence ; and, if so, what industry, and how ?
8. Is there any industry dependent upon their labour for its continuance ; and, if so, what industry, and why ?
9. How do they come, and under what terms ?
10. What proportion bring their wives, or marry here, or attend school or churches or become Christians ?
11. What is their standard of living, compared with that of the white population, clothing, food, rent, &c. ?
12. What is their moral and physical condition, their habits of cleanliness, and attention to sanitary regulations ?
13. Do they live in different parts of the city or in aggregations ?
14. What effect has their residence in any place on the price of property in that locality ?
15. What proportion live in separate houses and have families ?
16. How many Chinese and Japanese women are there in this province ; and for what purpose and under what terms were they brought here ?
17. Are men and women brought here under servile or other contracts ? What is their form and effect ?
18. How many Chinese companies or other associations are there ; what is their object ? How do they affect immigration ? Have the 'six companies' branches in British Columbia ?

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19. Do Chinese or Japanese immigrants take any interest in our laws and institutions? What proportion build up homes and become permanent citizens or residents?

20. Do they learn our language, customs, habits of living, and show signs that they will eventually assimilate and become an integral part of our race and nation, as Europeans do?

21. How have workmen been affected by Chinese and Japanese immigrants respectively?

22. How has Chinese and Japanese immigration affected white immigration?

23. What proportion of Chinese and Japanese return to their own country, and what proportion of their earnings do they take with them? Do they enrich or impoverish this country?

24. Are the Chinese and Japanese 'a menace to health?' And, if so, in what way?

25. Has trade and commerce between Canada and China and Japan been affected by Chinese and Japanese immigration? And how would restrictive or prohibitive measures affect it?

26. The effect of unlimited Chinese and Japanese immigration upon the country?

27. As to the sufficiency of white labour to supply the demands of the country?

28. The criminal class amongst Chinese and Japanese as compared with the white population; the nature of the offences; the number of convictions, &c.?

29. The relative amount of taxes paid compared with their earning power?

30. With whom do the Chinese and Japanese trade; and to what extent does the country benefit thereby? What proportion of their earnings do they send or take out of this country?

31. What proportion speak English and read and write English?

32. Do you make any distinction between Chinese and Japanese immigrants?

33. Do you favour restriction or prohibition of this class of immigrants?

34. How do you propose to prohibit with the existing treaties in force?

## AT VICTORIA.

The first sitting for the reception of evidence was held on Wednesday, March 13, at 10 a.m. The secretary read the commissions, and the chairman briefly reviewed the circumstances leading up to the appointment of the Commission. He referred to the Commission of 1884 and the Act of 1885 and the amendments thereto, the last of which increased the tax from \$50 to \$100. Repeated requests for an increase in the tax had been made both by petition from the Legislature of British Columbia, and by residents and labour unions in the province. These requests had been made since 1890, and finally in 1900 an Act was passed increasing the tax from \$50 to \$100; at the same time the Premier declared the intention of the Government to be to appoint a commission of inquiry into all matters affecting the subject of Oriental immigration. This, then, was the origin of the Commission, which was now convened, and the chairman stated that it was the desire of the government and of the commissioners that the fullest and freest inquiry should be made. The Commission expected the cordial assistance, not only of the provincial government, which had been in a manner responsible for the institution of the inquiry, but of all parties who could in any way facilitate them in their labours. It was the intention to treat the evidence as to the Chinese and Japanese separately, so as to give an opportunity, not only to present facts regarding each, but to give each nationality a separate hearing. To assist in the inquiry the Commission had prepared a number of questions indicating the scope of the inquiry, which would not, however, be thereby limited.

After reading the above announcement the chairman said anyone, whether an individual or representing particular interests, would be given the utmost liberty to submit evidence. Further, it was the desire of the commissioners to meet the convenience of those desiring to attend and give evidence, so that they would hold night sessions if necessary for those who were unable to attend in the daytime. He emphasized the necessity of eliminating hearsay evidence and said it was not opinions so much that



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the commissioners desired to hear, but facts, on which the report of the Commission could be based.

The commissioners decided to sit from 10 to 12:30 and from 2:30 to 5:30, but these hours were almost invariably extended to 1 o'clock and 6 o'clock respectively.

At Victoria 114 witnesses were examined. The Legislature being in session, many prominent men were in attendance from various parts of the province and occasion was taken to obtain their evidence. More witnesses were offered than whose evidence could possibly be taken without unduly lengthening the sittings, and selection was made after consulting counsel representing the different interests. Owing to the efficient services rendered by the secretary, the commissioners were not delayed at any time for lack of witnesses.

The evidence having been completed at Victoria on the evening of the 9th, your commissioners left for Nanaimo the following morning, where were examined 32 witnesses, and concluded there on Tuesday, April 16. Here the Commission were attended by the same counsel, with the addition of Mr. James H. Simpson, representing the Chinese.

We left Nanaimo the next morning, arriving at Union in the afternoon and opened the Commission at 4:45 o'clock, attended by counsel as before. Examined 14 witnesses and left for Vancouver Friday the 19th.

Arrived at Vancouver Saturday, April 20, attended by the following counsel: Mr. Charles Wilson, K.C., for the Province; Mr. J. G. Macdonell, representing the trades unions; Mr. R. Cassidy, K.C., representing the Japanese, and Mr. A. D. Taylor, representing the Chinese Board of Trade. At Vancouver 77 witnesses were examined.

We left Vancouver on May 13 for New Westminster, and were attended by counsel representing the province, the Chinese and Japanese, as before. Here 37 witnesses were examined.

On Monday, May 20, we visited some of the canneries on the Fraser River and examined two witnesses, returning the same evening to New Westminster. We sat for the further taking of evidence at New Westminster until 12 noon of May 21, leaving at 2 p.m. for Kamloops. Nineteen witnesses were examined at Kamloops on the 21st, 22nd and 23rd. Leaving Kamloops on the morning of the 24th, we visited Vernon the same day, examined 4 witnesses and arrived at Revelstoke on Saturday the 25th; examined 10 witnesses and left for Rossland on the morning of May 26; examined 11 witnesses at Rossland and left for Nelson on May 29; examined 7 witnesses at Nelson and left for Sandon *via* Kaslo on May 30, where we examined 4 witnesses on the 31st and returned to Kaslo by afternoon train. Examined 5 witnesses at Kaslo and closed the evidence at 10 p.m. of May 31. This concluded the taking of evidence in British Columbia.

From Kaslo we proceeded to Seattle on June 1, where we arrived on the 2nd (Sunday), and on the 3rd held interviews with the president and secretary of the Chamber of Commerce; visited three lumber mills and interviewed the managers; and also the secretary of the city labour bureau, and the secretary of the trades and labour council, and left the following morning for Fairhaven, where we arrived Tuesday, June 4. Here and at Whatcom we were engaged all day in visiting canneries and mills and taking the statements of the managers.

We left Fairhaven on Wednesday, June 5, and arrived at Vancouver on the same day, and on the following day, by request, heard argument of counsel representing the Chinese, the Japanese, and the Province of British Columbia. Our inquiry was continued at Portland and San Francisco, these two cities being the chief centres of Chinese population on the coast.

At San Francisco much valuable information was obtained in regard to the canneries on the Sound and in Alaska, and to what extent Chinese labour was there employed. The mayor of the city, the labour commissioner, and the Chinese immigration commissioner gave very full information bearing upon the different phases of the Chinese question. This concluded the taking of evidence on the coast.



## THE COMMISSION OF 1884.

A reference may be had to the report of the Commission of 1884 for a more extensive review of such questions as the worship of ancestors, system of education, sale of offices, &c., in China.

It has been the aim of the present Commission to gather all the facts obtainable as to the number of Chinese and Japanese in the country, the quality of the immigrant, the class to which he belongs, his habits and standard of living in his own country, the object he has in emigrating to this country, his manner of life here, how far, if at all, he is a menace to health, and his social and moral condition as a factor in the well-being of the commonwealth, to what extent he has taken part in and is essential to the development of the great natural resources of the province, the clearing and cultivation of the land, the fisheries, the mines and the lumber industries, and to other trades and callings in which he finds employment, and the nature and extent of such employment; and to consider the question having relation to these facts, and from a national standpoint.

It was thought expedient as far as possible to treat the questions of Chinese and Japanese immigration separately. The commissioners will, therefore, deal in the first place with the question of Chinese immigration.

## CHAPTER II.—THE CHINESE IMMIGRANT.

## EARLY IMMIGRATION.

The first immigration in any considerable numbers of Chinese into British Columbia occurred in the early sixties, at the time of the gold excitement in Cariboo, when many of them engaged in the placer mines in that district, and a few have continued there ever since.

By the census of 1880-81 the total population of Chinese in Canada is given as 4,383, of which 4,350 are credited to British Columbia, 22 to Ontario, 7 to Quebec and 4 to Manitoba.

## THEIR INCREASE.

During the period from 1881 to 1884 the Canadian Pacific Railway was in course of construction and large numbers of Chinese were brought over by contract to work on the Onderdonk section of the railway. According to a Chinese compilation made in 1884 there were in the province of British Columbia 9,629 Chinese labourers: of these 3,510 were engaged on railway construction. Victoria is credited with 1,767, New Westminster 1,680, and Nanaimo 168.

The census of 1891 gives the total number of Chinese in Canada as 9,129: of these 8,910 were in British Columbia, 97 in Ontario, Quebec 36, Manitoba 31, New Brunswick 8, Nova Scotia 5, Prince Edward Island 1, and the Territories 41.

It will be seen from the above that the large influx of Chinese into British Columbia during the building of the Canadian Pacific Railway was pretty well absorbed; nearly all apparently remaining in the country, or others coming in to take their place.

In 1901 the total number of Chinese in Canada is given by the census as 16,792, distributed as follows:—

British Columbia . . . . .	*14,376
Ontario . . . . .	712
Quebec . . . . .	1,044
Manitoba . . . . .	206

\* Incomplete.

New Brunswick .....	59
Nova Scotia .....	104
Prince Edward Island .....	4
The Territories .....	287

Of the above in British Columbia 2,715 reside at Victoria, 2,011 at Vancouver, 604 at Nanaimo, 505 at Union, 738 at New Westminster, 241 at Rossland, and 391 at Nelson.

NOTE.—These figures from the census do not agree with the figures obtained earlier from the Chinese Boards of Trade, and which have been used elsewhere in this report.

The relative increase in the population of British Columbia will be seen from the following table :—

	Whites and Indians.	Chinese.	Japanese.
1881 .....	49,459	4,350	....
1891 .....	89,263	8,910	....
1901 .....	157,815	†14,376	4,578

#### WHERE THEY COME FROM.

Nearly all come from the six or eight counties in the province of Kwang-tung in the vicinity of Canton. This province contains an area variously estimated at from eighty to ninety thousand square miles, and a population of over twenty millions. Those who come to Canada are mostly of the coolie class, or farm labourers. The farms are small, usually from a half to ten acres.

#### COST OF LIVING IN CHINA.

According to the witness Mr. McLean, who had lived many years in China (and who assisted counsel for the Chinese and was present throughout the investigation, and entirely favourable to them), the houses are described as costing in our money from \$5 to \$15; the whole furniture would not exceed \$5, and a man supports a family on \$2 or \$3 a month. 'Lots of these coolies, 40 or 50, live together, and are boarded for so much a month. Rice is the staple diet.'

Gordon W. Thomas, superintendent of mines for seven and a-half years, now gardener and rancher, and caretaker of the cemetery, who, though engaged at present in what might be called a humble employment, is a man of large experience and travel, and spoke from personal knowledge of the Chinese, such as come here, in China, and from a personal experience of 20 years in British Columbia, says: As far as my observations go I think they are a very undesirable race to be brought into this country. From my personal knowledge we get the largest majority from the lowest order of coolie labour from China, and I say that because I have been in China myself. I have seen them there and I have seen them here. I say from my personal knowledge that they come from the coolie class. There may be some from the small farmer class. I mean the lowest order of society or people in China from the cities. There is a class of farm labourers also, and those are the people who take hold of that class of work here. They live here just as they live there.

Lee Mon Kow, Chinese interpreter for the Dominion Government, and who has resided for 18 years in British Columbia, says: I figure there are about 14,000 or 15,000 Chinese in Canada; in British Columbia about 13,000. There are no Chinese brought out under contract now. There have been no slave girls brought out since 10 years ago when the Home was started (that is the Methodist Home for Chinese and Japanese girls). There were two or three cases of slave girls, but the Chinese don't call it slave. The woman agrees to come out. The man pays her, or perhaps pays her debt, and she sells herself until the debt is paid.

† Incomplete, estimated at 16,000.

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## WAGES IN CHINA.

Bearing upon the question of wages, the following quotation from 'The Real Chinaman' by Chester Holcombe, for many years interpreter, Secretary of Legation and Acting Minister of the United States at Peking, will throw light upon this important question. "The word 'poverty' does not convey at all the same idea in the two countries. In America a man is called poor who has a family to support upon earnings of perhaps of \$2 a day. In China such a man would be looked upon as living in the very lap of luxury. Here when the labouring man cannot afford meat twice daily he and those dependent upon him are supposed to be upon the verge of hardship and destitution. Meat is cheaper there than here. A labourer there receiving what he considers good wages cannot afford to eat a pound in a month. Poverty here means a narrow and limited supply of luxury. There it means actual hunger and nakedness, if not starvation within sight.

## SKILLED LABOURERS.

'Skilled labourers in China earn from 10 to 30 cents in silver each day, the average coming below 20. Unskilled labourers or men who, in the expressive language of the country, sell their strength, earn from 5 to 10 cents each day, the average not rising above 7. This meagre sum in a country where bachelors and old maids are unknown, must furnish the entire support of the man himself and from one to four or five other persons. I have often hired a special messenger to travel a distance of 30 miles for 8 cents. Boatmen are regularly hired to track a native boat, pulling it against the stream from Tientsin to Tungcho, a distance of 125 miles, for 50 cents and their food one way. They make the return journey on foot, that is, they travel a greater distance than that separating Boston and New York for 50 cents in silver, and one-half of their food. To an immense number of the people failure of work for one day carries with it as an inevitable sequence failure of any sort of food for the same period. From the prices paid for labour, as given above, it is not a difficult matter to estimate the extremely narrow limits within which the daily expenditures of a majority of the four hundred millions of Chinese must be kept. The difficulty lies in discovering how they live at all.

## THEIR FOOD.

'Their daily food consists of rice steamed, cabbage boiled in an unnecessarily large quantity of water, and for a relish a few bits of raw turnip pickled in a strong brine. When disposed to be very extravagant and reckless of expense they buy a cash worth of dried watermelon seeds and munch them as a dessert. In summer they eat raw cucumbers, skin, prickles and all, raw carrots or turnips, or perhaps a melon, not wasting the rind. In certain parts of the empire wheat, flour, oat or cornmeal take the place of rice. With this variation the description answers with entire accuracy for the food consumption of the great masses of the Chinese people, not for the beggars or the very poor, but for the common classes of industrious workmen and their families, whether in the great cities, or in the rural districts.'

Rev. A. H. Smith, 21 years a missionary of the American Board in China, in 'Chinese Characteristics,' says: 'One of the first things which impress the traveller in China is the extremely simple diet of the people. The vast bulk of the population seems to depend upon a few articles, such as rice, beans in various preparations, millet, garden vegetables, and fish. These, with a few other things, form the staple of countless millions, supplemented it may be on the feast days, or other special occasions, with a bit of meat.

'Now that so much attention is given in Western lands to the contrivance of ways in which to furnish nourishing food to the very poor, at a minimum cost, it is not without interest to learn the undoubted fact that, in ordinary years, it is in China quite possible to furnish wholesome food in abundant quantity at a cost for each adult of not more than two cents a day.

'In the northern parts of China the horse, the mule, the ox, and the donkey are in universal use, and in large districts the camel is made to do full duty. Doubtless it will appear to some of our readers that economy is carried too far, when we mention that it is the general practice to eat all these animals as soon as they expire, no matter whether the cause of death be an accident, old age, or disease. This is done as a matter of course, and occasions no remark whatever, nor is the habit given up because the animal may chance to have died of some epidemic malady, such as the pleuro-pneumonia in cattle. Such meat is not considered so wholesome as that of animals which have died of other diseases, and this truth is recognized in the lower scale of prices asked for it, but it is all sold, and is all eaten. Certain disturbances of the human organizations into which such diseased meat has entered are well recognized by the people, but it is doubtless considered more economical to eat the meat at the reduced rates, and run the risk of the consequences, which, it should be said, are by no means constant. Dead dogs and cats are subject to the same processes of absorption as dead horses, mules and donkeys. We have been personally cognizant of several cases in which villagers cooked and ate dogs which had been purposely poisoned by strychnine to get rid of them. On one of these occasions some one was thoughtful enough to consult a foreign physician as to the probable results, but as the animal was 'already in the pot,' the survivors could not make up their minds to forego the luxury of a feast, and no harm appeared to come of their indulgence.

'The Chinese constantly carry their economy to the point of depriving themselves of food of which they are really in need. They see nothing irrational in this, but do it as a matter of course. A good example is given in Dr. B. C. Henry's 'The Cross and the Dragon.' He was carried by three coolies for five hours a distance of twenty-three miles, his bearers then returning to Canton to get the breakfast which was furnished them. Forty-six miles before breakfast, with a heavy load half the way, to save five cents.

'In another case two chair coolies had gone with a chair thirty-five miles, and were returning by boat, having had nothing to eat since 6 a.m., rather than pay three cents for two large bowls of rice. The boat ran aground, and did not reach Canton till 2 p.m., next day. Yet these men, having gone twenty-seven hours without food, carrying a load thirty-five miles, offered to take Dr. Henry fifteen miles more to Canton, and but for his baggage would have done so.'

So important is the question of how these people live in China, what in short it costs to produce a competitor of white labour here, and what he can live upon in this country, that a few quotations from the evidence may not be out of place:—

Ewen W. MacLean, born in Japan, lived ten years in China, Chinese interpreter, says: The Chinese labourers come from eight districts in the province of Kwang-tung, similar to what we call counties here. It is one of the most thickly-settled provinces in China, a good agricultural district. The principal product is rice. These counties are all adjacent to each other. There are different dialects in these eight counties. A farm would be from four to six or ten acres. That would supply two or three generations, grandfather and his sons and their sons and their wives and children, in a collection of houses under one control. The oldest male member is in control and the grandmother if the grandfather dies, and this would apply to the father and mother. The house is a one-storey brick structure, usually made of brick out of blueish clay, a durable brick of blueish colour, a little larger than our brick. The roof is brick tiles, and floor, &c., brick or clay, according to their ability to have it. I have never visited any of these eight counties. I don't know what the buildings there are like. They have no heating apparatus, no stoves. Their cooking is done in an outer building in small terra cotta stoves. There is no way of heating the houses. The furniture consists of tables, if a small place one table, if larger, two; stools without back, ancestral tablet and altar. This room would be 10 by 12 feet; sitting room and dining room; two or three sleeping apartments. The rooms are not large, four by eight or five by eight feet. That room would be occupied by farmer and his wife and small children. Board bed made out of planks and matting over it, like the matting you put on floors. The covering is a quilt made out of cotton batting. Generally a little window, a wardrobe like a cupboard



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with door, planed, would cost \$1 or \$2, bed, \$2, table, \$2 or \$3, stools, 30 or 40 cents apiece, washstand, 30 cents. That would fairly describe the house of the farmer class from whom these Chinese are drawn. These prices would represent Mexican money. I can't tell the kind of buildings occupied by those who come here. The common labourer gets \$6 a month silver, that is \$3 of our money. Wages here is enormously higher than there. You would live there for about \$4 a month and live well. He would live with a number of men. Lots of these coolies, 40 or 50, live together, and are boarded for so much a month. Rice is the staple diet.

Alfred Dyer, an Englishman by birth, a journalist by profession, says: I have been a resident in China and pretty well all over the Orient and in Japan, from 1881 to 1895. I know how the people are engaged over there to come here, at Hong Kong and Singapore. There are certain houses that are known as barracoon houses. They are emigration agencies in a sense. There has been full legislation applicable to them. The keeper of the house is usually a servant of a Chinese Company. He from time to time procures by means of sub-agents sent into villages or cities where labour is congested, to get emigrants. These places are principally Swatow, Amoy, Fou Chow, Macoe, Canton and Hainan. These are the exporting places. These cities are in the south of China, along the Coast and the Delta land, very highly cultivated and very densely populated. There would be a surplus there naturally under such conditions. The men having been recruited are brought down to these houses and are locked up in them, and money is paid covering the expenses of recruiting, the head tax, if any, plus an advance to his family, which the emigrant invariably demands. It is more than doubtful if the emigrant really knows where he is going. He gets in the barracoon house and that is the end. All this is fully set forth in blue books on the subject by the Colonial Government. The Hong Kong books will show you, or the Straits Settlements. The English official called the protector of Chinese would give the information. Well, then, it is a matter which country wants them. Wherever they are wanted they go. Take the tobacco plantations in Sumatra. The coolie enters into a written contract for two years that he shall serve at a certain rate of wages, and that the advance of his employer, which in that case amounts to \$40 or \$50, shall be deducted. He is then free, if he is clear of debt, to enter into a fresh agreement. I know of no such contract with those coming into British Columbia, but when I was in Hong Kong, of their coming here in that way, I never heard it disputed. Moreover, the coolie has not got the money. The Emigrant Company get what they can. It is a mere matter of bargain. The man who completes the contract pays the company who has them. Say I want 100 coolies, I go to an agent and ask what he wants, expecting to pay anywhere between \$4,000 and \$5,000, and he in turn makes his bargain with the owner of the barracoon house. When I get the coolies I deduct his commission out of their earnings.

The compulsion is the urgency of his need. It was about 1895 the last I saw of it. It is impossible for the Chinese to pay his own passage. He could not do it. He comes because of the demand. I don't believe they or their fathers or brothers pay their way. I don't give it credit in the least. The term 'coolie' is used and applied to these various emigrants. It is not necessarily a term of reproach. The question of barracoon houses grew so large that they held a commission on them. To my certain knowledge the Emperor's decree is disregarded. I lived in the Chinese quarters in Swatow and Canton. The people who come here if they can get work home, their earnings would not be over \$4 a month, Mexican, that is \$2 of our money. The domestic servant is of a class above the average of the Chinese. A carpenter would get from 15 to 30 cents Mexican silver a day, that is from 7½ to 15 cents. Houses are all small, one story, and are built of varying material, mud, cement and oyster shells. Inside either an earthen floor or tiles most usually or boarded. There are always three rooms. First, one general room, one women's room, and a guest room for men. The furniture is the same as in Chinatown. You find adobe and half burnt brick. Such a house would cost \$20 or \$30 in Mexican silver. This room (the court room, about 30 by 50) would make four houses. The allowance in Canton jail to the jailor per head was 30 cash, equal to 3 cents a day Mexican silver, that is 1½ cents a day for each inmate. He does live upon 3 cents a day Mexican silver. The idea is communal. One sees a whole lot of planta-

tions and a village is communal. Living in the house would be the father and the sons and their wives. The custom and laws permit more than one wife when no son is born. The average holdings is from a half acre up, almost wholly rice lands. The rice would not be for their own consumption. They grow a better rice than other places. Their clothing is homespun and home-dyed, very very cheap indeed. A man and his wife and two children could live on four Mexican silver dollars, that is two dollars a month.

Gordon W. Thomas, above quoted, says: I have resided in British Columbia twenty years. From my personal knowledge we get the largest majority of Chinese from the lowest order of coolie labour, and I say that because I have been in China myself; have seen them there and have seen them here. This coolie labour coming from China,—there is a company sending them here. They pay their passage and head money coming into the country; then they have to serve them till this money is refunded. I know by what I was informed in Canton by Chinese merchants. That was in 1874. I only know what took place then; not now. I say from my personal knowledge of them that they come from the coolie class. There may be some from the small farmers' class. I mean the lowest order of society or people in China from the cities. There is a class of farm labourers also and those are the people who take hold of that class of work here. Their home life is just like it is here. They are the filthiest, dirtiest race I ever saw. They have little huts and some look like mud huts. I was never in a house outside the city.

The Rev. Lewis W. Hall, Chinese missionary at Union Mines, says: I can speak the Chinese language. I learned it in Canada. I was in China two years. I know from the district they come from. The coolie class border along Hong Kong. I asked them where they came from. I never was in a farmer's house in China.

At  $2\frac{1}{2}$  cents per day the cost of living for 365 days would be \$9.12 $\frac{1}{2}$ . The labourer's income at 5 cents per day for 300 days would be \$15; from which deduct the cost of living for 365 days at  $2\frac{1}{2}$  cents per day, or \$9.12 $\frac{1}{2}$ , and we find that the labourer receives as a result of his yearly earnings \$5.88. Is it advisable that the labourer of this country shall be brought into competition with such conditions?

Having seen the class from which the Chinese immigrant is chiefly drawn and his condition in China, let us examine his mode of life and occupations after he arrives in this country.

#### OCCUPATIONS.

The following statement was compiled by the Chinese Board of Trade of Victoria at the request of the commissioners:—

	No. of Chinese.
Merchants .....	288
Wives of merchants and labourers .....	92
Male native-born children .....	63
Female native-born children .....	82
Domestic cooks and servants employed by whites .....	530
Market gardeners .....	198
Sewing machine operators and tailors .....	84
Saw-mill hands .....	48
Cannery men .....	886
Laundrymen (employed in 40 wash houses) .....	197
Miscellaneous labourers employed .....	638
do do unemployed .....	173
Females, no occupation whatever .....	4
Total .....	<u>3,263</u>

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Chinese householders of different classes in the city of Victoria, B.C. :—

Merchants' families .....	45
Labourers' families .....	28
Ministers' families .....	1
Interpreters' families.....	2
Total .....	76

The above households include :

Merchants' wives.....	61
Labourers' " .....	28
Ministers' " .....	1
Interpreters' " .....	2
Children, native born, males....	63
Children, native born, females.....	82
Total ....	237

## FEW FEMALES.

It thus appears that out of a population of 3,273 there are 3,132 adult males ; of these 92 have wives in Canada, and of the 92, 61 are merchants, 1 a minister, 28 labourers and 2 interpreters. The disproportion of males to females is even greater in other places than in Victoria.

In Vancouver there are 2,053 males and 27 females, of whom 16 are wives of merchants, 8 of labourers, 1 of a minister, and 2 of interpreters.

In many towns and villages there are no Chinese women in a population of several hundred Chinamen. Of a total population of 16,000 (estimated) Chinese in British Columbia, there are 122 Chinese children attending the public schools, distributed as follows :—

## CHILDREN ATTENDING PUBLIC SCHOOLS.

City or District.	Chinese population as given by Chinese	Chinese Children attending Public School.
Victoria.....	3,283	29
Vancouver.....	2,053	26
New Westminster.....	748	6
Nanaimo and District.....	1,169	5
New Westminster District.....		32
Comox.....		2
Yale.....	Estimated	9
Cariboo.....	at	5
Lillooett.....	8,700	3
East Kootenay.....		3
West Kootenay.....		2
Total.....	15,942	122

The total population of British Columbia, exclusive of Chinese, is 161,272 ; of these 54,500 are adult males, and 30,000 adult females, and 23,615 attend Public School. (*Note*—These figures are estimated from partial census returns and statements obtained from Chinese.)

It will be seen from the above that for every adult male there are three inhabitants, and applying this ratio to the Chinese it should represent a Chinese population of about 48,000, of whom at least 5,500 should be children attending the Public School; or to put it in another way, supposing the places of 3,000 Chinese in Victoria were filled by white adult males, under normal conditions, this ought to represent approximately a population of from ten to twelve thousand, equal to half the present population of Victoria, attending our schools and churches, building up homes, and filling all the conditions of citizenship, and yielding that mutual support to all avocations and trades necessary to the healthy growth of the community. It is rather a startling fact to consider that what ought to be a mixed population of men, women and children of say ten or twelve thousand souls, is represented by some three thousand adult males, with no family life, no homes, no wife or children, taking no part in civic Government, nor interest in our laws and institutions. What applies to Victoria, as above indicated, applies with equal force to the Chinese throughout the Province of British Columbia.

The number of Chinese in British Columbia does not convey an accurate idea of the extent to which the white population is being replaced by Chinese. In a population exclusively white you would have not only their families as above indicated, but the increase occasioned by their presence to supply their wants.

### CHAPTER III.—THEIR UNSANITARY CONDITION.

The sanitary inspector of Victoria, James Wilson, referring to Chinatown, stated that last year we burned down over 100 buildings—old wooden buildings. They (the Chinese) had a great habit of boring holes in the floor and allowing waste water to go through until the ground was saturated with filth. Would find half an inch of filth in the hall and stairway. The beds are clean. There is a continual disregard of sanitary regulations.

Robert Marion, health officer for the city of Vancouver for the last six years, said that with the exception of the laundries and domestic servants, the Chinese in the city practically confine themselves to Chinatown. Their method of living was totally different to that of white people and they scarcely patronize any but their own stores. Their food consisted of rice, Chinese preserved ducks, eggs, vegetables, &c. The Chinaman can live on a few cents a day. They herded together and cooked in one room. He described some of the lodging houses:—The Armstrong lodging house was a two storey brick building with 27 rooms upstairs. The rooms were 20 feet long, 13 feet wide, and 10 feet high, and were capable of holding six persons in each, according to the by-law. This was one of the best lodging houses in the city. When visited the other night all the rooms with but two exceptions were occupied by more than six people. The furniture of a room would consist of a table, six bunks, and a stove; no more. As a rule the six occupants would rent that room from a keeper who leased the building from the owner. The amount paid was \$3 per month per room, or fifty cents per month for each occupant, provided no more than the proper number were allowed to use it. This was a fair example of the manner of living among the working Chinamen.

When one got among the poorer classes one would find conditions worse. The by-law had been created to prevent the over-crowding which had existed. Most difficulty was experienced in making the Chinese conform to the by-law. They appeared to be made for litigation, and preferred to pay a lawyer \$10 than pay \$1 tax.

On Carrall street there was a house of 19 rooms for 50 persons. With very few exceptions these rooms were filled to the by-law limit.

The rents there varied from \$2.50 to \$3 per month.

In 1896 the city had to destroy several rows of Chinese houses owing to their filthy condition, and for the last three years it has been compelled to burn some of their houses on account of their dirty condition.

In 1896 the sanitary conditions of the Chinese quarters were vile, and one could hardly pass through the quarter without holding one's nose. It was very difficult to get Chinese to adopt sanitary methods, even when every convenience was provided.



## CHINATOWN.

In Victoria 'Chinatown' proper is located well within the city limits, having unusually favourable surroundings and occupying about four blocks, in which space are gathered 3,280 people, except in the summer season when many are engaged in the canneries.

Procuring the services of a guide, your Commissioners proceeded to investigate by actual observation to what extent the statements made by the press and the different witnesses examined were capable of verification.

It soon became evident that our coming had been anticipated: crowds of Orientals rapidly gathered on the streets, closely watching our every movement; partially dried floors, small pools of water standing in the alleyways being suggestive of a very recent general cleaning up.

Entering a large mercantile house, in the rear of which is located the largest opium factory in the Dominion, we were met at the door by the proprietor, who received our visit most cordially. A large stock of goods occupied the shelves on each side of the room. Accepting an invitation extended to us by the proprietor, we were admitted into that gentleman's private apartments, consisting of four rooms well furnished after the Oriental style. Here we were introduced to his family, consisting of wife and three small children. The surroundings here were sufficiently neat and orderly to satisfy even the most fastidious taste.

## CHINESE BOARDING HOUSE OF THE BEST CLASS.

Our next visit was to a typical Chinese boarding house, occupied, we were told, by the better class of Chinese labourers, cooks and domestics. Ascending a narrow stairway we enter what had apparently once been a large room, some 18 x 30 feet, with a 10 foot ceiling, but which had an additional floor, occupying a position nearly midway between the floor and the ceiling, thus making two stories out of one. The lower floor was divided off into small rooms reached by a number of narrow hallways, each room containing three low bunks covered with a Chinese mat. In many cases a double tier of these bunks was observed. The covering, in a moderately clean condition, consists of a mat and one or two quilts. The second or upper floor was reached by a short stairway. Here no attempt seems to have been made at a division of space, at least by partitioning, but at intervals a small mat is spread out on the floor with some regularity, by which each individual is enabled to locate his own particular claim. In many cases even a third floor exists, reached usually by a narrow rickety stairway, into which the occupant crawls upon his hands and knees. Here we found an almost entire absence of light and ventilation, the occupants using a small smoky, open lamp, to discover their respective locations, the fumes from which add to the discomfort of the surroundings.

The conditions as to style of dwellings described here conveys some idea of the close economy of these people in small things which enables them to live at but a fraction of the expense necessary for the maintenance of our people of the same class.

## OF THE COMMON LABOURER.

We next visited the houses (if so they may be called) of the common coolie, or what would be the common labouring class with us, whose homes are invariably located in the centre of the block, surrounded by Chinese business houses. These dwellings are of the most primitive character, one storey high, usually containing one small window, and often but one small pane of glass. The material used in construction is the commonest rough lumber, with no attempt at architectural design or taste, simply thrown together as if intended for but temporary occupation, somewhat resembling a railroad or lumberman's camp, and certainly no improvement upon either.

Entering a long, dark, narrow alleyway, our guide leading the way by striking a match at intervals, stumbling along over a muddy, uneven walk, the faint glimmer of a

light appears in the distance, emanating from a small, dirty window, casting a yellow glow upon the smoky and soot-covered walls on the opposite side of the alley, revealing a net-work of small, partly covered passageways leading in all directions through this human beehive.

Approaching an entrance, our guide at length located the latch, and unannounced, rudely pushes open the door. We enter a small 10 x 10 foot room without a ceiling. A small table occupies the centre of the room, upon which stands a small, open, badly smoking oil lamp; at its side an opium bowl containing a thick, dark substance resembling coal tar, which is being stirred at intervals by one of the occupants of the room, with a small iron spoon.

Three low bunks surround the room (often a double tier of them), covered with the usual Chinese mat, no other covering being observable; which, with a stove used in common, a few dishes, a stool or two and some shelving constitute the furniture of the room. The walls are blackened with smoke that is constantly drifting around the room. The walls and floor, which are composed of rough lumber, are absolutely bare, and the starry heavens are observable at intervals through the roof. The bunks are all occupied, some of the occupants apparently sound asleep, others gazing vacantly, others again turn an idiotic gaze upon you, but each hugging his pipe with a smile of security and content. Here again we found an entire absence of any attempt at ventilation so characteristic of those people. The atmosphere of the room is fairly stifling, the smoke from the oil lamp intermingling with that of the opium, constitutes an atmospheric condition well calculated to prevent a prolonged visit.

The opium habit among the Chinese seems nearly as common as the tobacco smoking habit with us.

The conditions above described are worse in Vancouver, but would be a fair average in most of the cities and towns visited, and will convey a fairly accurate idea of the habits and social conditions of the Chinese in the larger centres of population in British Columbia. What the condition of 'Chinatown' was before the general clearing out and burning of the old buildings as above described must be left to the imagination of the reader.

Of home life, except among the merchant class, there is none.

#### ARE THEY A MENACE TO HEALTH?

The doctors unanimously concur in the opinion that they are. Doctor O. Meredith Jones says: The sanitary conditions have improved in the last year. Before that the dwellings were overcrowded and dirty; the numerous alleyways were undermined with pools of water. I have been asked to see five cases of leprosy. No case of leprosy among the whites. I think it would be a good thing for the country to restrict; I would diminish the number coming in. The manures they use on their vegetables are very dangerous.

Dr. Roderick Fraser, Medical Health Officer of Victoria, says: 'Chinatown' is not as clean a part of the city as other parts, although it is much cleaner now than it was some years ago. The whole of 'Chinatown' is governed by by-laws the same as any other part of the city, but it takes more to enforce the sanitary regulations there than in a similar area in any other part of the city.

Q. Can you give instances?—A. I cannot give particular instances.

Q. Why are they less sanitary than others; do they not use water closets?—A. They use them in a way; but the closets are not attended to as they should be, and they soon get clogged up; if a closet in a house inhabited by white people gets clogged up, they will have it remedied at once; but the Chinese are very indifferent; if he can use the yard, or let the closet overflow, he is likely to do so.

Q. Have you known instances of their removing the closets?—A. No; I have not known them to remove them; but when they become blocked, I have known them to cut a hole in the corner of the room and use it as a urinal.

Q. Do you regard the presence of the Chinese as a menace to the health of the city?—A. I do.

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Q. Why!—A. Well, the Chinese are generally dirtier than the whites. That is a general statement, but it is a correct one. One reason is this, if the Chinese had a case of smallpox in the house his first action would be to conceal it, and he would not take any precautions to prevent the spread of the disease.

Q. Do you know about any cases of leprosy?—A. Not in the city as far as I know; there are four lepers on Darcy Island.

Q. Any others?—A. Fourteen months ago one went from Sydney, and is there now.

Q. Is there much danger from leprosy here?—A. No, I do not think so; with the precautions taken at Williams Head, the quarantine station, the chances of leprosy spreading among white people or becoming general among the Chinese population of this province are very remote \* \* \*

Q. Is it not a fact that although living in close proximity to each other, it does not appear to have any great effect on their general health?—A. I think it does; I think the Chinese are more unhealthy as a class than the same class of white people; I think the places they live in, with the vitiated atmosphere they breathe, the bad surroundings generally in which they live, have, and must necessarily have, a deleterious effect on their health.

Q. Would you go so far as to say that it produces disease of a more dangerous character?—A. It is a good field for consumption; it is very dangerous for the public at large to have people who live in such a vitiated atmosphere going around the city expectorating on the sidewalks, and the like; the Chinese are very careless as to this; the Chinese are good subjects for consumption; the streets of Chinatown are frequently slippery from expectoration.

Dr. Alfred T. Watt, the Superintendent of Quarantine for British Columbia, in describing the ordinary coolie, says: Their clothes are mostly composed of cotton goods, that is the lower class. They bring some little bedding, a piece of matting, a blanket, and perhaps two quilts. The whole outfit worth perhaps \$5. Their age is usually from 15 to 40. Those who are older have generally been in the country before. I believe they generally remain here five or six years and then return to China and remain for the winter.

Q. In regard to sanitary conditions, what do you say; are they sanitary?—A. I would not consider them so. They have no knowledge what they should do. They have no sanitary knowledge. They simply follow their old habits in disposing of excreta and otherwise. They live principally on rice and fish. The rice comes from China. They deal generally with their own storekeepers.

Q. Do you think that the Chinese living as they do in their own quarter of the town are a menace to the health of the city or not?—A. Well, 'Chinatowns'—some of them I have seen in this province—certainly are a menace to health. Victoria's is probably in the most sanitary condition of any of them.

Q. Do you regard Chinamen as especially subject to tuberculosis?—A. I think they are.

Q. I have a statement here from Vancouver in which it is set forth that 19 out of 32 deaths of Chinamen were from tuberculosis. Do you regard that as a high proportion or not?—A. I do regard that as a high proportion. There are probably more than that among the Chinese, because when they get seriously ill the Chinese will try to get back to China. I know that. On every voyage of a vessel running to Hong Kong some Chinaman dies, and it is usually from tuberculosis.

Q. Do you not know there is an enormous percentage of deaths from tuberculosis in Great Britain?—A. I understand that probably one-seventh of the deaths are from tuberculosis.

Q. Take the Chinese coming from a dry country, hot country, and coming to a climate such as this of British Columbia, wouldn't tuberculosis be more ready to attack them than the residents, the white people here?—A. I think so; but I think it is probably more owing to the way they live; they have not the rugged constitution to resist the attack of disease.



Q. Is there any improvement you can suggest in the present regulations in dealing with these people coming into the country?—A. Well, the quarantine station is now fully equipped.

Q. Have you any suggestion to make on the subject?—A. It might be if those people were put into quarantine before they left the other side it would prevent disease in many cases; at least in some cases it would prevent disease developing on the way over.

Q. In other words, you suggest if more pains were taken before they left their own country?—A. Yes, in some cases in Japan the emigrants are held 15 days before they are allowed to go on board the steamer, and if such regulations were enforced in Hong Kong, it would be much easier to prevent cases breaking out on the way over.

Dr. Robert E. McKechnie, Health Officer of Nanaimo, said: I am in favour of prohibition. First, from a sanitary point of view they are an undesirable class. I am health officer and so have an opportunity of watching them. The dwellings are dirty. I cannot remember having seen a floor scrubbed. The sleeping apartments were overcrowded, unventilated, and often not even lighted. From a sanitary standpoint this overcrowding, with deficient ventilation, offers special inducements for the spread of disease, and on this account Chinese quarters in a city should always be looked upon as a danger point needing watching. The plague in San Francisco is among the Chinese. The Chinese population here consists very largely of adult males; a few are married and have children. In the unsanitary state or condition of a group of buildings such as 'Chinatown' consists of, I would expect to find a larger death rate, if the normal proportion of children and females were present, and where the population did not consist of adult males, the majority of them in their prime.

The doctor also stated that from personal observation he concluded that popular report was true, which charged the Chinese market gardeners with using in a way dangerous to health human excreta from the cities and towns. This practice was confirmed by many witnesses.

Dr. Walkem, of Nanaimo, a resident of 26 years in the province, coronor and colliery surgeon, said: I was health officer at Victoria. The Chinese were terribly dirty, and the officers were bribed by Chinese to keep quiet. I would prefer to see them excluded for a great many reasons. I have seen salads at hotels that smelt of urine. I saw a Chinese chew up parsley and spew it into the pot for soup. I saw a Chinese to save the floor spit in the cover of a dish. We have the lowest coolies here. They constitute a large percentage of the criminal class. In 1897 they constituted a large part of criminals in the penitentiary. I was inspector at that time. One of Victoria's smallpox epidemics was traced to 'Chinatown.' I traced it to them in Victoria. It spread to whites and Indians.

Clive Philips Wolley said: I was executive officer of the Sanitary Commission for the province.

Q. I suppose it then became part of your duty to inquire into the sanitary condition of that portion of any town or city that was inhabited by the Chinese?—A. Not specially, but in almost every case I found they were responsible for all the trouble.

Q. Did you ever have occasion to visit the Chinese district?—A. Yes. I did go into the Chinese quarters, and I found the Chinese quarter absolutely filthy—more filthy than a human being ought to be compelled to exist in.

Q. We would like to get any special instance that you have record or recollection of?—A. A special instance I can refer to is what is found in the city of Nanaimo. I had occasion to inspect a house in a thickly populated district. The house was in a quarter populated by the Chinese. There were about a thousand Chinese living in the place. In this house there was not sufficient cubic space of air for human beings.

Q. How many Chinese were living there?—A. That I could not ascertain. There were crowds of them living there. I do not really know how many, fifteen in a room. A Chinaman occupies three times as much room as you can stand up in, that is about the proportion.

Q. What is done with the refuse?—A. The refuse flowed up over the floor and ran over. The well from which a portion of the town—that portion of the town was



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supplied with water, was in the middle of the street, and the Chinese filth could not help but filter into the well, but the Chinese drank the water as it came from the well.

Q. Were there other Chinese occupying other houses at Nanaimo? A. Yes; they occupied what they called the Chinese quarters. I have never yet seen a Chinese house sufficiently clean for a human being to live in.

Q. How would you describe their sleeping apartment?—A. A board and a blanket and enough room to turn around in. We had an epidemic of typhoid fever at Rossland that was distinctly traceable to the Chinese. I was health inspector. Columbia avenue was full of typhoid fever. To my knowledge wherever the Chinese were you would find lots of stagnant water. The typhoid fever was almost entirely in one street. In the Chinese quarter we found a deposit of filth underneath the flooring of every house in Columbia Avenue. It was easy to trace the typhoid to its source.

Q. Have you ever known of any serious epidemic of disease coming from the wash-houses?—A. Disease coming from the wash-house? I do not know.

Dr. McLean, who has been medical health officer for Vancouver for three years, says: Chinatown has greatly improved in sanitary conditions during the past year or two. Our health department is doing, I believe, all it can to make this part of the city sanitary and to keep it so, but constant vigilance is necessary. The Chinese merchants and employers of labour endeavour to assist the health officials, and are, as a rule, willing to co-operate and help in this matter, but the lower classes of Chinese emigrants give a great deal of trouble unless constantly watched. They become a dangerous element in the city's population, overcrowding; unventilated, dark, damp and noisome places of abode, dusty atmosphere, laden with foul odours and opium smoke; filthy habits, unsanitary surroundings, indoors and out; raw, half-cooked and unwholesome or insufficient food, are all circumstances and conditions which predispose to infectious disease, and serve to spread it rapidly when once it is roused into activity.

## PREVALENCE OF TUBERCULOSIS.

Out of 39 Chinese deaths within a certain period, 19 were due to tuberculosis, or 50 per cent; the corresponding death percentage among the Japanese was 6.5.

In the health report of Vancouver for the year 1900 is found the following statement:—

The number of Chinese deaths within the city limits for the ten months of this year ending October 31 amounted to 32, or about one-ninth of the whole city's death roll for the same period, this list numbering 281. The certified causes of these 32 deaths were:—Tuberculosis 19, bronchitis 1, pneumonia 1, cancer 1, heart disease 3, rheumatism 1, Bright's disease 1, hernia 1, accident 1, typhoid 1, gangrene 1, heart failure 1. The total city death rate due to tuberculosis for the number of months stated was 39, the Chinese proportion of this being, therefore, according to above figures, 50 per cent. In 1899, from January 1 to October 31, there occurred in the city 25 Chinese deaths, and the deaths from phthisis amongst this race numbered 18 for the whole year, out of a total of 47, or 38 per cent. In 1898 there were 22 Chinese deaths, and in 1897, 15.

## AMERICAN OPINION.

James D. Phelan, mayor of San Francisco, says: I have made a study of the subject. They have preserved all their race characteristics. Their conditions are foul and noisome. They sleep in places where white men could not live. They do not bring wives here. They live on a very small sum. They accumulate all they can from their wages and return to China to die there, and the Chinese who die here their bones are sent home. There are very few Chinese women here. I do not believe there are more than 115 out of a population of 16,000. Very few have votes, and these of course are native-born Chinese.

Q. Have you difficulty in enforcing sanitary regulations?—A. Great difficulty. They positively won't keep their premises in a satisfactory condition. We have had

modern plumbing put in and they won't use it. We are now engaged in spending \$6,000 of city funds in improving the condition of 'Chinatown.' We have spent over \$25,000 in 'Chinatown' in cleaning it and putting it in a satisfactory state, so as to prevent the spread of bubonic plague. It is probably cleaner to-day than it has been in 30 years. We have taken hundreds of tons of dirt and filth out of 'Chinatown' in a very little while. It cost us \$60 a day to cremate that.

#### SUMMARY.

From the evidence of the medical and other health officers it appears that the conditions in 'Chinatown' are such as to be favourable to the spread of epidemic diseases, but as a matter of fact in only two instances have epidemics said to be traced to that quarter, one in the case of smallpox at Victoria, and the other typhoid fever at Rossland. The Chinese, however, seem to be almost immune from typhoid fever. The menace to health emphasized by the doctors is the unsanitary conditions of their quarters and the manner in which human manures are used in market gardening. To quote Dr. McLean: 'Their filthy habits, unsanitary surroundings, indoors and out, raw, half-cooked unwholesome or insufficient food, are all circumstances and conditions which predispose to infectious disease and serve to spread it rapidly when once it is roused into activity.'

The unusual prevalence of tuberculosis among the Chinese, coupled with the fact that the greater number of domestic servants sleep in 'Chinatown' and return to work directly from these places above described, presents probably the greatest danger from the sanitary point of view.

All the conditions are favourable to spread the 'white plague,' not only among the Chinese, but through them among the white population.

### CHAPTER IV.—CRIME STATISTICS.

#### COMPARE FAVOURABLY WITH WHITES.

In Victoria for the year 1900 there were 596 whites convicted, 17 sent for trial, 97 discharged out of a total of 710. There were 116 convictions of Indians, 1 sent for trial and 9 discharged out of a total of 126, and there were only 37 Chinese convicted, 1 sent for trial on the charge of perjury, 14 discharged, out of a total of 52. Thirteen were for infraction of the city by-law, 8 for stealing, 7 for supplying intoxicants to Indians, 3 for being in possession of stolen property, 2 for vagrancy, 2 for drunkenness, 1 for fighting and 1 for cruelty to animals. A comparison of the returns of the other towns is equally favourable to the Chinese.

Out of a total number of 1,596 cases in the police court at Vancouver for the year 1900, there were 223 convictions of Chinese: of these 133 were for breach of the city by-law, 45 for gambling, 24 for theft, 7 for vagrancy, 2 for attempted murder, 4 for breach of the Sunday Observance Act, 2 for drunkenness, 2 for cruelty to animals, 4 for assault and 1 for breach of the Seaman's Act.

In Vancouver, out of a total number of 145 commitments by magistrates from 1894 until October, 1900, to the Superior Court of Assize, and speedy trial, 16 were Chinese, and of these there were convictions in 10 cases, including one for murder, 2 for burglary, 1 attempted shop-breaking, 1 for theft, &c.

A large proportion of the convictions are for breach of city by-laws, especially those having relation to sanitation, and although the returns for the penitentiary are not so favourable to the Chinese, yet your Commissioners think this may be accounted for by the fact that the larger number were sent up during the building of the Onderdonk section of the Canadian Pacific Railway, when there were large numbers in that section of the country.

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From the return of the warden of the British Columbia penitentiary since 1878, it appears that out of a total number of 737 inmates, 151 were Chinese, or about 20½ per cent of the whole, as follows:—

Shooting with intent .....	1
Keeping a disorderly house .....	1
Receiving stolen goods .....	15
Rape .....	1
Larceny .....	30
Accessory before the fact of robbery .....	3
Wounding with intent .....	19
Kidnapping .....	2
Housebreaking .....	19
Assault .....	8
Assault with intent .....	3
Obtaining goods under false pretences .....	1
Stabbing .....	1
Unlawful wounding .....	4
Robbery with violence .....	2
Perjury .....	2
Assault with intent to carnally know .....	1
Murder .....	1
Indecent assault .....	1
Buggery .....	1
Maiming cattle .....	2
In possession of housebreaking tools .....	1
Stealing .....	15
Burglary .....	10
Manslaughter .....	4
Setting fire to dwelling .....	1
Aiding and abetting .....	2

Upon the whole, after careful consideration of all the evidence bearing upon this question, your Commissioners are of the opinion that the Chinese compare favourably with other portions of the population in respect to crime.

This judgment is formed partly from the returns of committals and convictions, and is probably rather too favourable than otherwise to the Chinese owing to the fact that where a Chinese is charged with an offence it is very difficult to procure a conviction. This arises from the almost utter disregard by the Chinese of the sanctity and obligation imposed by an oath. Their evidence is declared to be almost without exception unreliable, except in the case of merchants and business men. It was stated by the police magistrate at Victoria, that on more than one occasion, he was satisfied that an organized effort was made and succeeded in defeating the ends of justice.

Hezekiah George Hall, police magistrate for the city of Victoria, since November, 1898, says:

Q. Do you think that from our way of administering the oath, it is looked upon as a sacred thing by the Chinese?—A. In a great many cases it is not; in fact I have come to the conclusion that the oath has no binding effect on them whatever; there was one question I might perhaps be allowed to refer to here, in reading the reports of the evidence given here, I notice there was a reference made to Chinese having a court and having law administered among themselves. That has on more occasions been exemplified in the police court.

Q. To what extent?—A. There is one case that might be interesting if the Commission saw fit to get from the Clerk of the Peace a copy of the evidence taken in that—the case of the Queen vs. Gin Wing, on the 24th February, 1900. On that day Gin Wing was committed for trial on a charge of forgery. There is one feature in the case that possibly it might be worth while to refer to; it appeared in that case that the party was summoned or called before what they call the Chinese Board of Trade; and there

had practically been a trial before the Chinese Board of Trade; at that meeting there was a very full attendance of the members of the Chinese Board of Trade and Gin Wing was asked numerous questions referring to the case which was to be tried in the christian court; in other words, it was made very clear that they were endeavouring to manufacture evidence before the Chinese Board of Trade; almost immediately after the meeting of the Chinese Board of Trade, or about the date of that meeting, the information was laid against Gin Wing for perjury. After the evidence referring to the County Court case had been given, we found it was difficult to arrive at any conclusion; reference was made to admissions said to have been made by Gin Wing at this meeting of the Chinese Board of Trade; three witnesses were called to give evidence as to the admissions made at the same time; it was only by putting together a lot of circumstances surrounding the whole transaction, that I was enabled to arrive at any kind of conclusion as to what had actually occurred at that meeting of the Board of Trade; and particularly was it made difficult when five witnesses as to this were tendered on behalf of the prosecution; and after a time, after hearing their statements, I declined to hear any further evidence. The counsel for the defendants did not object to the evidence at all; but putting together the circumstances which I was enabled to gather together, after the evidence of the five, it was quiet clear to my mind that the evidence was absolutely inadmissible, because this man had practically been forced to attend that meeting of the Board of Trade, which was supposed to be attended by all the leading merchants in Chinatown, and the evidence disclosed that any merchant receiving a summons was bound to attend and adjudicate upon the matter.

Q. The defendant was under duress in fact!—A. He was; it was not until the evidence of the five witnesses was tendered and partly given, which I afterwards ruled out entirely, that we found out that there were threats of violence towards Gin Wing at the Board of Trade; that such threats were made; that an actual assault was only prevented by one of the members going to the rescue of Gin Wing; then immediately, or almost immediately, after forcing him to make statements at that meeting they tendered the evidence of those statements in the police court against him. I would have dismissed the case there and then had it not been that outside altogether of the admissions given at the Board of Trade there was a *prima facie* case against him, and no evidence was given for the defence; I therefore committed him for trial.

Q. Was he afterwards acquitted!—A. Yes.

Q. You committed him for trial, and he was afterwards acquitted!—A. Yes; that was to my mind such a clear case of trial, or attempted trial, by the Chinese Board of Trade that I thought it right to mention it.

## CHAPTER V.—THE MORAL AND RELIGIOUS ASPECT OF THE CASE.

An interesting fact established beyond all doubt by the evidence is that missionary work among the Chinese on the coast has met with very little success, if one is to judge by the number of converts, and the ministers and clergy so far as we could ascertain, with very few exceptions, were opposed to further immigration of Chinese or Japanese labourers. Curiously enough where a witness was found in favour of further immigration it was put, not upon the ground of equality or of affording an opportunity for the Chinese to rise by reason of new conditions, but upon the ground that they were a servile class and a servile class was necessary for the higher development of the Anglo-Saxon race.

It is difficult to make a comparison between the morality of the Chinese and that of the white men. Their standards are different. They have their peculiar virtues and vices. They are sober but addicted to opium, thrifty but inveterate gamblers. It is a remarkable fact that there was only one case of assault with intent to commit rape and one of indecent assault.

In Victoria there are said to be four Chinese prostitutes and one hundred and fifty whites—and in Vancouver and other places the proportion was about the same.



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The Commission were careful to invite a full expression of opinion upon this point, and believe that they obtained what may be regarded as a consensus of opinion upon this question, and it is overwhelmingly against any further immigration of this class.

The Rev. W. Leslie Clay, minister of the Presbyterian church at Victoria, says: I have resided here seven years. We have been carrying on mission work for ten years. There are three white and two Chinese missionaries in the province. The Rev. Mr. Winchester, the superintendent of Chinese missions, has resigned. He reported in 1899, thirty-six Chinese as members of the church. They are rather averse to christianity. This arises from their satisfaction with their own social life and a contempt of everything of western social life. The converts are principally of the labouring classes, domestics and laundrymen.

Q. Do you know how they are regarded by their fellow Chinese?

A. With a great deal of antipathy. I know of some who have been cast off by their friends and looked down upon by their neighbours, because of their having adopted christian modes of thought and living.

I don't know of any of the educated classes of Chinese accepting christianity. The presence of any large numbers is not desirable. I object to more Chinese. I think that Canada should have a strong robust nation. The vast resources ought to afford scope for our own people. They show no signs of assimilation with us. They can never be assimilated, and if they could it would not be desirable.

Q. Upon what ground would you exclude any part of God's creatures from any part of the world?

A. Well, I have not spoken of excluding them either by head tax or by prohibitory law, but self-preservation as we all know is said to be the first law of nature. I would not exclude the Chinese or any other nationality on any other ground than that of self-preservation. The wisest suggestion that I have seen yet, and one that commends itself to my mind, is suggested by Mr. Ellis in the *Colonist* this morning. Instead of passing any further restrictive legislation, that the Province and the Dominion Government should petition the Imperial authorities to enter into a treaty with China and Japan, by which the number of immigrants from either country passing into the other should be limited to say one hundred in a year.

Their presence here has a tendency to retard the incoming of our own people. I have had people tell me their places were taken by Chinese or Japanese. I am inclined to put them in the same category. Their competition is more intense and more general. There would be the tendency of forming a servile class. Morally they have a different standard. They are addicted to certain vices which they do not regard as vices. Of their virtues, they are plodding, patient, sober, thrifty people. Gambling and opium seem their great vices as we see it here. I don't know in regard to the social evil that they are any more immoral than whites. I am told they are not.

In the past the Chinese have brought into the city here in a state of slavery a great many women who were to be used by them for immoral purposes. I know that because it was brought to my attention by Mr. Winchester (the Reverend Mr. Winchester, superintendent of missions). Mr. Winchester was on more than one occasion required to go to the customs authorities here when such women were coming. He had intimation of such women being likely to come, and had to go to the Customs authorities on several occasions in an endeavour to have such women sent back to China. There have been charges of the kind made against Chinamen that they were bringing in Chinese women here in a state of slavery for immoral purposes. At one time there were three women brought in here whose landing Mr. Winchester sought to prevent. I think he was unsuccessful. I would not be sure though I think that they were unable to prove at that time that they were being brought here for immoral purposes. I had no personal connection with the matter at all. I am simply giving you what I learnt from Mr. Winchester. I do not know of any other case.

The worship of ancestors is a great part of their religion. I don't believe in giving them the franchise. If we naturalized them I think the franchise ought to be given them.

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We should keep Canada for ourselves and such as will assimilate with ourselves in making Canada a great country. So far as I know the Christian converts are sincere. There are thirteen converts in Victoria. Last year forty-seven attended the week school. There are several missions in Victoria. I would not consider even Chinese Christians in large numbers desirable. The ground I take is that they seem impossible of assimilation with us. I have no doubt that vice abounds in all our large cities, but it is very apparent here.

Q. Would not the whole race be much better off if the Chinese were left alone and kept within their own walls in China?—A. I do not see how we could keep them within their own walls and seek to enter within those walls ourselves. I say their presence here in any large numbers is detrimental to the existence of our own people, and as a matter of self-preservation some steps ought to be taken immediately to limit their coming or to prohibit them altogether, but it is a question involving some other matters, but I see no reason why we should not be able to prevent any more coming here.

Q. Would they not be justified in asking us to leave them alone when we exclude them? A. I think they would.

Q. Would it be desirable in the interests of the white race to have the Chinese remain within their own walls and have no intercourse with the white people in any shape or form?—A. No, I do not think that would be desirable. I do not think we would be working for the best interests of the world at large in adopting that course.

Q. I should like to know how you can reconcile the one thing with the other: that is how you can expect to go into China unless in justice you should allow them to come into your country.—A. Certainly. I say we cannot stop them coming in when we wish to go into their country. I have suggested that the whole matter might be arranged by a treaty between the two Empires; that the number of labourers passing from one country to the other should be limited to a certain number in each year.

Q. Taking all these things into account what do you think the Founder of the Christian religion would advise under the circumstances?—A. I do not know just what Christ would advise in the matter, but in what I have said here I have endeavoured to give an interpretation of Christ's mind in the matter. I do not say I am correct in this at all, but I have given you my conviction after careful study of the whole question. I have no doubt Christ would approve of self-protection.

The Reverend Elliot Sproule Rowe, Methodist Minister of Victoria, formerly of Toronto, has resided ten months in the Province.

Q. Have you been sufficiently long here to form an opinion in regard to the Chinese question and the necessity for further restriction or prohibition, or for the further admission of the Chinese?—A. Well, I have formed some opinion, but my opinions have a tendency to shift. The problem is a complicated one. I think their presence here has a detrimental effect. Perhaps the better way would be to say that the Chinese have an injurious effect upon white labour here and, of course, the Chinese have an injurious effect upon the markets here, because they are not purchasers to a large extent of manufactures, and they affect different lines of business in which they become actual competitors with the white people. Their presence here is a decided injury to economic conditions; and a large number of them coming here would be a decided disadvantage to the community; it will be far better for the community and for the province that employment in the different trades and callings should be given to white men who will come here and settle and raise families here than to give it to the Oriental, who by his competition, by his being able to work for low wages because of his mode of living, is gradually driving white men out of the country.

Q. In regard to the question of citizenship?—A. Of course any importation into a province or into a country should have reference to citizenship: we want people here who will take an interest in our laws and institutions and ultimately become citizens, an integral part of our community; such people as those who are in, not taking any interest in our laws and institutions become a menace to the community.

Q. Do you think the Chinese as a class take any interest in our institutions one way or another?—A. I do not think so.

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Q. Do you think they are likely to do so?—A. I cannot answer that positively; but my opinion is they are not likely to; it seems to me the matters affecting the Chinese people and nation are in such a state of transition, that they will not be settled for some years; but I would judge that they have no interest whatever in our institutions.

Q. The strength of a people I suppose must largely lie in the class of people who occupy the various callings of life?—A. Yes, to have a progressive nation there must be an intelligent moral lower class, those who do what might be called manual or menial work; a class who, frugal in their habits and pure in their lives will build up a community rapidly and who will reside with us permanently, improving themselves as opportunity offers \* \* \* I think it is very injurious to the country to have any class of people in the community who will not assimilate, who have no aspirations, who are not fit to live in social and political relations with our people; it is certainly a disadvantage to the country at large to have such a class of people filling up every avenue of labour as they are doing to-day. Their presence here has been very detrimental in the past, and I have no doubt will continue to be detrimental as long as we have Chinese here.

Q. What effect do you think must the continued encroachment in the various trades and callings have upon the strength of the country as a nation, or as Canadians?—A. In a very large measure I should think it would be very detrimental; the presence of five or six thousand Chinese in British Columbia has had a very detrimental effect; and it has had a detrimental effect but to a very slight extent on the Dominion of Canada as a whole. Spread over the Dominion, their numbers appeared small in comparison to the population, but when the majority of the Chinese are to be found in British Columbia, then the injurious effect is much more apparent here and becomes much more serious. Were the conditions, such as they exist here, better understood in the east, I have no doubt that action would be taken immediately to remove the unjust and unfair competition. I think that their presence here in large numbers has a tendency to degrade certain trades and callings, and white people do not care to engage even if it were possible for them to find employment in certain work, because it has been done by Chinese; white people think it degrades them to go into employments that have been commonly assigned to Chinese for some years. I think it is very injurious in any community to be driven to think that any work that is necessary and fair is beneath them.

Q. Your observations with regard to the Chinese question have, up until now, been confined to their effect on the various trades and callings. Now, looking at the question from a national standpoint, would you favour further restriction or exclusion of the lower or coolie labouring class of Chinese?—A. Well, it seems to me that restriction can only be temporary in its effects; I think that in the meantime there should be prohibition; speaking from a national standpoint, I think the general sentiment of the people of Canada would be in favour of the exclusion of the Chinese, I think Canada would be stronger by the exclusion of individuals of the Chinese race of the coolie class.

Q. Do you think having regard to the same amount of labour expended that you are any more likely to get converts here than in China?—A. Apparently they are closer in spite of Christianity. That is my candid opinion about it.

Q. That answer would indicate that you are likely to be as successful in China as here?—A. Yes. I think there is as much chance of converting the Chinese in China as there is for converting them in Victoria.

Q. Do you advocate their exclusion from the country; advocate that there should be no further immigration here?—A. Well, I cannot answer that in a word. I believe the reason they are a menace is that our economic system is wrong and you cannot hope to remedy that at short notice, and their presence here will be a menace all along. Until our methods are saner we cannot hope to have any change in the present conditions. I think it is humiliating to have to say that our system of civilization is such that we cannot stand the competition of an inferior race, but we have to take conditions as they exist and to work to ameliorate or improve those conditions.

Q. What would you suggest as a remedy?—A. I confess that is hard to do. For instance, I think that legislation should be had towards promoting production and



the development of the mineral and other wealth of the country; when we speak about developing the country we should have in view the developing of the humanity of the country as well as of the agricultural and mineral wealth. The wealth of a country is more largely composed of its people than most of us would think. We might develop our fields and mines, and the country could not be much the better, if the results of that development were not directed towards increasing human happiness. While there might be difficulty in enforcing it, it seems to me if there was a minimum wage: by a minimum wage law, and enforcing proper sanitary regulations, and regulations of the methods of living and regulations of the class of habitations, there would be a more effective method than in force than the exclusion of any one race; it seems to me that would be more effective than the passage of a law saying to those men, you cannot come in.

Q. There are different degrees of labour; one man can do much more work in a day than another—why should a man who does not labour well be paid as much as the man who does? A. If there was a minimum wage, it is not necessary that all men should be compelled to accept that; but no employers should be allowed to pay less than the minimum wage, that would be the wage of the poorest class of labour: the poorest class would get that minimum wage, and in competition the better man would get more.

Q. You prefer not to have the Chinese get the benefit of that plan?—A. I do not put it forward as a plan: if I were competent to suggest a plan that would solve the present problem there would be no Commission. I have an objection to the idea of the exclusion of any class of people: perhaps it is not a well-grounded objection. I would suggest as well as a minimum wage, that there should be some regulation as to the sanitary conditions affecting the living of the persons concerned; and I would be perfectly willing to have all races of men put under these conditions.

I would say Canada would be strengthened by exclusion of the Chinese race. It has a tendency to deter white immigration. They depress wages, which tends to lower the standard of living. They reduce the ability of others to purchase. They ignore our religious services. They create a laxity of sentiment and feeling and the social evil is likely to increase. I think they are injurious in present numbers. If their place was taken by white people the country would be much benefitted by the change. I think legislation should have for its development men; development of fields and mines only will not do. It is dangerous to have a community within a community. If they conform to the conditions of citizenship I would admit them. They should be admitted, if at all, only in such numbers as would prevent them being a menace to the labouring class. Of course I could not object to mutuality. This refers to labourers only. Judging by majority of opinions they are good domestic servants. It is more important to develop a people than material resources. The more wealth an immoral community has the worse it is. High wages alone will not improve morals. Morality and wealth do not always go together. Low wages kill aspirations, destroy hope and ambition and lead to vice as relaxation from toil. Poverty produces drunkenness. I would say there is less poverty here than in other places I have been. The youth compares favourably with the youth of other places for intelligence and the making of good citizens. I have thought the neglect of Sabbath observance here was greater than in any other place I have been in.

Bishop Perrin (Anglican), of Victoria, says: I have only come into personal contact with two Chinese as domestics. I have found the two faithful and industrious to a degree. We have had a missionary from China. We try to show them that Christianity is a higher truth. We have not admitted one single member to baptism. Several have applied. The class is of the very poorest class from China. They come without a cent and are under obligation to those who bring them here. My opinion is that when the Chinese awaken they will be found all over the world. I don't think things ought to be allowed to go on as in the past. They are allowed to come in and arrive with nothing. I don't think China is advanced enough in civilization to admit them. I think we have a distinct mission to go to China because our religion is the universal religion. If they are here we have a duty to perform. The majority of white people are higher in morality than the Chinese. The Chinese have a good many virtues. Those who come here are very poor and the inference is, that is paid for by



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others. If the higher and better class of Chinese come here, if they are, as I believe them to be, they would remain and become good citizens. My own thought would be, the Chinese ought not to interfere with the dignity of labour in the mind of a true ideal workman.

I think the present immigration is not a desirable one for the country, because they are not the best representatives of the race. The presence of a transient population is inimical to the best interests of the country. The encroachment of these people on the ordinary occupations of the people of the country is also a dangerous and objectionable condition. Hence labour should be respected and is always respectable. \* \* \* I do not think it has a tendency to degrade the better class of white labour at all events. \* \* \* They take the place of our people. If you can get white labour you should get white labour. \* \* \*

I may state while in England I was unwilling to recommend labouring people to come to British Columbia. I am not willing now to recommend any of that class to come to British Columbia. As it is at present the English labourer here is in a very good position. I think the white labourer could still come here and hold his own against the Chinaman. There is not a large number under present conditions. If he got the wage here of a white man, he would be better off than he is in England. I think there is a great future for British Columbia when the population increases.

The Reverend Canon Beanlands of Victoria says: I have resided here for sixteen years. Am a clergyman of the Church of England. I have had Chinese domestic servants. They are honest, sober, industrious and cleanly in the house. They remain about three years. I had one young man who had sent \$180 to his father by the time he was 18, simply as an act of filial duty. They are obedient to one master or one mistress. You can get Chinamen from \$5 to \$35,—fairly good about \$15 a month. They have no wife here as a rule. We have had two Christian Chinamen. I think it is very doubtful if any considerable work has been done towards their conversion. I should think it very remote ground to expect to convert Chinese here. They might better try to convert them there. We had a clergyman here and his work was quite valueless. We then got a clergyman who knew Chinese and his work was more effective.

Q. How do you compare the standard of living of white people in the same calling as regards clothing and food?—A. That is an economic question. They have cases in England. I do not know whether my opinion is worth taking. The Chinese who come here do not compare with the white men in the shops or in the various trades and callings. The Chinese who come here are a servile class. They are a class far below the lowest mechanic or white labourer. I do not think that they compete with the white men at all. I think the white mechanic who comes here comes to occupy a different position. He does not come into competition with the Chinese. If you take the Chinaman into your domestic service he has to live on the same scale as the house, with a difference of temperament, but outside the house of his white employer the Chinese as a race are totally different from white men. The white man cannot compete with them at all.

Q. Could a white man bring up a family at all respectably under the conditions in which the Chinese live?—A. I do not think sufficient stress is laid upon their being a different class. The Chinese here are a servile class. The white man here does not live; he would not live; he could not live as a Chinaman does. They are a special class.

Q. Why do you say that?—A. For instance a professional man would not wish to live in the same way as a labouring man. The Chinese I have seen occupy a subordinate position, a position of servility, subordinate to white employees. For instance, you never see a Chinaman acting as a master carpenter or a master bricklayer. I have never seen a Chinaman employ a white man or come into competition with him. In bricklaying, bricklayers employ Chinese help and they would not employ white help. The white help would not do for that kind of work here.

Q. Why do you say that?—A. Because they prefer to get better paying work if they can get it. We have got bricklayers here and have not got bricklayers' assistants.

Q. Did the bricklayers ever have white assistants; was it not usual at one time?—A. Not in my time.

Q. Didn't some white contractors employ white labour exclusively in their buildings ?  
—A. They might attempt to do so. The man who wants to come to British Columbia, the white man, does not usually look for the lowest kind of labour such as the Chinese do. He may be compelled to engage in that temporarily, but he wishes to get better.

Q. Labour, if wages are good ?—A. I do not think a bricklayer would give wages enough to an assistant to compare with what white labour requires in British Columbia.

Q. What does a bricklayer get here ?—A. I am told from \$3 to \$5 a day. Other countries have got dense populations and a certain element falls into the lowest class. Whether we have no lowest class here it is difficult to say. The Chinese who are here, as I say, are a servile class.

Q. Do you think building could not go on without the aid of the Chinese ?—A. It would be according to what people could afford to pay. There is no doubt if labour is cheap that more building would go on. There would be more brick houses. You could make it cheap by importing labour from other countries, but it might not be politic to do that.

Q. Is there any deficiency in the supply of Chinese labour as here now ?—A. I am afraid I must leave that to employers to answer. I cannot say whether there is a deficiency or not ; I must leave that to the employers.\* I think the labour market here is very restrictive. It is almost a common remark that there is not very keen competition. That is the condition that exists where there is a sufficient amount of labour to supply the demand, but I cannot reasonably be expected to answer whether there is or is not sufficient labour here to supply the demand. I do not think there is an over-supply of labour in British Columbia.

Q. Do you think if the Chinese continue to come of that class, the servile class, that they will remain a servile class ?—A. It will always remain a servile class.

Q. Do you think it is in the interests of a country to have a servile class ; that the working class should be divided into two races ?—A. Whether it is in the interests of a country it is difficult to say, but take the case of the individual employee.

Q. Is it in the interest of the country to have a servile class ?—A. It has been found in the interest of every country nearly at some period or another to have a servile class employed in its development. It was chiefly servile owing to the prevalence of what might almost be called absolute slavery, and the nearest approach to slavery in our country is the servile Chinese—the coolie class of Chinese we have here.

Q. As compared with our civilization would you like to see slavery here now ?—A. Well, I am not sure that I should not.

Q. Then you think the Chinese would occupy a position next to that, the position of a servile class ?—A. I think the position of a free man is almost emphasized by the existence alongside of him of a servile class like the Chinese. I think white labour is more free by the existence of a servile class alongside of them.

Q. Do you think a servile class has a tendency to degrade ?—A. No, I think it has a tendency to elevate those who are servile.

Q. Do you think the existence of slavery in the South had a tendency to raise the whites there ?—A. Negro slavery is a question I would not like to discuss. I think all through Europe the existence of a servile class at one time in its life, had a strong tendency to elevate the non-servile. In Greece a very large proportion of the people were always slaves, who did all the menial work in Greece ; and the free men, their position was emphasized by having their menial work done by slaves.

Q. Do you think that is Christian, that Christianity teaches that ?—A. It is certain that it has been so. It has been natural in the development of all countries.

Q. Do you think we are in a condition now that although we cannot have slavery we may have the next best thing, servile class ?—A. I think at the present time that the white man's position as a free man is certainly emphasized by the existence of a servile class, such as the Chinese.

Q. Do you think the Chinese take any part in our laws and institutions ?—A. No, I do not think they do at all.

Q. Do you think they will ever assimilate with our people ?—A. No, I do not think so. It would not be good for the country to have assimilation.

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Q. Do you think it is good for the country to have a class which will not assimilate and become part of the foundation of the nation?—A. It would be very bad. I do not think the strength of a nation is in its lowest class.

Q. I mean the working man?—A. The working man is not the lowest class. It is a common thing for a working man to think he is not the lowest class; that he is a free man.

Q. Do you think it is in the interests of a country to have an immigration of her people here who will not assimilate?—A. I think in the present state of the country it is. I would not like to see them become dominant. I should always like to see them as a servile class.

Q. From which you could draw help?—A. Yes.

Q. No intention of elevating?—A. I do not see that it is our business in the least.

Q. Do you think they could go to heaven even if servile?—A. Oh, yes; we have no class distinctions there.

Q. Is there any position where you would draw the line between common white labourers and the Chinese whom you call servile?—A. I think the efforts of skilled labour will protect that. They can protect themselves by their unions. Outside of skilled labour you may not have unions so strong. If the labour is not sufficiently skilled to have any union among themselves I do not see how you can restrict men.

Q. Would you prefer to have Chinese in preference to English, Irish, Scotch?—A. I would prefer to have Chinese in preference to having the servile class of either of the other nations, England especially.

Q. Do you know of any servile class in England?—A. The ordinary agricultural labour at home is in much the same order as the Chinese here.

Q. Is there no advance for him?—A. There is advance for him.

Q. Would you prefer to have the English labourer here?—A. If all the Chinese could be put out of the country, and the country could be filled with white men, who would be put into a reasonable wage-earning capacity here, it would be a good thing for the country.

Q. Then in place of a servile class you would have what here?—A. You would have a class of free men.

Q. A servile class tends to elevate?—A. No. I say the presence of a number of white men has a tendency to improve the others. Suppose you put one million white men here and no Chinese, a great many would go far below what the Chinese are here at present and would bring down the wages terribly.

Q. Now, if you have a servile class here, the lowest class of labour in your opinion, do you think that will be used to crowd the low class labourer into the higher labouring class?—A. No. I think the unions should protect them in that way, and they are quite strong enough to do so if they are properly handled.

Q. There is a great objection to the union by employers in this province. In fact the employers think that the unions are all wrong?—A. I think all skilled labour should combine for its own protection just the same as professional men combine for their own protection.

Q. How is it that it seems to be an opinion prevalent among those giving evidence here, that more can be done in China in the way of spreading Christianity than can be done by Christian effort here?—A. Because we do not have their language; I do not think the missionaries learn their language sufficiently here to be able to give the Chinese a proper understanding of Christianity; I do not think the mere fact of mastering the language to a degree here would induce them to become Christians here; I have never known a Chinaman to master the English language enough to be able to talk to us intelligently, so as to enable us to impart to him the principles of Christianity. I have tried several times. The Chinese social life is much stricter and much better regulated than the social life of those in the same class here; the reverence of the children for their parents is very commendable, and conjugal infidelity is much more severely punished in China, than the same offence would be punished if committed here.

The Reverend Lewis W. Hall, a Missionary of the Presbyterian Church to the Chinese at Cumberland Union Mines where there are large numbers of Chinese employed



in and about the mines, says : I have resided here about seven years and have been a missionary all that time. I can speak the Chinese language. I was in China two years, at Hong Kong and Kam Tung in Southern China. We have a mission church and mission school here. There are only two or three Chinese children here. There are only two Chinese families : both are merchants. The Chinese here are not coolies, they are farmers' sons. I know by the districts they come from and know them by their surnames. The roll of the adults who attend school are twenty-seven, from the ages of 16 to 45. The study is the elements of English, to read and write. Few endeavour to write. There have been twelve here who have been baptized. Some are now in China. The progress made is satisfactory. If my work consisted of the number of men who come into the church I would regard it slow, but from its effects I do not regard it slow. A Chinese who becomes a Christian has the same difficulty as in China, and besides has to contend against the present antagonism. It is immeasurably hard in both places. He is ostracised and shut out from his family, cut off from all intercourse and in the widest sense you can say the word, an outcast. From his environment he becomes a marked man for all sorts of opprobrium. From a selfish standpoint he has all to lose and nothing to gain. That is emphasized as he ascends in the social scale. None of the converts here are Chinese merchants. The fact of their being here is evidence of their need. I would not favour the formation of a coolie class.

The Reverend Edwin Scott, Methodist Minister at Vancouver, says : I have resided here two years. We have about eighty Chinese in connection with our night school. It is their object to acquire English, and with many their whole object. If they come they should be distributed over the whole province. I don't think it desirable to have them come. They do not assimilate. It would not be desirable if they did. I have no ill-will to those who are here, but I would see that no more came.

I do not think that the mere fact of a number of Chinese being here has much effect in the conversion of the Chinese nation as a whole to Christianity. Nations have been converted without the aid of bringing some of their people into Christian countries. I think their presence unnecessary here from that point of view. My view in regard to their conversion is that we do not require any of them here in order to reach the Chinese nation as a whole. We can reach the nation without their presence here. They have been brought to a Christian country and being here, I think they ought to be treated in the Christian way, and not subjected to the annoyance of boys and hoodlums. Such conduct should not be allowed. A great many have been converted without being brought to this country, and I have no doubt many of them benefitted by attendance at our mission here. I know the missions in China are rapidly advancing, but as to the rate of advance I can't state. I think we can reach them much better at home than through the Chinamen who are here.

My sister organized the first missionary work in Chicago and converts went from there to China as missionaries.

Q. Do you believe in the universal brotherhood of man ?—A. I do, I believe in the common Fatherhood of God.

Q. Would you deny the right of one class of men to any portion of this earth ?—A. The nations are here. We are not universal nations yet. Universal nationality and universal brotherhood are two different things. We would like to see universal Christianity, but that seems to be still in the distant future. There are distinct national lines and it may be those lines will exist until judgment. I do not expect to live to see a great approach towards the universal brotherhood of man, although poets have dreamed of it.

Q. What right have nations to take exceptions to the rights of men ?—A. I suppose that no objection would be taken by any nation to the inhabitants of another country coming there in small numbers ; then it will be perfectly right to care for them as Christians ; but when it comes to an immigration by thousands, affecting the industrial work of the nation, then I think the national government have a right to protect their own people, and to send such a large number of aliens back to their own land.

Q. How would that affect the missionary work ?—A. We must view it from a national standpoint. It would affect it very little from a national standpoint. It won't affect the missionary work.



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It is a different thing when small numbers of a foreign nation come here from that of a flood of aliens overrunning a small part of our great Dominion. If we could flood the labour market in China with thousands from America there would be the same question on hand in China that you have here now, and it would not affect the religious question at all.

Q. Do you think the Chinese coming here has no influence in spreading Christianity when he returns?—A. My impression is that the Chinese who return from here have very little influence in China as to Christianity.

I think as a nation they stand nearer to Christianity than some other nations. The labour market here is congested. I should prefer to see the white men doing the work of this province. We have to draw our support from the labouring people, and these are affected because labour can be obtained so cheaply. I am a British subject.

The Reverend Roderick George McBeth, Presbyterian Minister at Vancouver, says: An alien race which refuses to assimilate is more or less a menace. Icelanders and Swedes readily assimilate. I think we have all the Chinese we can digest. Looking at this question we must regard the future. Our children must have room for livelihood. I can't say I see much difference between Chinese and Japanese. I don't know the nature of the missionary work in this province. I do not consider restriction affects the question of missions. As to domestic servants, there are more avenues opened out than ever before. These foreigners have come in and taken up that work, and it has caused white servants to leave it and take up other employments. Domestic service is held in low esteem and will so continue until we get some schools of domestic science. I have resided in British Columbia a little over a year.

The Reverend John Reid, jr., Minister of the Independent Presbyterian Church, says: I have been in British Columbia over three years, and in Port Townsend (Wash.) for twenty years, and in California. My opinion is that it would be preferable to exclude for a season all Chinese immigration. There may come conditions when it would be well to relax, but we are not now assimilating this element. Personally I have no prejudice against any race or colour. I do not think it is good for many of them to come to this country. They congregate and the property in that locality deteriorates because of the difference in the standard of living. As a race, until their religious concepts are changed, I don't think they will assimilate.

I have not known here of youths being contaminated by Chinese, but it has occurred on the other side. The impression made upon the mind of Chinese on the West Coast has not been favourable. A missionary carries the life with him. Here the professing christian sometimes treats the Chinese outrageously. In conversation with missionaries I have been informed that the greater portion of those who come here are coolies and the lower agricultural class. I am pretty sure there are not sufficient servant girls here to meet the demand. I found the Chinese very efficient, honest and reliable as domestic servants.

The Reverend Dr. Roland D. Grant, Baptist Minister, says: I have been ten years on the coast, from here to Mexico. I was six years at Portland. Was previously pastor in Boston, where we had one hundred Chinese children. In Portland we had a Chinese membership of one hundred, two Chinese deacons, including a member of the six companies.

If the Chinese were to accumulate here numbers would have to count. Their assimilation is almost forbidden by their segregation. I have known a few of the brightest Chinese to marry white people. There is a want at least of real fitness.

In 1880 Portland had a population of 20,000, of which 6,000 were Chinese. Now there is a population of 100,000, and 5,000 Chinese. The Exclusion Act did not interfere with the friendship of China. I think a people have that moral right (i.e. to exclude). If they could intermarry that would be the settlement and the only settlement. I never could find but two Chinese women in Boston. The spirit of exclusiveness remains the same after conversion as before. I do not think an Exclusion Act here would produce any shock. It would be quiet and unobserved. It would be beneficial to the Chinese here. I don't think the Chinese government would find any fault. They have no more prostitution than whites. They compare favourably with whites as law-abiding citizens.

If you go down to the root of the matter it must centre itself in the question of the family. The Chinese coming here as they are coming, without families, must have a deteriorating tendency, and the conditions under which the Chinese live here do not favour the introduction of their families. Restriction has a tendency to develop the family more in the long run, but if the families in Portland have increased in the time I have known them, I think I would have detected it, the \$100 will not keep them out. It might make some difference in quality.

The Exclusive Act did an excellent work. It helped to a friendly relation with China. It did not interfere with trade with China.

John Perry Bowell, Methodist Minister of New Westminster, says: I am a clergyman, a Methodist Minister. I am a native of Newfoundland, and have resided in British Columbia since 1883. I have been in the upper country four years and the balance of the time on the coast—at Cowichan, Saanich, Chialmich, Surrey municipality and New Westminster. I consider the large immigration of Chinese and Japanese to be detrimental to the labour interests of the country, because certain avenues of industry that could be worked by white labour are largely controlled and in danger of being monopolized by Chinese and Japanese. I refer particularly to the milling industries and the fisheries. In regard to the milling industries I have knowledge of persons in my congregation who desired employment and were unable to secure remunerative employment. This refers to unskilled labour. While this is so, it is not so marked as in the case of the fisheries on the Fraser. I am personally acquainted with a large number of fishermen who came to this province with the expectation of finding profitable employment in the fisheries on the Fraser and the deep sea fisheries too. Those who came several years ago succeeded to their own satisfaction; several of them secured plots of land and built for themselves houses: a fair proportion of these were not only fishermen but skilled mechanics, carpenters, ship builders, boat builders especially. Since the influx of the Japanese these same people are dissatisfied, are sometimes in straightened circumstances, have to run over the province seeking employment and fear that they will have to leave the country. Nearly all of these are men with families. Those who have come recently were led to do so by the reports of the comfort (not prosperity) of others, and have been bitterly disappointed. Some have speedily left. Many whom I am persuaded would have gladly left Newfoundland and made their homes in this province could not now be induced to come here if they knew the facts. They could only be induced to come by a garbled or untruthful statement, and it would be criminal to influence them. When I first came to the coast I saw the conditions that prevailed in regard to the fisheries of that time. I felt sure that it would be to the advantage of the province and of the Newfoundland fishermen if they could be induced in large numbers to settle here, and only my knowledge of the circumstances of the people lacking money in Newfoundland hindered me from urging them to come. While present conditions prevail, I have no desire to induce the Newfoundland fishermen to come to this country. One cause of this is the influx of the Japanese, partly Chinese—mainly the Japanese.

I think on account of the increased cost of living the condition of the unskilled labourer here is no better than that of the unskilled labourer in the east, that is in Newfoundland, and in some instances it is worse. A man out of employment in the east has not the irritation of seeing foreigners doing the work that would otherwise be open to him. I think the presence of Mongolians has the effect of practically stopping white immigration. With few exceptions the Chinese have not advanced to our mode of thought and living. I regard them as a menace to our future well-being as a nation. We would do without any more with advantage. I know with regard to boys who, during the busy fishing season, have their holidays and would willingly work in the canneries, they are debarred from doing so from the fact that the Chinese here have the preference. I have known this to affect my own boys as well as others. They employ them an hour or two a week. I have had two boys go down day after day and week after week and perhaps earn twenty-five or fifty cents a week. I don't know to what extent Chinamen are employed. It would not inconvenience those canneries near cities where there are enough boys attending school to do the work. Our vacation is from the last of June to the end of August. I think the main run is about the beginning of

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July. From my experience in the east, if fishermen's families (as a rule they are large) were located near the canneries the population that would come to the province would meet the necessities of the case. I am not familiar with the cannery business, but am with the fishing business.

Q. If I were to tell you that in a large cannery the total work of the Chinamen only equalled nine men for 300 days, what would you say?—A. If the fishermen were on the river then this small work could be done by boys. It would help them. I have known boys work till 2 o'clock in the morning in a rush.

The river last year was practically occupied by Japanese. With the large number of Japanese on the river it would not be wise to advise fishermen to settle on the river. In Newfoundland the shore fisheries have become defunct, the fish do not come to the shore.

Under present conditions they have to pay a larger price for fish than they did pay before the influx of Orientals. I am not convinced the industry would suffer by a limitation of the fishermen. If it did injure it I might, if interested, kill the goose that lay the golden egg. I should say there would be 100,000 men, women and children engaged in the fisheries in Newfoundland. I think cod can be cured here. I think the climatic conditions are more favourable here. The present system makes against the family. I think it ought to be treated as a national question. It is a legitimate matter for legislation. I make a distinction between Chinese and Japanese. The Japs' superiority makes them a greater menace to labour. The Chinese as a rule are industrious and sober. I have thought the fact that Chinese cultivated land that would not otherwise be cultivated, is beneficial from an economic point of view. I don't think there is enough labour at present to replace the Chinese on inside work. In isolated cases they may be sincere in adopting Christianity, but for the most part it is to learn our language to enable them to secure work. A farmer must have some employment away from the land to enable him to live, especially if he has a family. Lands are held by capitalists or locked up in some way. The normal condition would be for fishermen to occupy lands which would not fully support them, and they would gradually clear up the land and be enabled to support their families partly by fishing. It is where such conditions prevail in Newfoundland that the condition of fishermen is the best.

Tom Chue Thom, Chinese missionary of New Westminster, says: I came to Canada nineteen years ago like the rest of my fellow-countrymen: came quite young, with my uncle. I travelled through Eastern Canada and four or five States of America twice. I have visited a good many Chinatowns for the last fourteen years. I have a practical knowledge of our Chinese condition of life in many cities of the Pacific Coast. I was converted over sixteen years ago. I have been engaged as a missionary of British Columbia for the last nine years. Most all Chinamen in Canada to-day have come from Canton province. Many of us come directly from villages of different districts about a hundred miles from Canton City. Here we have four distinct dialects amongst the Chinese in the province, but generally use two dialects between four districts, or three districts' dialect. Yes, most of them came to this country quite young; they follow their elders and mothers or relatives and friends. Yes, most come here without profession. Most of us have a few years' school in China, more or less. If their parents are well to do, they give their son a liberal education, but the Chinese study cannot compare with English system. Most Chinamen here are farmers' sons. Regarding the cheap labour concern, the Chinese have been useful to every new country, especially to capitalists and landowners. They have reaped their benefit in the past. I think you Canadians ought to thank God to have the Chinamen here to do the manual work for you. Chinamen have been opening up many agricultural lands in the province. Some of them get pay for their labour; most cases not. If they do get pay for it, it won't be much, but the improvement is left here to you forever. Chinamen are born agriculturists. They are accustomed to make the very best of the soil. They are industrious people, honest, frugal and persevering. Whatever undertaking agreement of contracts always kept faithful in their promise. They keep up their reputation of the time of honesty. They are very filial to their parents. Many of them deny themselves pleasure



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to enable them to send money home to support their family and aged parents. Yes, there are good qualities in Chinamen, but this is not perfect in us. The chief sin of our race in this country is to set up a monument of Chinatown wherever they go, bad example, gambling and opium smoking. Set up the different tongues to quarrelling and fighting amongst themselves. Import slave girls to sell for prostitution. Love their dead friends more than their live ones. They worship the graveyard three times a year, educated or uneducated, young or old, rich or poor, enlightened or not enlightened. Ride steam engines and locomotive cars every day in this country, but most of them believe mountain, winds and water gods, their dead friends preventing and opposing railways and steam locomotives in China. By observation they ought to know better. In God's view nothing good in us. I don't mean in New Westminster here at present. Chinamen here are much better people than in any other Chinatown, but I am speaking from experience during the last ten or fifteen years. By nature all Chinamen desire high wages, but in actual skilled labour they are not worth much in the market. It is true that the Chinese physically are not strong as Europeans, but just true as a Pole, Chinamen are able to bear the hardships and suffering more than the Europeans. Yes, there is good quality in them. They are always willing to work. They prefer light work, such as laundry and housework, because it suits their strength. The health of our race don't look as strong as they ought to be, because they eat too much pork and those old dry Chinese foods. Most indigestion foods are used that gives no colour in their face. Those who live on European food are much more healthy than the others. They do this through ignorance. In the matter of trade, they prefer their own people. My opinion is, if the Chinese, when they first come here, adopt the custom and laws of the country, living, dealing, socially like Europeans, there would be no more anti-Chinese question to-day. If my fellow-countrymen only knew what they are living in this earth for, the world would have nothing against us to-day. If they knew, the condition of life would be much better to-day. I am sorry to say we are not living up to the time of civilization. We are a hundred miles away from other nations. If they were less anti-Christian and obeyed the laws and customs of the country, I am sure Chinamen would stand just as good as other nationalities to-day. The trouble is they are not. I wish they had thirty or forty years ago. The missionaries have done a great deal of good amongst the Chinese on the Pacific coast here. Not only chief sinner converted to God, but also broke down the lively tongs of Highbinderism, and stopped the importation of Chinese slave girls for immoral purposes. Missionaries have a good prospect of future work among Chinese on the Coast cities here. The Methodists have a Chinese mission church here. We have fifteen members: two of them are merchants. We also have about forty to fifty Chinamen attending our night schools through the winter. We have a pretty good attendance at Sunday services. There are about fifteen Chinese boys attending public school in the city here—sixteen Chinese families. The greatest influence amongst Chinese is the Middle Kingdom Association, supposed to belong to all classes of Chinamen in the province. This is mostly composed of merchants as a board of trustees and president. The headquarter is in Victoria. The second is Chee Kung Tong, known to the Europeans and called Chinese Secret Society. Their headquarters are in Victoria, too, but they have branches in every Chinatown. I think more than one-half of the Chinamen in Canada are members. Then the Chinese Empire Reform Society, their intention being to learn the western methods and laws of government, but all of them are idolatrous and ancestral worshippers, followers of Confucius. Most of the good standing members have no interest to inquire into Christianity. Now we have a handful of Chinese Christians here and there in the province, belonging to all denominations. Some have proved faithful to their new religion, but some have received little English education from Chinese mission school. They may have a false profession of Christianity to deceive the white. I believe the more converted Chinese we have, the better citizens you will have. I know the unconverted men, and the money-maker out of Chinatown, they don't want to see Chinamen get converted, because they are ashamed of themselves, or they can't cheat them as easily as the unconverted ones. I believe there are Chinese



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enough to fill the demand of labour in the country at present. I favour restriction and regulation, but not taxation. I think it a great sin to any government to put a head tax on any nationality coming into the country. It is not righteous in the law. A Christian nation broke the treaty of a heathen nation. It is a disgrace for the British empire. It is all right for a government seeking power, but there was no righteousness. Oh, I wish the government say, you Chinamen cannot come to Canada, then stop the Chinese at once. If the government allow us to come under taxation, they ought to permit us to do the public work. I think it is very cruel the way the government treat the Chinamen, but after all on account the heathen Chinese they deserve it. They bear it well, but the Christian is not willing to bear it. This proves in one sense the converted Chinese are worse than those unconverted ones. Well, I wish the government would make some little change in method of collecting revenues from our Chinese. It will do the Chinaman good and benefit the country. That is, put a heavy tax on the Chinese food, instead of head tax. History shows that Chinamen are bound to live on Chinese food and use Chinese goods. The government will not lose any revenue from head tax, but in the long run will derive more tax from the Chinese. If our Chinamen were willing to abandon their habits and customs they would be good citizens to the country, but I do not think the Chinese will ever assimilate with the Canadians—cannot under present situation. I wish the government would allow those naturalized Chinese, having educational qualification, the privilege of the franchise—treat them as men, as British subjects. They ought not to issue naturalization papers to applicants, while the government do not consider them citizens. I hope the government will have more conscience to make righteous laws.

Reverend Alexander Brown Winchester, now residing in Toronto, pastor of Knox Presbyterian Church, formerly resided in British Columbia, from April, 1892, to December, 1900, said: I was superintendent of Chinese missions in British Columbia in connection with the Presbyterian Church, with headquarters at Victoria. Organized Chinese mission work in British Columbia and established three permanent stations, at Victoria, Vancouver and Union Mines; also three sub-stations, at Westminster, Rossland (for the Kootenay district), and at Extension Mines, Vancouver Island. In addition to these mission stations a number of schools were conducted by the church throughout the province, at which adult Chinese attended. These schools were in some instances night schools for secular instruction, and in others Sunday schools for religious instruction. Approximately the number of Chinese who joined the church during the period of my ministration was not less than thirty, and possibly as high as thirty-six. When I left Victoria there were fourteen Chinese adherents of the church and five or six more had returned to China. In Vancouver at this time the number of Chinese adherents was eleven or twelve. Mr. Clay was doubtless correct in stating that I had placed the number of Chinese converts in British Columbia in 1899 at thirty-six.

I was for two years a missionary in North China. Church work in China cannot be compared with the work in Canada. The difference of country, of people with centuries of different religion from our own ingrained in them, the difference of language, added to the difficulty of getting the common people interested, owing to the lack of a public press as we understand it, and of anything like public opinion, were chief among the hindrances to church work. At every point the differentiation was wide and bridgeless and made comparison impossible. From some points of view the conversion of Chinese at home was immeasurably more hopeful of accomplishment than in this country. A missionary in China was likely to gather around him as a result of his efforts tenfold more adherents than here. On the other hand, quality of materials conditions the work, and it may be that one convert in this country who had inhibited the spirit of our institutions would be worth more than the larger number in China. Such a convert who returns to his own country, and in ninety-nine cases out of one hundred, so far as Presbyterian Church converts are concerned, becomes a propagator of the truths of Christianity. Of course many more Chinese could have been accepted into the church in British Columbia during my ministration, but I would only consent to the baptism of those I was convinced were thoroughly sincere in their conversion.

Of those who became members of the Presbyterian Church in British Columbia two were of the merchant class: the others were principally domestic servants and laundrymen. From a moral standpoint it is difficult to draw a comparison between Chinese and white men. Their standard differs from ours. Much that we consider moral shocks them, and vice versa. This difficulty is accentuated by the conditions under which the Chinese live in British Columbia, their isolation and social ostracism. Of those personally known to me, converts and attendants at the mission, I believe their moral fibre to be of as good quality as that of whites of the same class, allowing of course for the different standards.

In all that goes to make commercial honesty the Chinese, I know, were the equal of those of the same strata of society among ourselves. As to personal purity, I know of Chinese of clean lives, and also of another class, but they were not any more impure than men of certain sections of white society.

The presence of Chinese in British Columbia in some cases affects the white wage-earners favourably, in others, prejudicially. If Chinese were coming into the country in large numbers I would favour restriction. I would not favour restriction of Chinese alone, but would restrict a large influx of foreigners from any quarter. I would base terms of restriction upon character and education. A foreign emigrant should be able to read some European language: should come into the country for some stated purpose, and should show some reasonable prospect of becoming a permanent citizen. I do not approve of differentiation between one person and another in the matter of permanency of residence. I would like some form of declaration from all foreign immigrants. I would not consider a residence of five years a satisfactory term of settlement.

As a rule Chinese who have been in the country fifteen or twenty years remain all their lives. A few may return in their old age to be buried there.

As a missionary, I considered it my duty to deal with the fact of their presence in the country and did not question whether or not there was an advantage in having them here. The simple fact was, here are souls to be cared for. Neither missionaries nor the Church have moved a finger to bring Chinese into British Columbia. I have known of cases where converts have been made to suffer for their conversion. Whilst they have not been subjected to as severe treatment as in China, owing to the deterrent effects of our laws, their sufferings here have been of a vexatious, though petty nature, save in two instances where relatives at home implored friends here to secure their recantation, and as a result they were socially ostracized, their custom cut off, property stolen, and one of them threatened with assault, from which I was happily able to save him.

From inquiries made of Chinese I fancied not many came with the intention of remaining. Their idea was to make a competency and return to China. I have met Chinese who had expressed a desire to become citizens, but who claimed they could not do so and maintain their self-respect. In explanation they said they could not bring themselves to belong to a nation that treated another nation so unfairly, instancing the unwarrantable attacks made upon Chinese in the press. Some Chinese who had become naturalized, hoping to obtain relief from this treatment, had been disappointed. There is hope of Chinese becoming permanent settlers if treated the same as other nationalities. At present Chinese allege that they are afraid to bring their wives and children to this country.

I speak the Chinese language. I do not think fear of whites influences Chinese conduct here. They are naturally law-abiding and in China are even better behaved than here. The question of assimilation is wholly conjectural.

I have known of happy instances of intermarriage. The number of Chinese in this country who have intermarried with whites is greater than the number of Jews who have intermarried with Gentiles. It is possible that the coming here of Chinese in large numbers might result in bringing about conditions similar to those now prevalent in the Southern States. There are worse elements among sections of the European races who are admitted to this country than among any class of Chinese, who are always amenable to our laws and never foment trouble. I do not think Chinese would ever come to Canada in such numbers as to present a serious problem. In my opinion the feeling now prevalent against Chinese in British Columbia was due to a variety of

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causes :—1. Clash of two civilizations ; 2. Alleged unfair competition with white wage-earners ; 3. Political. A certain class of politicians make use of the Chinese question to inflame the minds of ignorant voters, and thus influence their votes. I would not say that the white labouring classes have no grievance against Chinese. If it could be established that white workingmen were prevented from raising their families decently because of Chinese competition, there should be no further debate of the question. So far as my experience goes it is not true that the Chinese work under any form of contract. They are free to work as they wish. The statement that they come to this country as serfs is not correct, so far as I could learn. It is probable that if Chinese in British Columbia affected the earnings of the professional classes in the same manner and to the same extent as they affected the white wage-earners, the professional classes would be as hostile to them as are the wage-earners.

In the matter of restriction, I would prevent persons of any nationality coming into Canada under certain conditions. Immigrants should be able to present a clean bill from their own country and undergo a reasonable educational test. If persons of certain nationalities presented a greater or more serious objection as immigrants than others, that might justify special treatment. Where Chinese have come under healthful influences in Canada they have rendered good account of themselves. Was not the conclusion warranted therefore that under proper conditions Chinese might become good citizens.

Chinese who come to Canada are from the province of Kwang-tung. The term 'coolie' is of Indian derivation, and applies to a certain class of labourers, a certain class or caste, and in my interpretation of the word, there are no coolies in China. Most of the Chinese in Canada come from small crofter farms or farm villages. Many belong to farming villages without being farmers. Many of them are sons of farmers and farm labourers. This class is not indigent as a rule, the average of them belonging to the poor farm working class, not the lowest class generally speaking. The poorer houses of this class are built of adobe with thatched roofs, and the better houses of burnt brick with tile roofs. A poor Chinese labourer can live in China for \$1 a month, Mexican. Clothing would not be included in this estimate. Students at Canton college were known to live at the rate of \$1, Mexican, per month.

I have been in Japan. I do not wish to express personal views concerning the Japanese. I desire that Canada should be filled from shore to shore with our own kith and kin. At the same time I believe that the land should be free to all, irrespective of race, creed or colour, provided they became amenable to our laws and institutions.

I estimate there are about three hundred Chinese in Toronto, seven or eight hundred in Montreal, about one hundred in Ottawa, and smaller numbers scattered throughout other towns and villages of Eastern Canada. The Chinese in Toronto are chiefly engaged in laundry work. There are some few house servants. The average Chinaman in Toronto was superior to the average on the Pacific coast. I do not think this is due to the fact that only the brightest Chinese came east, as any Chinaman could get travelling expenses advanced if he could show reasonable prospect of repaying same and would give the necessary bond. I think the superiority of the Chinese in the east is due to better treatment.

I do not approve of the suggestion that Chinese should be admitted to the country to enable employers to cope with the alleged tyranny of labour. As a matter of fact I do not concede that there is such a thing as the tyranny of labour. Both sides, employers and employees, made mistakes ; but to say that labour was tyrannical was wrong.

There was some call in Toronto for Chinese as domestic servants. The supply of female help is scarce. The reason for girls preferring employment in offices, stores and factories rather than in domestic service is due more to higher social aspirations than to any consideration of pay ; possibly, too, the treatment many girls met with in domestic service influenced their choice. I have heard of the proposed importation of negroes from the Barbadoes for domestic servants. I believe it to be the duty of employers to give preference to white servants ; but if the supply is not adequate, it is



justifiable to seek other sources. Chinese as servants are all right, but where there are children a female servant is best.

#### RESCUE FOR CHINESE GIRLS.

The commissioners desire to place special emphasis upon the work done by Miss Morgan and her assistants in rescuing Chinese and Japanese girls brought over really as slaves and held for purposes of prostitution. The law prohibits this traffic, but the difficulty is to enforce the law and rescue the victims. The officials have been greatly helped in this by Miss Morgan and her staff of workers. It is, we think, largely owing to her efforts that this infamous barter in humanity has been checked, if not almost stamped out. Her method of work is best described in her own language:

I am teacher and evangelist in the Chinese Girls' Home, Victoria. The home has existed about fourteen years. We rescue Chinese and Japanese girls from houses of ill-fame. There have been reached forty Chinese and eight Japanese from a life of shame. Of these Chinese rescued twenty-two have been married. There are now four in the home. Some have returned to China. Three have gone back to their former life. Their ages were as follows: 24, 23, 23, 22, 24, 19, 14, 13, 10, 26, 13, 13, 21, 9, 45, 19, 15, 10, 7, 14, 14, 7, 24, 20, 20, 24, 21, 16, 24, 5, 18, 15, 16, 20, 28, 16, 36, 19, 18, 13. Those all married Christians except two. I don't think any of them were wives in China before they came out. Three were sold as slave girls, being kidnapped in China, according to the girls' statement. I have no papers showing those sales. All have shown a desire to become Christians. They have been baptized. The only women who attend the meetings are those who have gone through the mission homes. The progress is very slow in christianizing the Chinese. When I first came here it is five years ago—I am well received now, when then I was hardly tolerated.

I don't think immigration unrestricted is advisable. It is not so to the Chinese, and I know it is bad for the country. From what I know of Oriental character, I think better Christian teachers can be made in China than here. A Chinaman will profess to become a Christian to get a wife.

Many or all who attend the night schools do so from self-interest.

Studying the question all around it may seem a harsh thing, but I think restriction the very best thing. Among the lower classes they look up to the wealthy classes; they are influenced by what they say, so that we have not much chance. Take any of the men who profess to be Christians, they are not brave enough to go opposite to their superiors.

I think there are more than four Chinese of ill-repute in town. A woman now in the home says 24, and this is the number I made out without reference to her.

The home has expended since I came, in Elsie's case \$270.00 and in Dorothy's case \$120.00 for law costs. I have had some terrible experience with the Japanese similar in kind to the Chinese. Only one case of sale I have heard of. Sometimes it takes some time to find them. One was helped from the window and ran away with her lover. Unless they want us to help them we can't help them. The home is supported by the Women's Missionary Society of the Methodist Church. I think the women of Japan are superior. There is no slavery in Japan.

I see no signs of the Chinese adopting our mode of life. I think they are a menace to the public from their way of living, the way they herd together. In Japan they have individual homes.

The Japanese practise polygamy; they call them concubines. The children of the concubines are thought as much of as the children of the wife. I had difficulty in rescuing the woman now here. She is now about 38. She was crying and I got a policeman to assist me. She seemed like a demented creature. We got her trunk and followed by Chinamen we got her into the Home. She was an opium smoker and used tobacco, and she was a prostitute. In case of the youngest one in home, she was 13 years old. She came to the home on June 30 last. We found she had run away. It was contested in the court and cost us \$120.00 to get her.

I do not trust one of them for truthfulness.



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Our married Christian girls are establishing a home life vastly superior to that of Chinatown. I would not trust a young brother or sister in the custody of a Chinese or Japanese. The Japanese license prostitution, and the quarter of the city set apart for that class of women is not looked at as we look at such places here. The girls of ten go voluntarily. It is not looked on as a disgrace.

The Chinese here treat me very courteously. I have never had an impolite word said to me. I have been in lanes and alleys night and day.

I believe there is some restriction in Japan now.

In this connection we would also quote the evidence of Lee Mon Kow, Chinese interpreter at the Customs house, Victoria, a resident in British Columbia since 1882 :—

Q. Speaking about the Chinese women coming here of their own free will, do you know it to be a fact that Chinese instead of coming of their own free will have come here under contract, in fact that they have come here as slaves?—A. Since about ten years ago several cases have been brought up as to Chinese women coming here who might be called slaves by the white people, but in China we do not call them slaves, because it is simply this, that women make arrangements with men to come to this country; the women cannot afford to pay the head tax or the passage money, and the men supply them with their expenses and the men pay the fare in China and make arrangements for them to come out to this country, and the women undertake to pay a certain sum at a certain time, to repay the passage money and the head tax and seven per cent interest.

Q. Is that a Certificate (See Exhibit 17) of a case of the kind, you see the name there, a well known name, and the photograph and the figures?—A. Well, that is simply a statement of a money transaction between two parties.

Q. That has relation to a girl, the name of the girl is on the right hand side, is the amount of money paid for the girl there?—A. There is a statement here from May 29, the balance, \$309.06, there appears to be cash advanced on the property, a piece of property, \$28.25 and money loaned, \$20.00, also money loaned from Kang Shong \$30.00, the total amount of money represented is \$397.31. Paid for Woon Ho, \$302.00, June 7 paid for clothing, \$5.00, also paid for a leather trunk, \$4.00. Woon Ho is the name of the girl.

Q. Do you make out that that was a case of sale of the girl?—A. Yes, the transaction was a sale; I was trying to describe that.

Q. And the amount paid for the girl?—A. The amount paid for the girl was \$302.

Q. Can you make out from that how long she required to serve to get freed from that amount?—A. It does not state here at all.

Q. Can you tell what that implies?—A. It is a case like this, generally they pay back all this money; in this case it is one where she would have to pay back \$373.50 with interest, and then she would be free.

Q. Until age did that, until she paid back that money with interest the contractor would consider he had a right to her body service; that is the business; prostitution?—A. That is the business.

Q. He practically buys her for the time until he is fully repaid?—A. Yes.

Q. To that extent she is his slave until the money is repaid?—A. Yes.

Q. How many cases of that character have you known of here?—A. Since I have been in the country here I have not heard of more than three cases.

Q. Do you recognize the name there as the name of a firm that is in business here?—A. I do not remember the name now; the statement is made out by Kum Kee in that case.

Q. Do you think that business is pretty well stopped now?—A. It was well stopped several years ago.

Q. There is a case being tried in court at Victoria now, isn't there?—A. That is the case of a woman who came out by herself of her own free will, Exhibit 17 is the contract. In the case of the woman being tried at Victoria, they stopped that woman under the new Act, that she was a prostitute and living as a prostitute, that is not for slavery.

Q. On the charge of being a prostitute, the proceedings were taken under the Act?  
 -A. Yes.

#### SUMMARY.

The religious and moral aspect of the question was carefully inquired into, and evidence has been quoted here somewhat extensively in order to show clearly and unmistakably the trend of opinion on the subject of many leading ministers of various denominations in British Columbia.

The opinion is practically unanimous that the work of christianizing the Chinamen in this country is not attended with as satisfactory results as similar work in their own country. The chief reason adduced for this state of affairs is that converts become marked men among their compatriots and are subjected to all manner of petty persecution. How effectively this penalty of ostracism hinders all efforts to Christianize Chinese in this country will be readily understood when the following well-established facts are taken into consideration.

The Chinese in this country are almost exclusively from one section of China, that of the six counties within the province of Kwang-tung. While there is no conclusive evidence of their having been brought here under any form of servile contract, it has been shown to our satisfaction that their resident merchant class exercise a strong influence over the immigrants of the labouring class, and largely control the numbers coming into the country. There are, too, Chinese Boards of Trade in the several cities of the province, whose objects are not confined solely to the advancement of trade, but enter very largely into all the affairs of the immigrant after his landing in this country.

Then there is the far-reaching influence of the Chinese Benevolent Association, the object of which is to care for the sick, indigent and aged, and it may be stated here that there are but few cases on record where Chinamen have been known to have to depend upon the bounty or charity of a white community. It follows, therefore, that with a Chinaman to adopt Christianity in this country means to cut himself off from any hope of participation in the advantages which these associations and conditions provide, in addition to incurring the enmity of his fellow countrymen and without gaining favour to any appreciable extent with the white population, for, from a social point of view, a converted Chinaman's position in a white community is no better than that of the unconverted. Although in one or two cases it was made clear by the witnesses that they did not wish to measure the success of missionary work by the numbers converted either in Canada or China, there was no dissenting voice as to the relative futility of attempting the conversion of the Chinese nation by permitting them to come into this country. Where individuals will adopt and profess the Christian Faith, here there was hope for whole communities in China, and less likelihood of indignities and persecution being inflicted upon them there. The standard of moral character of the Chinese, differing as it does from our standard, renders it impossible to draw any fair comparison between them. For instance, their laws and customs recognize plurality of wives, and four such cases were found among the Chinese in Victoria. Certain it is they have many noble virtues and characteristics. There are customs amongst us which they from a moral point condemn as much as we do many of theirs. Generally speaking, they compare favourably with others in their observance of law and order. There is little doubt but that to the frugality of their habits can be attributed the comparative absence of sensuality. The consensus of opinion is, that they will not assimilate with our people and it would not be desirable if they did. In one instance, it is true, a reverend gentleman declared that they were desirable in the country only as a servile class, and that such a class would tend to elevate the condition of the white people in the province; but the great majority of the witnesses were positively opposed to a servile class, or to their introduction in any way that would tend to degrade or effect the welfare of the white labouring class. Under this heading, therefore, your Commissioners are bound to state that in no appreciable measure will the missionary work with the Chinese as a nation be affected, and that the well-being of the poorer class of white people will be the better maintained, by an Exclusion Act.

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Having regard to the efficient work and practical assistance in carrying out the law rendered by Miss Morgan and her assistants, and believing that the law has been made effective chiefly through this instrumentality, the Commissioners feel justified in recommending that some recognition of this work should be made from the revenue derived from the Chinese head tax, to assist in enforcing the law through this means as long as it may be found necessary.

## CHAPTER VI.—PROPORTION OF TAXES PAID BY CHINESE.

It is difficult to ascertain the proportion of taxes paid by the Chinese and Japanese in British Columbia, nor did we fully succeed in doing so. We obtained, however, a large amount of information at different points, from which the plain inference seems to be that, except the merchant class, they do not pay anything like a fair proportion of taxation.

## MUNICIPAL TAXATION.—VICTORIA.

W. P. Winsby, tax collector for the city of Victoria, said: I collect the revenue, road, and dog taxes. The revenue tax is the tax which principally affects the Chinese. They (the Chinese) try to evade the tax in every possible way. It is an utter impossibility to trace them. I don't get as fair a proportion of taxes from them as from the whites. At the present (March, 1901) I have collected from Chinese I suppose to the number of one thousand. That is for last year. That is about one-fourth of the number in Victoria. There are numerous difficulties in the way of collecting the tax from the Chinese. No one can understand the difficulty except those who have had a little experience in it. A great majority of the Chinese are in such straightened circumstances that they are unable to pay the tax, and another reason is that it is almost impossible to trace the Chinese with their mode of living and so forth. You cannot trace them. You cannot bring them to justice. I believe the law says they should call at the office. It has become the practice that we go after them. Very few people come to pay in the office. I have to round them up. They do all they can to evade the payment of taxes and succeed to a large extent. The Chinese come to town in the winter and as soon as weather permits they go to work on farms around the city, and then in the summer they go to work to the canneries. These men are very hard to trace and they often succeed in evading payment of the tax. When a Chinaman is working in the city I can generally trace him and get his tax, but you go into one of the hovels they live in, it is utterly impossible to find out who are living there or who the goods there belong to. It is no use asking them. I have never found a Chinaman truthful as to that. You can go through and ask the Chinaman there where they live and you cannot get an answer from one of them.

Q. Do I understand you to mean that they systematically deceive you to evade paying the tax?—A. Yes.

Q. Is that true of them as a class?—A. Yes.

Q. Is the difficulty with the Chinese because you do not understand them, or is it that they try to evade paying the tax?—A. They try to evade paying the tax, and their mode of living is a difficulty in the way. You come across a Chinaman and you want to get his tax. You have got to give him twenty-four hours notice. You have to have a summons served on him. When you come back to serve the summons you cannot find him. I have had policeman and others to assist me, but you cannot find the man.

Edwin Charles Smith, assistant treasurer and collector of taxes for Victoria, stated that the revenue received from Chinese in Victoria for the year 1900 was as follows :—

Trade licenses . . . . .	\$ 2,882 50
Pedlars . . . . .	530 00
Market fees from market gardeners, at 5 cents a day each . . . . .	900 00
Water rents from Chinese . . . . .	4,460 00
Sewer rents . . . . .	92 00
Assessed taxes of property in name of Chinese . . . . .	3,414 86
Revenue tax at \$3 a head . . . . .	2,385 00
Road tax at \$2 a head . . . . .	832 00
Total . . . . .	\$15,496 36

#### NANAIMO.

According to the evidence of Edward B. Irving, assessor and collector of the city of Nanaimo, the amount of property assessed to the whites amounted to \$1,385,925. Nothing was assessed to Japanese or Chinese. The Chinese own no realty in the town. It was said there was not a single Chinese taxpayer. For 1900 the taxes paid by whites amounted to \$27,223. The assessed value of the property in 'Chinatown' owned by the New Vancouver Coal Company was \$2,000. They are described as mere huts. Trade licenses of whites were \$2,602, and Chinese \$280. Revenue tax paid by whites \$3,969, and by Chinese \$624. Of the road tax \$1,546 was paid by whites, and \$416 by Chinese. The collector declared there was great difficulty in collecting the road and revenue tax.

In Vancouver the total assessment of real property amounts to \$16,513,135. The total assessed value of real property in 'Chinatown' is \$260,225; of this amount \$192,950 is assessed to whites and \$67,255 to Chinese.

The total licenses, including liquor licenses, in Vancouver is \$32,055.85; of this amount \$29,832.85 is paid by whites, and \$1,310 by Chinese. Vancouver has a population of 26,133, of which 2,053 are Chinese.

In New Westminster, of a total assessment of \$3,299,920, \$36,950 was assessed to Chinese. The whites pay in taxes \$49,234.01 and the Chinese \$699.80 on the above assessment. The amount of property in 'Chinatown' assessed to whites amounts to \$95,370; to Chinese \$32,680, and upon this sum is paid by whites \$1,907.40 and by Chinese \$653.60, making a total of \$2,561 paid directly and indirectly by Chinese on property in 'Chinatown.' The population of New Westminster is 6,499, of which 748 are Chinese.

#### CUMBERLAND AND UNION.

Lawrence W. Nunns, collector of taxes for the Town of Cumberland which adjoins the Union Coal Mines, stated: Cumberland has a population of about 1,000. There are about 800 miners employed at the Union Mines, of whom about 400 are Chinese and Japanese. Cumberland is incorporated; Union is not. Both Japanese and Chinese live outside of the town.

The assessed value of real property for 1900 was \$175,000. The total revenue collected was \$3,334. The tax on real property amounted to \$1,054. Of the real estate tax there was \$3.30 paid by one Chinaman. One Japanese resided within the town. The Chinese contributed absolutely nothing. They deal with their own Chinese merchants almost exclusively. They contribute nothing towards the support of schools, churches and general taxation, although they represent a large proportion of the adult male population—nearly one-half that work in the mines.



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## KAMLOOPS.

Kamloops has a population of 1,594, of which 195 are Chinese. The total assessed value of the town is \$650,000, for land and improvements, of which \$15,000 is owned by Chinese merchants.

	Land.	Improvements.
Total assessed value of Chinatown. . . . .	\$ 9,085	\$ 29,200
Owned by Whites. . . . .	5,410	15,225
Owned by Chinese. . . . .	3,675	13,975

Trade licenses issued to whites, \$815 ; to Chinese, including opium license of \$100, \$170. Road tax, whites, \$224 ; Chinese, \$54.

## ROSSLAND.

According to a Chinese witness, there are about 350 Chinese in Rossland. According to the assessor it is 400. The census gives, 241.

William Harp, City Assessor of Rossland, says : The poll tax collected from Chinese at \$2 per head amounted to \$250. The assessed value of the city is \$2,274,900, of which \$6,600 is assessed to Chinese. The rate is two cents on a dollar.

Liquour licenses, whites . . . . .	\$ 20,535
Trade licenses, whites . . . . .	2,193
Trade licenses, Chinese . . . . .	125
Total poll tax, whites. . . . .	3,868
Total poll tax, Chinese. . . . .	250

The total taxes collected by the city for 1900 was \$24,417, of which the Chinese paid \$112.

Rossland has a population of 6,159.

It will be seen from the above that the proportion of adult Chinese males to adult white males is about one in four or five. The proportion of taxes paid by Chinese is less than one in a hundred.

## REVELSTOKE.

John D. Graham, of Atlin, says : It is hard to get the tax out of them. I was government agent at Revelstoke. I refer to the miner's certificate and poll tax. I speak from my own experience. There would be fifteen or twenty of them working together and I never could catch hold of them to get their tax. I went up the river often enough, but found that most of them had flown when I got there. They were not on hand when I got there. They never come to my office.

## SUMMARY.

The tax collector of Victoria declared that the Chinese tried to evade the tax in every possible way. 'It is impossible to trace them. I do not get as fair a proportion of taxes from them as from the whites.'

The other officials confirmed this statement and we find it to be the fact.

Victoria has a population of 20,816, of which 3,283 are Chinese. The total tax paid by Chinese, as appears by the evidence of the assistant treasurer and collector of taxes for Victoria, for the year 1900 was \$15,496. The statement handed in by the Chinese Board of Trade, which includes revenue and road tax, is \$17,257, and inclusive of the head tax on labourers may amount to \$18,000 ; but this amount it must be borne in mind is chiefly paid by the Chinese merchants, who, according to their own statement,

number 288, representing 109 firms. Deducting this number from the total number of Chinese in Victoria, exclusive of women and children, leaves in round numbers 2,700 labourers and others who are not engaged in trade.

The total tax of Victoria, including land tax, water rates, licenses, &c., collected for the year 1900 amounted to about \$400,000. This includes the school rate but not the Government grant. The collector stated that in March, 1901, he had collected the poll tax from about one thousand Chinese for the year 1900.

That is with a population of about one to eight they pay in the proportion of one to twenty-two, but if you eliminate the proportion of taxes paid by the Chinese merchants, the remaining 2,700 Chinese do not pay a municipal tax of more than \$1 in \$100, but in this comparison 2,700 adult males are compared with a total population of men, women and children. Eliminating the women and children, you would probably have a population of not more than 6,000 white adult males as against 3,000 Chinese adult males, including merchants. That is, approximately, 6,000 whites pay \$382,000; 3,000 Chinese pay \$18,000. If you exclude the merchant class, the tax paid by Chinese is insignificant. The above comparison is approximate only, but we believe the disproportion is even greater.

Assuming that 800 of the Chinese residing in Victoria, who work on the Fraser pay their taxes there, it does not seriously affect the relative disproportion.

Approximately the same disproportion obtains in other places.

In this connection it may be pointed out that if their mode of living was normal, occupying separate houses with their families, they should represent a population of three or four times as many as at present. They would require ten times the house room. Their taxes would be more, and if their habits of life were similar to the white population, it would require more to support their families, and the contribution to the Dominion revenue would also be very much greater.

It is certain, having regard to all the facts, that the Chinese bear no fair proportion of the burden of taxation.

## CHAPTER VII.—LAND CLEARING AND AGRICULTURE.

The clearing of wood land in British Columbia is a very difficult problem, owing to the enormous growth of the timber. It is said to cost from \$50 to \$150 an acre, and in extreme cases as high as \$300; probably the average would be from \$70 to \$80 per acre.

The Chinese have contributed to the clearing of land, and some take the view that they are necessary for that purpose, but the prevailing, and we think the better opinion, is, that if large areas of timber land are ever to be cleared rapidly for agricultural purposes it must be done by machinery and explosives, handled by white men. In small holdings the clearing will be done by degrees, the owner working, from time to time, at other employments to assist him in supporting his family. It will not at present pay even the large land holders to hire Chinamen to do the work of clearing, owing to the enormous cost, and although machinery has been applied to a limited extent, yet very few have attempted on a large scale to clear and cultivate timber lands. From the nature of the case, this must be done gradually, and how? Your Commissioners do not believe that increased numbers of Chinese will greatly facilitate this work; it will rather be accomplished by the adoption of a liberal policy, which will induce white men with their families to settle upon small holdings, and if a portion of the unskilled labour of the country is open to them they will in this way be enabled to keep their families during the long and slow process of clearing the land.

The competition with the North-west and Pacific Coast States has also a material bearing upon the question of the time when the timber lands of British Columbia will be largely cleared for agricultural purposes.

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Farmers owning 160 acres and under were practically unanimous in their opposition to the Chinese, for any purposes whatever. Some of the large land holders favoured them as farm labourers and for clearing the land, and those who lease lands to Chinese for market gardens, the lessee clearing the land as part consideration for its use,—also favour the presence of the Chinese. The smaller owners pointed out that conditions were such in British Columbia that the presence of the Chinese was a serious injury to their business, and to their making a living; that the avenues of unskilled labour were largely filled by Chinese, and that the farmer struggling to pay for his holding and to make a living, was greatly hindered by being prevented from taking advantage of those avenues of labour for a part of the year, which, but for the Chinese, would be open to him. Your Commissioners fully concur in this view.

Quotations from the evidence will perhaps more clearly set forth the views as presented from both sides :—

Alexander Philip says: I am secretary of the Richmond Farmers' Institute. It includes the whole of the Richmond riding, that is Richmond, Burnaby, South Vancouver, North Vancouver, and northwards on the coast. We have different sections, and each of these sections have meetings. I come with a resolution from Central Park section. The resolution is as follows :

At a meeting of the Richmond Farmers' Institute held in Smith's Hall, Central Park, on Tuesday, May 14, 1901, Mr. John Green, Vice-President, in the chair. *Inter alia*.

On motion of Mr. W. G. Alcock, seconded by Mr. John Connon, it was resolved,

That we hereby declare it to be a serious prejudice to the successful prosecution of farm work to have so many Chinamen engaged in the business. It is especially hard on the settlers in this district who have only small holdings and are dependent on them for a living. The mode of life among the Chinese makes it easy for them to undersell in the markets and yet have considerable sums of money as profit. We think there is no comparison between the best of the Chinese as rural settlers and the humblest of the white men who, with their families, are living on and cultivating their holdings. Besides, the uncleanly habits of the Chinese, as cultivators, have endangered the health of the consumers of the products of their lands, and as these products reach the market in so many different ways, the consumers do not always know when they are supplied to them.

We believe that, although the Japanese are not yet so largely engaged in farming, they will likely soon take it up, and become even keener competitors.

We believe that there should be a tax of not less than \$500 on each person of either race on entry to the country, and also a rigid educational test.

Resolved further, that this expression of our views be laid before the Royal Commission now assembled to receive evidence in connection with the immigration of Chinese and Japanese.

Extracted by Alex. Philip, Secretary.

This is my second year as secretary of the institute. That resolution expresses the general view. There is a strong consensus of opinion among them regarding this matter. It expresses my own views as well. One man stated, there were twenty-two Chinese wagons with vegetables pass his door. The Chinese compete with all the farmers.

Henry Thomas Thrift, a farmer residing at Hazelmore, gave evidence which, from his position, we regard as very important. He says: I am secretary of the Settlers' Association of British Columbia to assist in re-settling vacant lands. It has branches as far east as Enderby. Seventeen branches, with a membership of seven or eight hundred, presumably all settlers on land. There was a general annual meeting this year on March 11. The majority of members are decidedly against Oriental immigration. The Japanese are more to be feared than the Chinese on account of their superior intelligence. First, the presence of Japs and Chinese hinder a better class of people coming in and settling up these lands. The evidence is this: We have here one of the best markets in America for agricultural produce. Our own lands are vacant and unproductive. We lack that class of immigration here that the presence of the Chinese

supply. They would develop our lands and make them productive. I know many people have been deterred from coming here through the presence of Chinese. At many of our meetings resolutions have been passed addressed to the Dominion and Provincial Governments asking to restrict this and promote the class which we most desire. Many of our members are Old Country people and from Eastern Canada,—not of a low class. We feel persuaded it would be immensely in the interest of the country to offer this desirable class inducements to come, either from Eastern Canada or from the Old Country. There is an immense amount of money sent out for agricultural products. A person going on some of our lands cannot make a living, and they find the outside callings filled with Oriental labour, and they cannot get work to help them out till they get started. Market gardening would be the first thing to be taken up, and the Chinese practically control that business.

Second, if we got this class here it would give a larger revenue.

Third, the Chinese don't become settlers and it would not be desirable if they did. Their system of living is altogether repugnant to people who desire to live as human beings ought to live. The Dominion lands, through the efforts of our society, are free to actual settlers. The Japs may come in and prevent the class coming in for whom we are so anxious. If all lands in British Columbia were like the delta you might employ Chinese and Japanese, but on wooded land the people have not got funds to pay them and these small holders themselves require wages to help to support themselves. In this I voice the view of our association. Their interests are adverse to any further immigration of that class of labour. I call small holding anything from ten to forty acres. The easily cleared lands are not available, because they are held by wealthy farmers. There is clearing after they are drained. There is not one-twentieth of these delta lands under cultivation. It could be brought under cultivation at from \$10 to \$20 an acre. In my own case the alder bottom lands would pay the first crop for clearing. Other parts I could not clear up for less than \$250 an acre. I say there are \$3,500,000 a year of imports of agricultural produce that we can raise here. If we raise that here anyone can see the advantage to the country. I made a careful estimate of the amount of stuff raised in Surrey. In that district, of a total acreage of 76,000 acres, there were 6,000 acres under cultivation: that included all lands. I estimated there were 18,000 acres of low flat land, principally delta land. The total product was less than \$250,000. I think the interests of the country should be considered before these large industries. The North-west Territories compete with us in oats, hogs, butter, eggs, poultry, &c.

Those who have land here, of course, have to produce as cheaply as they can in order to compete with the North-west, where there is very little expense in bringing the land under cultivation; and those who have to pay too much for the land here cannot compete with the North-west. I may say I have charge of a number of quarter sections at the present time, both high lands and low lands, and as far as I am aware there is nothing against those lands, providing the cost of clearing was not so high to prevent competition with the North-west; but the competitor we fear just now is the Canadian Pacific Railway, our national railway—they have immense tracts of lands in the North-west that they are anxious to get settled, and they are more inclined to offer inducements to settlers to go on to lands belonging to the railway than they are to induce settlers to come to British Columbia; they are offering great inducements for settlers to the North West. The first question is that of a market: there is a good market in British Columbia, and that gives the Canadian Pacific Railway an immense advantage. They discriminate in rates against the agricultural interests of British Columbia; they are giving settlers great inducements as far west as Calgary. A settler coming to Calgary has every inducement held out to him: a settler coming to Calgary can get there for \$35.00, whereas if he wants to come to British Columbia, he has to pay \$54.00. There is a decided discrimination by the railway against settlers coming to British Columbia. Thus the railway is preventing people coming in here who would develop our lands.

The Chinese prevent people coming in. We want these settlers for social life,—for churches and schools, and not have to tramp several miles for one of our own kind.



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The early settlers did sacrifice all advantages. I came here in 1879, settled at Hazelmore in 1884, two miles north of the boundary, thirteen or fourteen miles from New Westminster.

After the building of the Canadian Pacific Railway a great many men were looking for a home, and, as mentioned here this morning, a great many men were brought out as an experiment from Quebec, and went out in the wild land to settle. Practically the bulk of the lands south of the river (Fraser river) was taken up, and the land back of that these people went on to try and make homes for themselves. They had to reside on the land for three years and there were other regulations which rendered it impossible for those people to make a living. Access to market was not so easy as now, and after a hard time endeavouring to clear land enough to support themselves, those people had to clear out. A great many of those people mortgaged their land and have since had to abandon the land to the mortgage company.

Q. Is the unimproved land held at such a figure as would prevent fishermen settling on it?—A. Well, as far as fishermen are concerned I know places surveyed in what they call the fishermen's lots; these lots are in big locations, and are from ten to fifteen acres in extent, and they are held at from \$15 to \$30 an acre.

Q. Is there any class of white people in this province who would be prepared to hire themselves out to clear land at such prices as a farmer could pay?—A. I do not say there are men here now, but there are openings for men to come here and start in building up homes for themselves.

The greater proportion of the farm lands in this province are heavily timbered, which require to be cleared to be productive, but you will find a great deal of land close to the river, good agricultural land, that can easily be cleared up.

Q. Who is going to do it now?—A. We have to do it ourselves.

Q. Then you require to have cheap labour?—A. The farmers are too poor to employ cheap labour.

Ten years ago I paid \$1.50 to \$1.75 a day for clearing land.

Q. Take the ordinary settler who has come in and gone on a farm, say twenty miles from town; how is he prejudicially affected by the presence of Orientals in the country?—A. If that man cannot make some little by working outside he will be in a bad position to have his land cleared, and his interests would be prejudicially affected.

Q. Where would such a man go for work?—A. There would be work for such men all over the country, but for the presence of the Japanese and Chinese.

Q. How is he prejudicially affected by their presence?—A. He is prejudicially affected if he wants to go to town for work.

Q. Do you mean to say that a farmer will go to town in that way?—A. The best settlers we have to-day are those who had in the past gone to town and earned money to help them along. It helps the small holder to get along. It helps him to live, and at the same time to devote his spare time in clearing the land and making a home for himself.

Q. You told my learned friend, these men are too poor to pay for the clearing of their land?—A. Yes.

Q. Is that the result of the unhealthy competition they have to engage in?—A. To some extent. I would not say it is due to that entirely. These people have to make a living somewhere. At first they cannot make it on their land and they have to take municipal work if they can get it. There is so much competition that the prices are so much reduced that a man cannot help himself much, and holders of small farms are obliged to come to town and get work, or go into the logging camps.

Q. What happens when he finds the avenue of employment filled by Chinese or Japanese?—A. Then he cannot get work, and he has either to starve or enter into an unhealthy competition with these people.

Q. You have spoken of little holdings being taken up and afterwards abandoned. Do you know whether the Orientals being in the province had anything to do with the abandonment of the land?—A. I do not think it had anything to do with the abandonment of that land.

Q. Is there any difficulty in getting the best land settled?—A. Yes, because there is no demand. I do not think it is because those lands are held too high.

Q. You spoke of Pitt Meadows. Do you know how many acres there are there?—A. I cannot say. It is a large tract of land, good land and capable of being cultivated.

Q. The presence of the Chinese does not prevent that land from being settled?—A. I don't know, but some of the land has been overflowed.

Q. Doesn't it strike you as a somewhat strange circumstance that we have a demand for such produce as the land you speak of could raise, and yet we send out \$3,500,000 for produce?—A. Yes. These lands are not available except to parties who can pay for them. We cannot get money to come in here and invest in the high lands, that is, men of large means and men of small means would come in here if they could make a living here; but they cannot get the lands under the same favourable conditions as settlers can in the North-west.

Q. The Chinese would not prevent men of means coming in here?—A. I do not know that; but there would be a great inducement to white settlers to come in here if they could get work outside when they wanted it.

Q. The high land is heavily timbered?—A. Yes.

Q. What is it held at per acre?—A. From \$1.50 to \$50 an acre.

Q. The land that would be sold for \$1.50 an acre would require a considerable expenditure to bring it under cultivation?—A. Yes.

Q. And it is because a person coming in cannot at once obtain a living or depend on getting a living out of the land, and finds the other avenues blocked that settlers do not come in here?—A. Yes, that is my view.

In some measure the Orientals keep a better class of citizens out. I have employed Japs but I would not employ them again to clear land because they don't understand it.

William, James Brandrith, Secretary of the Fruit Growers' Association for the Province, says: The association are in favour of total prohibition,—no further immigration to be allowed. It applies to both Chinese and Japanese. That expresses my own view also. We are not suffering as yet from this cause, but the thin edge of the wedge has entered. I know one Chinese with fifteen acres, who has strawberries, and another of ten acres of orchard. The property is leased. Another property of seventy acres leased to Chinamen; two and a half acres are orchard and a half acre strawberries; and other cases. I have a list of Chinese within my knowledge engaged in fruit growing and market gardening. There are twenty Chinese bosses I know of, and a total of 643 acres, a market garden and orchard. On ten acres there were twelve Chinamen. It is impossible for a white man to compete, because the Chinese live at a cost of about ten cents a day. I have this from three Chinese,—Lee Wan, Charles Hees, and another commonly known as the 'Pirate.' I have seen them selecting food from the swill barrel. The difference in the cost of living would be the profit or loss. They are a menace to health. The membership of our association is about eighty. There are two hundred and fifty on the roll. Eighty have paid their annual fees and are in good standing. There were twenty-three or four at the annual meeting. I think almost every one has expressed his views to me.

It has been suggested that Chinese labour was necessary in dyking and clearing the delta lands and lands along the Fraser. It was therefore opportune to obtain the evidence of a gentleman who has a large interest in this question and whose evidence commended itself as worthy of the most careful consideration.

Alexander Cruickshanks said: I have a contract to settle a large tract of land on the Fraser with whom I please, but I am getting it settled by white people at Matsqui Prairie. It is a good farming section. There are 10,600 acres already reclaimed with dyke, of which I have 6,000 acres, all reclaimed land. That was reclaimed with dyke seven miles long on the Fraser front. The dyke was made by white labour and machinery. No Chinese labour was used. The work is completed. There are several thousand acres more. The machinery managed by white men is the cheaper method. Pitt Meadows was reclaimed in the same way,—by machinery and white labour, containing about fifteen thousand acres, and there are about thirty thousand acres at Chilliwack, which is being reclaimed and ditched, by machinery and white labour in

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the same way. The work is going on at present. There is another tract of land lying between Matsqui and Chilliwack, containing about thirty thousand acres, not yet reclaimed, but could be ; and several large islands, containing many thousand acres of land that it is possible to reclaim, and this land is all of the very finest. There is no better dairy land in America than that. From the nature of the work Chinese labour could not be profitably employed. Part of it is open prairie ; part is open scrub willow, crab apple, hazel, and such like. I don't think there would be any advantage to have Chinese for that part of the work. Chinese have been used in making smaller dykes towards the mouth of the Fraser. Some have been used last year. The Chinese are not required up the river, and I see no reason why they should be required for dyking land down the river.

My terms are as follows : The price at which I sell the land averages \$20 an acre. I get \$3 cash, or its equivalent, and the balance is distributed over a period of six years, in equal payments at six per cent. Six of the settlers are fishermen whose main business is fishing. I think it would be to the advantage of both fishing and farming to carry them on together. When they stop the fishing at the end of the week at close season on Sunday night the run of Saturday have got that far and the fishermen have a greater catch than the men at the mouth of the river, and on Monday and Monday night he catches also better, and the fishermen there lay off the rest of the week. One fisherman was most successful on the whole run, fishing only two nights and days, and the rest of the week he put up his hay, and he had a home of his own when the fishing season was over. The fishermen of the city and those in scow houses are looking for land at the present time. There is good land on the Fraser, capable of furnishing three thousand families in small allotments, being land not occupied at the present time, not Crown land, held by various parties who invested in them when it was thought to be a good speculation. I know many of the present holders who are anxious to sell those lands on reasonable terms within the means of working men. This would be a great source of supply for all industries—men with a stake in the country and families. I was in Manitoba, and until four years ago, in Minneapolis, and with a large logging company in Wisconsin. The capable men around our saw mills here were trained east. The proof is these men are selected as foremen. I came here twelve years ago. Have been out of the country six and a-half years. Am a British subject, born in Ontario. I would be in favour of any measure in the direction of exclusion. I have got men clearing land at Matsqui, of brush and scrub, and I am paying them in land and let them pay and work for land. They are white men. If Chinese offer to do the work for half the amount I would not accept the offer because I would not consider it good business to do so. If I did I would not get as good a price for the land which was left. It depreciates the price of the adjoining land to sell land on these terms to Chinamen. At the Court of Revision in this city, men appear to have their assessment lowered because Chinamen are on adjoining lots. In settling a tract of land, until I get a certain number of settlers in, I find it difficult to get people to go in a district where there are no neighbours. There is the question of schools and churches. Where I succeed in getting a white man with his family I have made it easier to sell the rest. It then becomes a more desirable place to live in. I look on the exclusion of the Chinese from the whole country as in the interest of the country, and on the same grounds I exclude them from my land ; no matter how cheap I got their labour, it would be a bad business to employ them there. I think the country will be cleared by white men, and gradually,—a little at a time. If you got your Chinamen at twenty cents a day the cost of clearing timber land would be more than the price of good land that never had such growth of timber on it. I don't consider it a business proposition to clear heavy timbered land. Moody Square, in this city (New Westminster), cost over \$300 an acre to clear it of stumps. I don't agree with the suggestion that Chinese labour is necessary to clear the land. Men are offering to come and work for me clearing lands as a cash payment on lots they are willing to buy from me. I draw no distinction with respect to Chinese and Japanese. All I have said applies equally to both. I own the lands I refer to. The land between this city and Vancouver has a peculiar value for small holdings, but not for farming. There are choice places in every district



and in Burnaby there are many low-lying lands. I think it was a mistake so many settlers were placed on these hill lands. They have had less pay for their work than any other class. Hill lands cannot compete with low land if labour was five cents a day. Dyking at Pitt Meadows was a first experiment in dyking and experiments cost money. There is a large block of land on Lulu Island. It is already dyked and could be made a garden. Ten acre lots would support a family; a good place for fishermen. They fish all around it. One real estate man sold eleven lots this week for this purpose. On Lulu Island ten years ago they asked \$200 an acre. It went down again. This is a good country. It has got the soil and climate and resources to support a white population. It would be very unprofitable to build that dyke by hand labour. Boys are prevented from learning. How can mills expect to get an efficient staff if they employ Chinese? I have communications from England from workmen, and when they do come here they are disappointed in seeing so many Chinese. Chinese would be worse than no neighbours. They would make the lands unsaleable. I want to get the country settled up. I can't see how this class is necessary. I know there are conditions brought about because this labour was here. Certain industries are dependent on cheap labour for their profit. I think if the country was settled up the white settlers would give them a substitute for this cheap labour that would be better every way. In dyking no kind of labour can compete with a machine that can draw up two thousand yards a day at a cost of \$26 a day; that would be under favourable circumstances. There are lands where they use the tramway and railroad as the only practical way of dyking. Chinese would be impracticable there because they bring the material from a distance. Steam-made dykes are better than those built by hand labour. When the stuff is dumped ten feet the impact is very great. I worked in the business. The cost of reclaiming land on the Fraser would be less than in any place I know of. I think if a capitalist, he had better buy cleared land, and if a labouring man, he had better exclude the Chinese so that when he goes out to work he won't meet with competition. The most of the farmers I know have to go out and work and are met by the Chinese. When men come here from the United States and pay money out for land, I have had them call my attention over and over again to the number of orientals here, and this prevents the immigration of whites. The farmer does not go into market gardening, but the settler does at the outset and he has to work at anything he can do.

Q. Wouldn't you say it is a great advantage to the farmers to get a class of men who are ready to do that rough work (clearing timber lands) at a lower cost than could possibly be done by white men?—A. Men in that case would be making money out of the necessities of the Chinese, but they would find it a great disadvantage if the Chinese were working at something else. Farmers would get other work outside to help them if there was no Chinese labour in competition with them, in building roads, and dykes and ditches.

Q. We have had evidence that they find it a great advantage to have oriental labour in clearing land?—A. Chinese labour can be done without by using machinery run by white men, and the advantage gained by the country would far more than counterbalance this cheap labour of the Chinese.

Q. Take a farmer who is personally occupied in the cultivation of the land he has cleared and he wants to clear a little more land. He says, I cannot afford to pay \$2 a day to men to do such rough work, and he says it is to his advantage to have orientals do the work?—A. I disagree with him. He would meet the competition of the Chinamen when he went to sell his produce, and therefore any advantage he would gain in the first place by employing the Chinamen to clear the land would be counterbalanced and more by the competition he would have from the Chinamen in the sale of his produce.

I have never seen one hundred acres of bush land cleared yet by a farmer. I have seen men gradually clearing land, but at a very slow rate. If he was asking my advice as to clearing heavily timbered land for farming, from a business standpoint I would advise him not to do it. . . . At the present time it would be better to get on the low lands. There are over one hundred thousand acres of that kind of land that can be put in small holdings.



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Q. These people seem to have been blind to their own interests. They have settled on heavily timbered farms and have started to clear them?

A. The most of them are forced now to go out and do work outside to get a little cash, and when they go out to do work they find themselves in competition with the Chinese and can get very little cash. If there was no competition from the Chinese cheap labour, these men would have a chance of making a little outside and helping themselves in developing their small holdings; but that is a case I have not come across, of farmers employing oriental labour to clear land in the way you put it.

Their presence here has certainly a deterrent effect on white people coming in and settling up the country. He finds that he will have to come into competition with the Chinese and he at once seeks other fields in which to employ his capital and his labour.

I was in Manitoba seven years and the workers on railroads and farm labourers became settlers. If you lower the wage class you reduce the standard. I think the canners are entitled to consideration, but I think they could get white labour. I think it is regrettable that white labour avoids coming here. The wages are as high, but there is a disadvantage. It is the last job I would look for. I would not like to be one in a gang of ten Chinamen. The white labourers are beginning to feel what they ought not to feel—that any job is beneath them. I think one of the nicest jobs there is, is piling lumber. Piling lumber is not low. It is a good decent job. I know lots of college students east that will be piling lumber. I have a contract to settle a lot of land and I sell how I please, so long as I get the net amount for the vendors. They are all speculators.

An exceptionally clear statement showing how the presence of Chinese and Japanese militates against the settlement and permanent development of the country was given by Mr. N. C. Schow. We commend this statement as coming from a witness unprejudiced and without pecuniary interest, and from his personal knowledge, close observation and keen vision, clearly indicates the permanent injury the province suffers from this class of labour.

N. C. Schow says: I reside in the city of Vancouver. Have been reeve of Burnaby for nine years, an out district partly residential, partly agricultural, and affording a limited amount of lumbering opportunities. I have a home in Burnaby. I am assistant editor of the *News-Advertiser*. Am an Englishman by birth. Have resided here ten years. We have a by-law in our municipality which prohibits the use of Japanese and Chinese labour on municipal work. We found that very beneficial in encouraging small holders; and by dividing contracts into small sections we dispense with a middle man. Two or three white workers will take up road improvement in partnership and compete so keenly, but good-humouredly, that we believe the municipality loses little by dispensing with Mongolian labour. The rates just now often bring them no more than \$1.25 a day, but they take up our contracts between intervals of work on their own holdings, where they live cheaply and independently, raising their own vegetables, fowls, &c., so that they don't complain. The labour is free, not servile, and our contracts enable many of these men to improve their holdings and remain in the district, and bring up assessment values and improve the district generally. We have enforced the by-law in two instances—the only two in which any attempt was made to break it, by declining to allow the contractor for the Chinese labour employed. That was the punishment for breach. As a matter of fact the by-laws are willingly submitted to by all the people. We take care to include Japanese as well in the exclusion, because we consider the Japanese even more dangerous than the Chinese. Some of our residents before Japs came on the Fraser used to put in a month or six weeks in fishing, but this source of eking out their income is now practically at an end. At one time, too, there were many white workers engaged in the woods in Burnaby, in cutting shingle bolts, but these have nearly all been displaced by Japanese workers; as a result of which the white settlement has undoubtedly been prevented to a considerable extent in some parts of our municipality. We have a lumber mill at Barnet and there, as the owner says, of necessity, by reason of competing with other mills, a very large proportion of employees consist of Chinese and Japanese. We should have a good deal of market gardening in the district. It is well adapted for it, but for Chinese competition; but as things are,

we have only two or three specially skilled men engaged in that industry. Some of the settlers make fair livings to a large extent by small fruit growing. This industry for some reason, which I have not been able to discover, the Mongolians have not yet entered. If they should enter it those engaged in small fruit growing in Burnaby would not be able to compete and get a reasonably good living. They are in constant dread of an invasion of their occupation by the Japanese, as they are more inclined to go in for more skilled work. There are some cases of Japanese on hire for as low as \$5 a month with the meagrest of board, and although they undoubtedly help to clear land cheaply, most of us feel that in the end the farmers will pay dearly for the temporary gain, both socially and economically.

As to Chinese, I would favour almost total exclusion. I believe, judging from my experience in England and here, that if there was an exclusion of the Chinese and Japanese a large amount of cheap white labour would flow in gradually, sufficient to meet all requirements. I believe the immigration of white labourers has been almost absolutely prevented from entering by the presence here of Japanese and Chinese. I have been trying for two days to get employment for an English labourer, temperate and willing to work, who has been in Canada for some years and knows the country and its ways, and I find it impossible to obtain him a position, either on farms near here or in the city itself. I have applied to leading farmers and I find Japanese working on farms and superceding white labour.

I correspond with some leading English papers on Canadian matters and I find it impossible to recommend ordinary British labourers to emigrate under existing circumstances. The only class I could conscientiously recommend as a rule is mining labour, as to which I have been able to say that there is a moderate opportunity for a limited number of really skilled and temperate men. In the absence of Chinese and Japanese, I am persuaded that there are districts around here, and islands, and gulf islands, which will afford admirable opportunity for a hardy stock of British and other European settlers. I allude particularly to men who gain part of their living on homesteads by gardening and agriculture, and part of their living on the adjacent sea or river. There are many such men who, under ordinary conditions, would emigrate to the Province from seaboard districts in Scotland, in Ireland, the Isle of Man, and points on the north coast of England, and in some of these locations the population is congested—to a district like this where the climate is like the British Isles—and they would not have to change very greatly their mode of life.

I object to the Chinese. First, because they exclude white settlement, which we need in this country; and, secondly, they spend little, so that the wage fund is a drain, as it does not freely circulate like others. I have no prejudice as to colour or race, but socially and economically I look upon their presence as a detriment to a British Province. I think the Japanese will settle the Chinese question because they will drive out the Chinese. The Japanese are infinitely more adapted to cut out white labour. The limitation I would suggest would be based on our population—say three per thousand of our population, of Japanese. As to the Chinese, an increased poll tax to \$500 and a treaty, if obtainable.

Q. Do you think oriental immigration amounts to anything in comparison with the interests underlying the different industries here? A. I think the country would have been better off with from twenty to twenty-five thousand white settlers here in place of the Chinese and Japanese. Undoubtedly they have developed a large number of subsidiary industries, but I say they are not desirable, and that the more desirable class would be settlers having little holdings of their own, and gaining a little help by the fishing. I think the larger industries have been a little handicapped here. They have not been sufficiently independent. They have been so largely in the hands of the financial corporations and depended on them for assistance that their operations have been cramped. That has had something to do with the cramping of the large industries. The resident capital of British Columbia is very small indeed. I doubt if we have three millionaires in the country. I take it that it is important that we should have resident capital here. Two-thirds of the capital is from the East or from Britain, and interest has to be paid on that.

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Q. Are the conditions improving?—A. I do not think the general conditions are developing very steadily. Mining is developing, but the struggle for life is keener than it was in many places ten years ago.

Q. How many white men have been displaced in your municipality by Chinese or Japanese?—A. I think probably fifty or sixty.

Q. Are those Chinese or Japanese taxpayers?—A. Only one or two, if any.

Q. Has the presence of the Chinese a tendency to discourage them from clearing the land?—A. It certainly does discourage them, and it cripples them financially as well. . . . Several of them have to employ Chinese because of financial difficulties. . . . You have to consider all the conditions. A labourer receiving \$2 a day here is not in as good a position as a labourer who receives five shillings a day in England, but an English labourer could get along nicely here on \$2 a day. . . .

Q. How long is it since those conditions were introduced as to small holdings?—A. Possibly four or five years.

Q. Was there some wild land tax to large holders?—A. Yes, we have an extra tax on wild lands. It approaches twenty mills on the dollar. The purpose of that is to break up the large holdings or to induce the owners to sell. We had large quantities of land allowed to remain unused for years, for which we were obtaining practically no revenue, land mainly owned by absentees, and we tax that now so as to induce the absentee owners to sell, so that small holdings can be had for all our people.

Q. Was that by municipal taxation or Government taxation?—A. Ours is municipal taxation. It has been in effect ever since we have been in the municipality, ten years. I think a difference was brought about by legislation some years before that; I think, speaking from memory, that one has been in force twelve years.

Q. That would interfere to a certain extent with those who have invested large sums of money in lands?—A. It might press hard on investors, but it is forced on us. There is no market for wild land now.

Q. You acted on the principle, if capital was not willing to open up any of the large holdings, then the capitalists would be willing to slump the land on the market?—A. After paying taxes for so many years they come to the conclusion that the growth of the country was not sufficient to make them a return for the money invested. The trouble is we have so few buyers; it is a difficult problem indeed to know what to do with the wild land around us.

Q. Those people who invested are not interested in inducing more capital to come in?—A. It is a very awkward position, and many outside investors no doubt suffer from such a state of things. In England, if land is vacant there is no tax; but when they found vacant land here and found that it was taxed they were willing to dispose of it at a reasonable figure, so that it might be divided up in small holdings.

A good deal has been said about unearned increment, but I think there is very little unearned increment outside of the city. I rather think it is the other way. Practically I think our system is a proper one, and leads to the development of the country and of the settlement of the country by good settlers on small holdings of from five to twenty acres. That I look forward to as the ultimate solution of this question, but it will take some time because the oriental will not help a great deal in that way.

Q. When you speak of the effect of taxation being that capital does not come in any more, what do you mean?—A. Well, I think Mr. Foley was asking whether capital would come in to develop wild lands.

Q. When capitalists purchase wild lands the capital was simply left there?—A. They had to leave it there. The only good effect of it was that the capital got into the hands of the people of the country. . . . The revenue of the country was certainly less because of those large holdings. The interest of the country was practically a sacrifice in the giving away of such large tracts of land to large holders. . . .

Q. Do you think it would be a great advantage to have small holdings in the neighbourhood of the fisheries?—A. Yes, I think it would be a great advantage to have small holdings, especially in the neighborhood of the towns and cities.

Q. Would you restrict it to less than eighty acres?—A. The Government policy should be directed in every way to encourage the occupation of small holdings near



the cities. There are places where larger areas would be necessary, such as in the Okanagan Territory and others. Near the city I should say the holdings should vary in size from five to twenty acres. I know that in Burnaby holdings of two and a half acres do very well. The owner is near town and has work in town. Burnaby is better for truck raising and market gardening. At very little expense and with very little expenditure of labour at odd times the holder of two and a half acres in Burnaby who can secure labour in the city gets along very well. I think that you may fairly say that there are twenty-five piggeries in Burnaby, that there are twenty-five people engaged in that industry. These men are not market gardeners, but hog raisers and they do very well.

James Thomas Smith says: I am a farmer, six miles from Vancouver; farming all my life. Came from New Brunswick. Here fourteen years. Have 170 acres—Ninety cleared. We have cleared another farm—some heavy and some light. It cost from \$5 to \$100 an acre to clear. The Chinese are doing us out of our market. Their method differs from ours. They have started in the dairy business now. It has been getting worse every year. We can get white labour as cheap. It would be a long way cheaper by hiring white men because they can do more work. I am speaking from experience. The Chinese don't buy our produce. They live on rice from China, eggs from China rolled up in clay, China oil, etc. A beast died in the prairie, and they got her and ate her. I had a sick cow. The calf died and we killed the cow. A Chinaman wanted the cow to eat. I buried her. I considered the cow unfit for hogs or chickens. They live in small houses and overcrowd. I have counted 55 Chinamen in a small shanty, 15 by 30 feet, and the upstairs not high enough for them to stand up. They never have the doors or windows open. They use the house for a store, a gambling house, liquor and opium. This was within a few hundred yards of my own house.

We did some ditching, partly by Chinese and partly white men. Ditching is let at 10 cents a rod to Chinese. I would rather pay 15 cents to white men. We employ white men this year. Sometimes the white men are not around. A white man can do more than Chinese. He will do three times as much. I have been all over the country, and wherever I have been are Chinese gardeners, not many Chinese yet raising hay, but they are going into it. Our taxes amount to \$200 a year. Other farmers' views are the same as my own. There is a Farmers' Institute. We build levees. Formerly we employed Chinese; now we find whites just as cheap. Chinese offered me \$20 an acre for a year for sixty acres, but I would not let them have it. I would have to pay the taxes. I think the land was worth in the market \$200 an acre. Except it is suitable for selling off in small lots it would not bring so much. If it is on the river in a good situation, near to Vancouver, it would sell well, but my land is not worth \$200 an acre. I paid for the first seventy \$70 an acre. The land adjoining that is not cleared yet. I was offered \$45 an acre for it. The situation makes a great deal of difference. For instance, my brother-in-law bought 160 acres last fall from Judge Crease's land; it was not wild, but uncultivated. It was out in the centre of the island. Part of it runs into the bog; it is not good land. Land under cultivation runs all the way from \$40. Good land is worth as much now as it was three years ago, but not unless suitable for selling off in small lots.

I bought my farm, 170 acres, three or four years ago. I paid about \$75 for a piece of it, 120 acres, and the balance, with buildings on, \$200 an acre.

I grow principally hay, oats, wheat and turnips. Last year I took off about one hundred tons of hay. Sold some for \$10 a ton and some for \$12 a ton, delivered in town. Sold about thirty-five tons. Sold about twenty tons of oats at \$24 or \$25 a ton, delivered in town. Sold no barley. Sold two tons of wheat at \$30 a ton. Sold three thousand pounds of butter at 30 cents, and a little sold for 35 cents. Made about \$50 out of eggs. In a fair year we have to sell at lower prices. We did not have enough to pay our debts in town. I know we would get better prices if the Chinese and Japanese were not here.

On an average they pay \$8, \$12, and \$15 an acre for extra good land. They may pay \$20 an acre. The Chinese took a lease for ninety-nine years. He is paying \$10 an acre.



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They encroach upon the farmer in wood cutting. About four years ago we had about twenty acres of heavy wood cut and we employed a white man to cut out the wood. We got it out at a very small figure. We always took out at least one hundred cords of wood in a year, and sometimes more; but now, owing to Chinese and Japanese supplying the market with wood, we have a lot of it on our hands yet, because we cannot sell it to clear ourselves. We cannot compete with them in selling wood, even when the wood is cut off our own lands.

The consensus of opinion among the farmers is against granting them the franchise.

Q. Do you think if those here secured the franchise it is likely to lead to trouble?

—A. It is likely to lead to rebellion.

If we had white labour in the canneries they could help on the farm as well. None of the Chinese have their families except one on Lulu Island and one on the mainland. A Chinaman told me he had four hundred tons of potatoes.

William Daniels, a farmer, said: Have lived twenty-five years in South Vancouver. I own sixty-seven and a half acres. There were twenty acres cleared. I raised hay, potatoes, turnips, cabbage, and sold in Vancouver. I rent forty acres to a Chinaman now, and get \$415 cash for it, annually. He raises everything in the shape of vegetables. I could not compete. Most of the land where I am has been cleared by the Chinese. I think they are very good to clear land. They have a good deal leased around there. It costs \$150 an acre to clear land. I think I paid, in addition, \$700 to ditch twenty-eight chains and put in flood-boxes; that is all on the main dyke. I don't know if it would cost more if no Chinamen were here. The number of Chinese farmers is increasing lately. There are more leases. Farms are now rented. This Chinaman lives in my house, 16 by 22 feet; sometimes he has six, twelve or fifteen Chinamen with him. They eat rice, potatoes, meat. The Chinese are good tenants. They cultivate the land well. They can get more off the lands than I do. I could get my son-in-law to work the place if there were no Chinese. I cleared twenty acres and they cleared twenty acres. Japs are not as good as Chinese. I had them offer to work at \$5 a month. I believe the Jap is more dangerous than the Chinese. There were no Chinamen here when I cleared my twenty acres. I could not afford to pay a white man to clear land. It is dirty work and you could not get a white man to do it unless you pay him an outrageous wage.

The last twenty-eight acres cost me about one-half the ranch to do the clearing of it. My wife and I did the clearing. I had to sell half the ranch to keep us going. According to the way Chinese live, they live better than I do. They have got plenty of everything in the way of living, as a Chinaman does.

The evidence of Edward Musgrave probably gives the clearest statement of the views of those who do not believe in restriction. A summary of his evidence as taken down by the chairman is therefore given at length. He says: I reside in the Cowichan district. I am farming at present, and have been for sixteen years, there and on Salt Spring Island. I employ Chinese the whole time; one domestic and one or two outside, and one white man. I pay the Chinese domestic \$25 a month and the outside men \$20 to \$25, and by the day at \$1 a day. They board themselves. I pay the white man from \$30 to \$40 a month and he boards himself. I find the Chinese good servants. The white man is physically stronger. It is not difficult to get white labour at that price. The Chinese are not largely employed by farmers. I don't think the numbers employed are increasing. They live as a distinct race. I should not think it desirable if they did assimilate. I should be sorry to see them settle here and bring their families here. I should much prefer to see our own people. The reason is very obvious. I have no desire to see them fill positions of unskilled labour. I am not making a living out of farming. If I had to make a living I could not pay white labour, and it is doubtful if I could pay Chinese. I should have to fall back on Japanese. The profits of farming are not sufficiently high to pay the ordinary rate of wages. The farmers who are doing well do the work themselves. I think it beneficial for further immigration of the coolie class. Wages are and have been abnormally high. Very many industries have been helped by coolie immigration. They don't compete with the mechanical class and they supply cheaper labour. Under present circumstances I would have no restrictions at all. If I did restrict I would do it in a different way. I consider the present restriction

is a bad and dishonest system. It does not reach the object aimed at. It merely makes the expense of Chinamen entering the country greater. It merely becomes a question of whether it will pay him. It keeps some out. The ordinary Chinese can not afford to pay. He borrows from some company and has to repay with exorbitant interest. I think it dishonest to tax a man to come in and tax him when here and then refuse to allow him to be employed on Government work. I think it quite wrong. If admissible it ought to be total exclusion. It would be a more honest system. I should say by treaty with China. In the present state of affairs it is entirely against our treaty obligations. I have very little experience with the Japanese. A large and growing number of Japanese are employed in our district. They have been of immense benefit to the province, I think. The common wage of a Japanese at present is small; £10 a month and a ration of rice and potatoes, but after they have been here they begin to increase their demand and will work very little under a Chinaman. I see no necessity for restriction, as far as we have gone. If many came then I would press the Home Government to limit the number. It is a very difficult question to decide upon. I may say that the Chinese are only employed in certain work. They are not good hands with animals, ploughing, etc. I have been eight years sheep farming on the Salt Springs Island. I think it necessary to have cheap labour to clear the lands.

In regulating the price of our products, the imports are of the greatest importance. Very little agricultural produce is raised in the province. The expense of clearing is enormous. It won't pay to do it. I doubt if a man could clear the land and support himself unless he got outside work. Very few can afford to employ even Japs. The average bush lands cost to clear, employing partly Chinese and white labour, from \$100 to \$200 an acre. The man who clears and sells never gets his money out of it. No doubt it could be cleared in a scientific way much cheaper, but those who go into the business cannot afford to employ up-to-date machinery and tools. I had knowledge of farming in Scotland, New Zealand, South Australia and South America. In New Zealand I was in sheep farming. I pay my white man by the year. No trouble to find white labour at that price. I consider \$1.50 a day all the year round is a higher price than \$2 for ordinary job. I should think about \$2 is the ordinary wages. I don't think an increased white population here would increase land values; it might. Can't say how much. A larger population would increase the demand for my farm produce. I don't think farming will ever become a large industry on this Island. I doubt even if you can clear land with Japanese labour at a profit. It is a question whether you have labour at a reasonable rate, or at an abnormal rate. I think a municipality should get their labour done as cheaply as possible, without considering any of these labour questions. I think a government ought in every fair way to foster their own people. In my opinion this outcry about Chinese is a hollow mockery. I don't quarrel with white labour. I have had in my employment almost every European nationality. There is a certain amount of humbug. A white man will refuse to work with a Chinaman, but he will take a contract and hire Chinaman and work with them, the labourers doing what is quite natural. New Zealand has developed much more rapidly, but you cannot compare the two; the one was covered with forests; the other was open land; and a different climate as well. I don't think farmers could get on without Chinese.

I am sorry to say that the farms about here, most of them, are mortgaged, for the purpose of raising money to clear them, and the farmers literally cannot afford to pay for Chinese, Japanese, or white labour. I have had forty years' experience out of England. The Chinese compare favourably with certain classes of labour. Of all the different nationalities I have employed, I have always found our countrymen the most difficult to deal with, owing to their independence of character, and should not like to see them have less. The Chinese are docile, but they won't stand abuse and ill-treatment, and stay with you. You can trust them to work and they are very grateful for good treatment. I have found them very honest. We don't lock up against them. The Chinese seem very clean in their persons, but they have no idea of sanitary arrangement. My Chinese is as clean in his room as I am in my own, and so is the outside Chinaman, but they will throw everything outside. They are unsanitary. I don't want servile people to deal with. I don't think Chinese are servile.

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Captain Edward Berkley says: I reside in Westholm on the E. & N. railroad, 46 miles from Victoria. I am a retired captain in the Royal Navy. Have a ranch; for several years past my business has been ranching and clearing land. Am postmaster and magistrate. I very seldom employ Chinese. Chinese are not employed on ranches. I have had Chinese for cooks several years ago. The average wages is \$15 a month and food. Cheap labour, regardless of colour, I say. Anyone to help the farmer make money by. I have 225 acres and my son 200 acres. My son's property is nearly cleared. Dairy, grain and fruit farm. I commenced with the Japs. I chopped and he piled it. It is a grass run. Have fifteen cows and one hundred sheep. I have been seven years there. I gave \$5,000 for 265 acres. Cheap labour is necessary. I should not like to see coolie labour except as an exigency. I have seen twelve Chinese in a house and they were all friendly; outside dirty. The average Jap will do as much as a white man except at chopping. I am extremely favourable to white labour but cannot afford to pay for it.

There is only one white labourer in the whole district. There are none to be had. What we want is more people to cultivate the soil; to come in with a little capital. A Jap is more valuable about a farm than a white man because he will do all the small chores and not be offended.

We cannot raise produce just now. Every one of the farmers is trying to do the work of three men. It is not for the want of will that more is not produced; it is from the want of power. The small rancher can go out and get \$2 per day and he can have a Chinaman to do all the chores around the place at fifty cents per day. I am not in favour of Chinese in this country: God forbid I should be in favour of anything of the kind; but he is required temporarily; he is far more decent than he is given credit.

Michael Finerty, farmer, lived four and a half miles from Victoria, says: I have a farm. I learned my trade as gardener and stone mason in Ireland. I came here in 1862. I don't follow my trade. I had to give up gardening. We used to sell our produce to green grocers. We would make \$8, \$9, \$10, \$20 a day. All were well satisfied. We had cheap labour in those days, Indians. They were good workers, and after a time the Chinamen came and brought the smallpox and 5,000 Indians died of it. The Chinese live cheaper. Take their stuff around upon a pole and basket; they sell much cheaper. I could not compete. I followed it five or six years. All white men went out of the business. They confine themselves to market gardening. They work for farmers. A good white man could do as much as two or three Chinese. I don't think the Chinese or Japs are necessary for the farmer. My farm is 160 acres. None of my neighbours are in favour of Chinese at all. They expect to live on the white race. I don't agree with the last witness. The race we want is a white race that will be permanent and help build up the country. All we made we invested in property and make a good home for ourselves.

Samuel M. Robins, of Nanaimo, superintendent of the New Vancouver Coal Company, says: At this moment we have a larger number of Chinese than usual clearing land, namely, fifty-seven. I am rushing the clearing to get the spring crops in. Then they will be dropped in large numbers. We have eight Chinese as farm hands proper. I think the immigration of Chinese into this province should be entirely stopped, either by prohibition or a prohibitive head tax. I have never engaged Japanese in clearing land. When I speak of one I refer to the other. The company has cleared about 700 acres by Chinese labour, whilst the leaseholders under the company have cleared mostly by Chinese labour, 600 or 700 acres more. I say mostly, because a good many have done their own clearing, or engaged whites to clear, even if it cost three times what it would cost with Chinese. Owing to the apparent superabundance of Chinese labourers, my opinion is that none of the existing industries in the province would suffer by prohibiting Chinese immigration. I don't think it would be wise to put off the time for excluding them. In fact, I think if it be an evil the sooner it is checked before it grows to unmanageable dimension the better.

The results of farming have varied so every few years that I can hardly say whether it is possible to clear land at wages paid to white labour and make a profit out of it as a farming proposition. I believe farming in the last few years carried on scientifically



would be quite possible by white men, but a few years back it would not have been possible.

Alfred L. Hunt, an Englishman, but who has lived some years in the States, says: I am a farmer. Resided in British Columbia a year and a half. I find no opening here in my line of business. The Chinese are in market gardening. A man would stand no chance for the Chinese peddling. A farmer could not do this.

Edmond Arthur Atkins, Reeve of Coquitlan, says: I have resided there off and on since 1860. Engaged in farming for twenty years. I worked my own farm of from thirty to forty acres. We want to have not so many Chinese and Japanese, but do not exclude them altogether, because if we do we are going to get left. I have a Japanese now at \$15 a month. There are eighteen voters residing in the municipality. I was foreman in Moody & Company's sawmill. I think \$100 ought to keep them out pretty nearly. A man cannot work for Jap's wages and keep a family.

I paid a man \$45 a month and his board, and when Caledonia Day came along he left me with twenty tons of hay to draw in. I have been left that way several times. You cannot depend on them. It is just this way, if we go to work and get all the Chinese and Japanese out of the country it will raise the wages to such an extent that the farmers cannot possibly live. You see our ranches in this country have all to be cleared up. If we have to pay \$2 a day, which is the wages for white labour to-day, we cannot possibly make enough off the land to pay any such wages. I do not do anything in market gardening. I am into mixed farming, supplying milk to the creamery and raising hogs and cattle. I have paid a white man \$30 a month and his board. I only asked him to work from seven in the morning until six at night. He knew more than I did about the ranches, and we had a few words, and he left right away, so I had to go and hire a Japanese to do the work, and I had to do some of the work myself.

There are something over 3,200 acres in Pitt Meadows cleared.

My section of the country is not well settled. It is held mostly by speculators. They won't sell for a price that settlers can pay. I think the Lower Fraser is badly fixed with the same disease. The orientals have helped some of us. High labour has not had anything to do with it not being settled. It is the speculators.

John Armstrong, for twenty-two years a farmer in Surrey, several years councillor, and five years reeve, says: The general view is that heretofore they have not been a great detriment to the farmer, but in the future almost absolute restriction is advisable. When I look for a man they ask if there are Chinese and Japanese in the municipality. If my neighbour employs a Jap at \$10 I can't compete at \$25 or \$30 a month. The sentiment is against any more coming in, and that applies as much to Japanese as to Chinese. That is my own view and what I know to be their view. The ambition of Chinese is to make money and send it away. There is probably a thousand of population in our municipality, and all are farmers with the exception of a logging camp that employs, say, a hundred men. We have farmers that grow from one hundred and fifty to two hundred tons of grain. The municipal vote is about two hundred, and mostly the heads of families: counting unregistered votes there are probably in the municipality, say, 275 heads of families. There are sixty or eighty Chinese and Japs in the municipality, two-thirds Chinese. They dig ditches and pile brush. The Chinese prevent the settlers coming in. I had a Jap for two or three months once. I employ white labour. I pay \$25 a month, bed, board and washing. Years ago we paid from \$30 to \$35 a month; sometimes I give less. Eleven years ago I let a job to a Chinaman to clear twenty acres. Others get some slashing and ditching done, not heavy clearing. The heavy clearing is generally done by white men. Heretofore the Chinese have done a good deal of the slashing work, but for myself I got white men to do it the same as the Chinese do, by contract at so much an acre. I give the preference to white men. Ditching is a big item on a farm. Often a ditch costs more than to clear the land. Chinese have done a good deal of ditching in the delta lands, but in clay lands such as mine is, it is too hard for the Chinese. I think the farmers could have got along without the orientals to help them, and the final result would have been better than it is. I have turned away Chinese and Japanese who have offered to work for six months for \$15, and some for less than that.



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Q. Do you think if the orientals were not here you would get lots of white labour?—A. Well, it would be better even if we had to pay a little more for it. In our municipality there is a great deal of wild land and white labour would settle it. White settlers could work for six months on their land trying to clear it a little, and the other part of the year they would work out for those who were able to hire them. White settlers coming in here would be good workers and work more steadily than the transient men we have here now, because they would have homes and little holdings of their own. A man wishing to settle down on a piece of land and make a little money on the side would have no difficulty in getting a job. A man of the kind offering his services, say at \$25 a month and his board, would have no difficulty in getting a job if he were a likely looking man.

Q. The inducements to go farming appear to be rather strong; how do you account for it that settlement has been so tardy?—A. I account for it on account of the hard job to clear the land. It is hard for a poor man to start in.

Alder bottom lands are all taken up, but they are not worked. I account for it in this way: the land has got into the hands of Loan Companies, and they are holding them too high for people to go on and cultivate them.

Q. Do you think the presence of the orientals in the Province places any impediment in the way of those lands being settled?—A. I think they do hinder immigration to a certain extent, of white people. I think the orientals are an obstacle in the way of further immigration of white people, and the Loan Companies are an obstacle in the way of bringing land under cultivation.

Q. I should like to have your opinion as to one statement you made; that they have not been a great detriment to you, but that almost absolute restriction would be advisable. What do you mean?—A. Well, that they should not be allowed to come in more than fifty or one hundred in a year. I think that the facility for white labour coming in here is better than it was some years ago, and I believe if the Chinese and Japanese were stopped coming in here and white men were given to understand that there was an opening for them here, the number of white men coming here would largely increase, and we would have a good class of settlers here to develop the country, if the land now held by speculators were offered at reasonable rates to actual settlers with a little capital of their own.

Q. Well do you speak for the country and the industries in it in making that statement?—A. I am speaking from my observation, and as the result of my experience of some years' residence in the country, but I am speaking more for the farming community with whom I am more intimately associated, and I am certain a good many of them employ cheap labour, Chinese and Japanese labour now, because they cannot get other labour suitable.

Q. You hire men for six months. How would they find employment the other six months?—A. In some cases they settle on adjoining lands, and when I do not employ them they work on their own lands. It is an advantage in that way to have white men instead of Chinese.

Q. In your judgment do you think the country needs a class of men like that more than anything else in order that the lands of the country may be closely settled?—A. Yes, certainly, and then we would have better roads, and we would have schools and churches, and the nearer you are to schools and churches the quicker the development and settlement of the country will go on.

I think this question is important from a national and family point of view rather than from a business point of view. I think there is a danger of them becoming a menace from a moral and national point of view. If they are allowed to come in at \$200 or \$300, in five years there will be five times more than now. I don't think \$50 or \$100 cuts any great figure. I think they should not be allowed to come at all. If it were known that they were not coming in, many more whites would come in. If there is any change made to prevent Chinese and Japanese or any other nationality coming in here, very likely the farmers would be the last to feel it. A great many of them have sufficient land cleared and can do with less work.

Harry Nelson Rich, of Ladners Landing on the Fraser River, says: I am managing Mr. McNeeley's large store and his farms. I am executor of the estate. His estate has 1,000 acres of land here, of which 700 are under cultivation. We raise hay, cattle and supply dairy produce for the market. The land is about an average of the land in the vicinity. Land here is rented on shares, the tenant paying one-third to the landlord.

The average crop of hay is two tons of timothy per acre: sometimes it will go four and five tons per acre, but that is exceptional. Oats from a ton to a ton and a-half an acre. Hay is worth \$8 a ton. Oats are worth \$32.50 to \$35 a ton, of 2,000 pounds. Last year oats sold at \$25 a ton. Last year we bought them out of the field at \$22 to \$23. In 1899 they were bought out of the field at \$18 a ton. Understand, we all thrash in the field here. The arrangement is for delivery on the wharf, a man can sell it for \$18 a ton. For the last four or five years we have done the buying for Brackman, Kerr & Co. We bought from seventy to eighty thousand sacks of oats and imported one hundred and twenty-five thousand sacks for our own use to sell to the ranchers. I do not know of an instance of first-class land being leased, except to Chinese, who pay about \$20 an acre; that would be the best. I have known a white man to pay \$15 an acre for one straight field, but a great part of the ranching here is done on shares, the landlord getting one-third of the crop.

I am president of the Creamery Company. Last year we sold \$22,000 worth of butter at an average of 28½ cents a pound. Fruit does not form an industry here. There are small fruits raised, such as black and red currants and the like, but not many are sold.

On a big farm we employ four white men at from \$20 to \$30 a month and board. In harvest time of course we pay more. We have three Chinese there now. It will average about three the year round in connection with the farm. We have Chinese there doing all the ditching and clearing. We pay from \$18 to \$20 a month and they board themselves. They do ditching, milking and anything you want done. To-day (May 20th) a good many have left Ladner and gone to the canneries.

The proportion of white labour and Chinese labour on other big farms I should say is about the same; on the Patterson farm about the same, either Chinese or Japanese. The small farms the people work themselves. This farming section of Ladner is about eleven miles one way and seven and a half miles the other: that is south of the river, the delta municipality in fact. There are some lands here as good as any we have.

Q. What proportion of those lands may be considered as big farms?—A. There is the Pemberton, the Guichon and the Wellington farm, and the farm of William Ladner, and that of Thomas E. Ladner, the British Columbia Land and Investment Company, T. W. Patterson, McKee's farm, Christopher Brown, W. Coudy, H. D. Benson, the Kirtland estate and H. Trim. These all own from three hundred acres up and there may be one or two others. The rest of the land is divided into small holdings. The average holding of the small owners, most of them have 160 acres. They are bringing it under cultivation all the time more and more. I think the number of Chinese would average three on the big farms. There is a big lot of them.

Q. Do you find the Chinese as advantageous as white people on a farm?—A. Very few of them can plough. They are good for choring around. They do milking and other work around. If you want the Chinese to work you have to keep following them up, where if you set a white man at a job they go on with it without you being present, but I do not know what you can do without them. Some of the Chinese go fishing. I am trying to hold back the wages of the Chinese just now to keep them at work. There are very few white fishermen working on farms.

Q. What do they do after the fishing is over?—A. Lying around, a great many of them doing little, if anything. About fifteen men work here in the saw mill; I do not know how many Chinese are employed there. I have been here since 1880, and sixteen years in connection with the present business. I was in the cannery business before that. We never think of getting anyone else but a Chinaman for draining and ditching. It has been that way ever since I came here. We suppose if a Chinaman has taken a contract he is making \$1 a day. I do not think I ever knew of a white man taking a

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contract for digging or ditching in this municipality. Farmers do ditching and draining themselves to a very small extent.

The land here was reclaimed in the first instance by digging and ditching by Chinese since I came here. Wet weather generally commences in the fall, about October. It is very seldom we have a wet hay seeding, only one in twenty years; only one or two bad harvests. Our harvest is two weeks' earlier on account of the land being reclaimed. Some of the land has been bought for fishermen and men around the canneries. I suppose about eight fishermen and four other men have bought land about Pemberton. It is available at \$90 an acre. The same land would rent for \$5 or \$6 an acre. I think a man could pay that and make a living off it. The land they pay \$90 an acre for is dyked and drained. No roots to be cleared off. It is worth from \$70 to \$80 an acre. Pemberton is the only man who has cut the land up into small lots. Hay sometimes goes up to \$10 a ton. Swedes were employed on the dykes in 1895. It was mostly done by a contractor, by Swedes.

Q. What do you consider you would be justified in paying the white man as a farm-hand compared with the Chinese?—A. I would not hire a Chinese to run the plough.

Q. Well, to do the work the Chinese work at?—A. I would pay a white man about one-third more than I would a Chinaman.

Q. Could ranching be done here by white labour at a profit at present prices?—A. I do not think so. It is not obtainable. If it could be obtained I would rather have white labour. In heavy work on land I do not think the Japanese would earn more than their grub.

Q. Has anyone ever made an attempt to break land into small holdings and to dispose of it to fishermen?—A. Only Mr. Pemberton.

Q. How has it succeeded?—A. Very well. I think such a system would be very successful. Of course it has to be land near the river, of holdings from two and a half to five acres.

Oats would average \$25 a ton for the last five years. I have known oats to sell some years down to \$15 a ton. Potatoes are very scarce to-day. They are worth \$25 a ton. They average eight tons to the acre. I have known twenty-five tons off an acre. I could not say if we could supply the market here without importing, if the land on the river was brought under cultivation. A friend of mine brought down from Edmonton this year three thousand tons of oats; most of it went north. I do not know if Edmonton affects our market here. The United States does not now affect the oat market.

The hay from the Ynkon comes east of the Cascade; some was bought in British Columbia this year and sent north. Our market is mostly local. There is no export market here. We have no need for an export market here yet.

A. S. Emory, of Victoria, carpenter and joiner, says: I work for wages, \$3 for house work and \$3.50 for shifts work. I came from Manchester, England. I resided on the west coast of Vancouver Island for a little time. I took up land there with the intention of farming. If I could have sold my products at a reasonable figure the chances are I would have remained on the farm. The field was too limited at that time, for one reason, and another reason was the Chinese competition.

I only took up five acres of land, about fifty miles from Victoria. I grew potatoes and some oats for cattle. The potatoes were what I had for sale. I could not get more than \$7.50 a ton for them after paying freight and wharfage.

I think the proper way would be for the government to open up certain districts and clear the land, then they could get men to take up the land. They could give employment by this means to a great many white labourers who, with the aid of machinery, would clear the land to advantage. If the development of the country were encouraged this way a great many people would go out to farm, and there would be advantage all round. In this a government can do such work to better advantage than individuals can.

A man clearing land gets a lot of valuable timber. If properly handled it might pay for the clearing of the land. Men have not capital enough to handle it, and have it properly marketed. The government could manufacture it for so much and make a clear profit.



William John Taylor, barrister, who has a large stock farm near Victoria, says : The Chinese have cleared a good bit of land on the island. I think it would have been cleared by white men if the Chinese were not here. It costs more to clear heavy timber land than you can buy cleared land for. It must be cleared by machinery. It is not expensive ; \$150 would pay for machinery. Here it costs more to clear an acre of timber land than it costs to clear fifty acres in the North-west Territories. I think the agriculture resources of British Columbia are underestimated, though better wheat and oats are grown in the North-west. There are vast parts of British Columbia that require no clearing. If we had twenty thousand whites instead of Chinese it would be better for the country. I think their presence only affects the land indirectly. Everything that affects the commercial well-being of the province is a detriment, and I think the presence of Chinese and Japanese has that effect, and therefore indirectly it affects the value of land. I think whites could clear land as well as Japs and Chinese, and at about the same cost. Dyking could be done better by whites than by Japs and Chinese.

Five years ago we imported one million, nine hundred thousand dollars worth of farm products through Victoria, exclusive of what could not be grown in the province.

Joseph Hunter, General Superintendent of the Esquimalt and Nanaimo Railway, says : Chinese and Japanese have cleared a good deal of land along the line of the railway. I think I would prefer to have a white man at \$2 a day, clearing land, as far as the simple question of being profitable is concerned. Land clearing ought to be done by white men, and better done by them ; it depends on the class of work ; the Chinaman as a general rule is a very poor axeman. You can get Chinese to do part of the clearing of the land cheaper than the white man, and they will do it as well too, but there are numbers of them who lose money on their contracts as well as white men. As far as taking up the company's land is concerned, the displacement of Chinese in our employ in favour of white men, would make no difference at all. Our white employees do not seem to care about taking up land ; I think they rather like to stay in town.

#### AMERICAN OPINION.

Walter J. Honeyman, dealer in cannery and fishery supplies, of Portland, Oregon, says : The Exclusion Act caused great inconvenience. We would never have had half the land cleared without the Chinese. The Chinese work in canneries now. It is too expensive to clear land now.

There are large numbers of settlers coming in now and settling on the land in the State. They look around and then they clear up a little of the land. Most of them settle on cleared land, on prairie land. Life is too short to go in and cut a farm out of the forest. I never had any land cleared, and never went into the question at all. I have had no experience in that. Most of the clearing that is done has been done by the Chinese in past years.

A. A. Bailey, secretary of the Federated Trades, Portland, Oregon, says : The enforcement of the Exclusion Act did not cause any complaint. There was plenty of white labour. It cost a little more, but it was better work. The men who had gone on the lands in the States of Washington and Oregon, as a rule, to make a living, clear up the land themselves. They have no money to spend on hiring people to clear the land. They come here to settle and make homes for themselves, and they get along nicely without either the Chinese or Japanese. A very small percentage of the lands under cultivation in this State has been cleared by Chinese. If the Chinese have done any clearing it is principally along the line of the railways. That is not in the way of farms. Nearly all the settlements have been made by white men. The present condition of the farming industry in this State does not owe its progress to the presence and work of the Chinese. Very few Chinese have cleared any lands for settlement in Oregon.

F. V. Meyers, Commissioner of the State Bureau of Labour Statistics, San Francisco, California, says : The Chinese were never engaged enough in farming in California to make them a factor to be considered.



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H. S. Rowe, Mayor of Portland, Oregon, says : I do not think the Chinese helped very much to develop our industries. Of course farming is an extensive industry, and in various ways the Chinese were employed to clear up land. They set to work to clear up land, but that land could have been cleared up by cheap white labour as well as it is cleared up now. There is an extensive territory fit for farming and very few people occupying it. We do not want Chinese or Japanese to occupy our farming lands. What we want is Europeans, white people, to settle up the country and develop our resources. The Chinese cannot do that. The Chinese are not used much in growing fruit. The fruit industry of California might not have been developed as far as it has been without the aid of the Chinese. They are not now employed to any considerable extent upon farms.

The area of land reclaimed by the dyking works along the Fraser River by the Government of British Columbia is as follows :—

Chilliwack .....	19,811.40 acres.
Matsqui .....	10,062.15 “
Maple Ridge .....	8,448.83 “
Coquitlan .....	3,290.96 “
Pitt Meadows .....	2,299.27 “
	<hr/>
	43,912.61 “

The cost of the works is about \$750,000.

## SUMMARY.

The Chinese have in the past been employed in clearing land in and near cities and towns, and to a limited extent on farms.

The cost of clearing heavy timbered land is such that it cannot be done with profit, even by Chinese labour, for farming purposes. If large areas are to be cleared, explosives and machinery, with white labour, will be found the cheapest. Small holdings may be cleared up by actual settlers who desire to make a home for themselves, provided they can obtain assistance by working at other employments. The delta lands and lands along the Fraser will doubtless be the first to be brought under cultivation to any large extent.

The dyking on the delta lands in the early years was done largely by Chinese ; of late years, by machinery. In the Ladner section, which is eleven miles by seven and a half miles in extent, are about fifteen large farms, of three hundred acres or more. The rest of the land is divided into small holdings, which average about one hundred and sixty acres.

On one farm of a thousand acres, four white men and three Chinese are employed. This would seem to be about the proportion on the large farms. On the small farms of one hundred and sixty acres, or less, they are not employed. The owners do the work themselves. The Chinese are not employed in ploughing on the large farms, but do ditching, milking, chores, &c. They are paid from \$18 to \$20 a month and board themselves. White men are paid \$20 a month and board.

In one instance land has been divided up into small holdings of from two and a half to five acres, to sell to fishermen at \$90 an acre.

A white man is regarded as worth one-third more than the Chinaman. It is said white labour is not obtainable ; if it could be obtained it would be preferred.

The result of the evidence in regard to this all-important question shows a strong consensus of opinion opposed to further immigration of either Chinese or Japanese.

Their mode of life and small cost of living make it easy for them to undersell in the markets and leave a good profit.

They have no homes to build and keep up, no wife or children to support, and no contribution to churches to make. The cost of their clothes, board and lodging is

trifling. They live in small shanties and crowd together even worse in the country than in the cities, six to ten and fifteen in a room.

White men will not hire where other, or neighbouring, farm hands are Chinese or Japanese. On the other hand, settlement is promoted where farm labourers can take up land: work for six months on their own land, and the other part of the year work for those who are able to hire them on their farms. This is of mutual advantage to the new settlers and those better established.

Witnesses emphasized the fact that the more thickly settled a community is the more readily are established schools, churches and all the conditions of civilized life. The presence of the Chinese to the extent of their numbers retards settlement and promotes isolation, and so renders social life difficult or impossible, and the locality an undesirable place to live in; and a dread of the aggravation of this evil in the future still further discourages settlement.

The settler cannot depend solely on the land, but chiefly for some years on what he can earn outside. What then is his position?

He would first and naturally turn to market gardening as incidental to the farm, but here he is met by Chinese, who practically control this important branch of agriculture, first by their cheap labour, and then by the system of peddling their truck in baskets on poles. This has destroyed or prevented markets. (There are no markets in British Columbia, except at New Westminster, although large public market buildings were erected in the cities of Victoria and Vancouver.) Should a white man try to sell from house to house he is met by 'John' at the door. Vegetables required to-day? No; but when the basket comes the sale is made. The white farmer has been driven from this field.

If he has wood upon his land he cannot cut it into cordwood and sell it at a profit. The Chinese and Japanese undersell him; if he has timber suitable for shingle bolts he is met by the Japanese contractor, with whom it is impossible to compete, for the same reason. His only outlook then will be to get work if possible, and he applies at the sawmill; The Chinese and Japanese are both there, and the latter are increasing in numbers. At the shingle mill the Chinese are mostly employed under a boss Chinaman, who has the contract.

Will he send his children to the canneries during the fishing season? They can only get employment when work cannot be overtaken by the regularly employed Chinese staff. (It may be noted in this connection that this source of employment would necessarily be uncertain as to its duration having regard to the fluctuating demand for labour in this industry.)

If he turns to fishing in the summer season, there he finds the Japanese in such numbers that, except in great runs, the individual catch is so small that the profits have been cut down to a mere nothing.

Under these circumstances the settler often abandons his holdings, upon which he has spent more or less time and money, and is forced to quit and the mortgagee takes possession; and too often he crosses the line, where there is a Law of Exclusion against the Chinese, where they are not employed in the mills, nor shingle business, nor in the woods, and where, rightly or wrongly, he thinks he has a better chance.

This condition of things is becoming worse and worse from year to year, cause and effect act and react on each other, increasing the difficulty.

It delays settlement and keeps back the country in every aspect that goes to make a permanent self-supporting and prosperous people. It fills the avenues of labour and so prevents the settler from assisting himself to eke out a living until his lands are cleared.

The verdict of the great body of agriculturists is in favour of a high restriction or total exclusion.

## CHAPTER VIII.—MARKET GARDENING.

This business, which seems to be peculiarly suited to the Chinese, is in their hands, with trifling exception. There are engaged in market gardening in Victoria 198 Chinese; in Vancouver 134; in New Westminster 70.

To give an idea of the extent to which this is carried on by the Chinese, reference may be had to the evidence of Lee Dye, of Victoria. He says: There are twelve market gardeners. I have four gardens, consisting of 193 acres leased land. The lowest rent per acre is \$5, and the highest \$12.50. I pay taxes. I supply steamboats and wholesale merchants at Vancouver and Victoria. The business was established thirty-two years ago by my father. He put in \$4,000 cash, and with the credit it comes to about \$10,000. We have four partners and twenty-four men; to be increased to forty-eight men in the spring. My sales amounted last year to \$24,185.25. The lowest wages paid a green hand was \$12 per month and board and lodging; the highest \$25 and board and lodging—average \$18 to \$19 per month. I have been here seventeen years. My wife went to China five years ago. I have two children; they are in China. I took them there to be educated. The oldest is ten years and the youngest six years. I expect to go next winter and bring them out.

I own property here to the value of about \$1,500 or \$2,000; my firm to the value of about \$30,000. It costs from \$90 to \$100 an acre to clear the land. If the trees are large it costs from \$140 to \$150. My land cost from \$110 to \$120 per acre. The lease is for ten and fifteen years. My lease is three years free of rent and the owner of the land pays the taxes. After three years the rent is about \$8 an acre. If it is good land and easy to be cleared, then on an average about the fourth year it would pay my expenses and the seventh year it will pay me back all the labour and the expense besides. I would prefer to own my own land. I would have to pay for borrowed money about eight per cent.

This witness had an accurate account of his receipts and expenses, and had conducted his business with much success. Probably he was one of the most successful market gardeners in the Province. He employs exclusively Chinese labour, except occasionally white labour for ploughing. His plant he valued at \$15,000, including eighteen horses, seven wagons, &c., &c. He paid for horse feed \$1,187, fertilizers \$671, horse shoeing \$201, repairs \$250, harness and repairing \$250, seeds, &c., \$300, for veterinary surgeon \$150. Last year he paid for rent \$1,100, and taxes \$205. He sold of his produce to white people \$16,000 worth and to Chinese \$8,000 worth.

This witness offers the most favourable instance of a successful business man that this class affords. He can scarcely be called a labouring man, and it may be helpful here to stop for a moment and examine the result, as an illustration of the whole class of Chinese market gardeners. His business is successful; it has been conducted on business lines. He employs a large number of men. He supplies that, which, if not produced in the province, must be imported from the States. Is it not desirable that that class of Chinese at all events should be encouraged?

Sing Chung Yung, of Nanaimo, says: I am a market gardener and work one hundred acres. I have been here twelve years. I brought from China \$2,000 (Mexican). My wife and two children are in China. They are eleven and nine years old. I visited China and remained fourteen months. I dress in English clothes all except the queue. I would like to bring my wife and children here. She don't like to come. The people in this country talk so much against Chinese that I do not care to bring them here.

I have eight horses, one colt, ploughs—everything. Their value is \$4,830, including improvements.

Denies that he uses human excrement on the garden.

Statement of the business of Sing Chung Yung for the past year:—

EXPENSES.	
Rent of farm.....	\$ 720 00
Horse feed.....	1,100 00
Wages paid.....	2,880 00
Provisions for farm hands.....	860 00
Repairing of wagons, &c.....	250 00
Seeds.....	100 00
School tax.....	12 00
Post office box and stamps.....	10 00
Total.....	\$5,852 00
Book debts, bad.....	500 00
	\$6,352 00
Total sales.....	\$7,500 00
Expenses, &c.....	6,352 00
	\$1,148 00

On Kee, of Nanaimo, has one hundred acres, thirty cleared. Has invested \$3,520. Has a wife, two daughters and a son in China. The daughters are 21 and 22 years old, respectively, and the boy 15 years old. He also denies that he uses human excrement on the garden.

Statement of business of On Kee for the past year:—

EXPENSES.	
Rent of farm.....	\$ 400 00
Horse-shoeing.....	48 00
Provisions for farm hands.....	523 00
Horse feed.....	520 00
Repairing wagons, &c.....	112 00
Seed.....	100 00
Wages.....	1,600 00
Repairing house.....	300 00
Total.....	\$3,603 00
Total sales.....	3,012 00
Loss for last year.....	\$ 591 00

Let us follow the evidence a little further.

Andrew Strachan, who is engaged in horticulture, says: I had to give up market gardening. I could not sell my produce. The reason was the people buy from the Chinese who peddle their stuff in baskets. I at present cultivate about ten acres, principally fruit. I think there are sixty or seventy basket peddlers in Victoria. The majority of private families buy from basket peddlers. I came here in 1871. There were a great many more white people raising vegetables than now. Ten years ago market gardening was in the hands of the Chinese; it has remained so ever since. Market gardening is entirely in the hands of the Chinese. Twenty Chinese can live as cheaply as a man and his family of five or six. I think twenty Chinamen can live on \$40 a month. I engaged a Chinaman for six months. I paid him \$18 a month. A bag of rice at \$1.75 and 25 cents worth of sugar was his food for a month. I paid a Japanese last year for picking fruit \$15 a month. I employed him because I could not get anyone else. I do not usually employ Japanese. If I could



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get white men I would rather pay them \$2 a day than pay a Japanese 50 cents a day. White labour is scarce, and the reason that white labour is scarce is that white men cannot compete with the Chinese and Japanese. They cannot exist or live alongside of them. So many people employ what they call cheap labour, they drive the white man out and they have to leave the country.

Joseph Shaw said: I was a market gardener in England. I came here six years ago. I came here with the intention of going into that business, but was advised that I could not compete with the Chinese. For that reason I did not engage in the business.

A white gardener cannot possibly compete with them; you cannot employ labour and compete with them; and then if you do produce vegetables and get around to the houses in an endeavour to sell them, when you go to the door the first to answer you would be a Chinese and he at once says, 'not want any.' They make it impossible for a man like myself with a wife and seven children to compete with them at all. They make it impossible for me to carry on a market garden and earn an honest living from that. I cannot compete with them at all. I cannot make a reasonable living and clothe my seven children. The class of stuff they raise would be only classed as second class in the English market. They sell at a low price. I have never seen but very few beds of first class lettuce grown by the Chinese. I remember seeing one good bed of lettuce grown by Chinese at Darcey Island, and I certainly could not have used that myself because of the offensive odour from it. I had to go to the windward side of it. Dr. Duncan was there with me. He was the Medical Health Officer, and he had to go round to the other side to get rid of the smell of the excrement that had been used very largely to force the growth of lettuce. I have a little bit of ground and have gone into hay-making and anything that turns up, and now I am farming in a small way on about twenty acres of land. I do not try to raise vegetables for the market, but I am hoping the time will soon come that I will be able to do so. They do not go into general farming. So far they are not competitors in general farming. I never employed but one Chinaman; that was to cut wood.

If I could buy machinery cheaper I could sell cheaper. If I lived in the United States I could buy the agriculture machinery at one-half what it costs me here. The manufacturer here is protected by the farm labourers.

Henry Atkinson, landscape and market gardener, who has resided in Victoria ten years, says: Market gardening is entirely under their control now in the city. I came here from the Old Country ten years ago with the intention of starting a market garden. I brought my family out here. I was a market gardener in the Old Country, and I was led to believe that I could get a good business in market gardening here. I was very much disappointed. The difficulties were that the Chinese had practically the monopoly of the business of raising vegetables, and their peddling those vegetables about from door to door was another great difficulty. There were no stores here which you could supply and get cash for your vegetables. It was all truck business, but the great difficulty in the business, which has continued up to the present time, is the Chinese and their peddling vegetables from door to door. We have a white elephant in the shape of a market building here. I know gardeners striving at the present time to sell their produce, going around to the places trying to get customers, and they do not want it. When a white gardener goes to a house with vegetables he finds a Chinese cook there, and the Chinese cook does not want vegetables raised by the white man. I know the Chinese cook militates against their being able to do business.

Vegetables only come from California when vegetables are scarce. In England a great many of the early vegetables come from France and Spain. They come in two or three weeks before the vegetables in England are ready.

The Chinese can live on so little that white gardeners cannot possibly compete with them.

There is a small commission paid between the Chinese cook and the Chinese peddler. I know from Chinamen who have told me.

In England a man may have twenty workmen (landscape gardeners) and may have work for them all the year round, but here you cannot employ one white man because

you cannot keep him at work for a greater part of the year. I have advised all my friends not to come here, because there are no openings here for white men. The lowest wages of labourers in England that I know of in towns is four shillings a day. Wages here \$2 to \$2.50 per day. The purchasing power of \$2 a day here is better than the purchasing power of four shillings a day there, provided the wages were steady, but the trouble is I cannot get beyond six months' work in my business here.

There is no market house in Victoria. Vegetables are peddled from house to house in baskets by Chinamen, and as nearly all the cooks and domestics are Chinamen, it may readily be seen why white men have practically yielded this field to Chinamen. If a white man applies to a Chinese cook to sell vegetables the answer is: 'none are wanted;' if a Chinaman applies he sells.

James Thomas Smith, who has a farm of 160 acres about six miles from Vancouver, says: The Chinese are doing us out of our market here, in the vegetable line principally. We have brought a few vegetables to the market, but we cannot compete with the Chinese. We cannot raise vegetables and sell them at the price the Chinese sell. The Chinese have control of the market. I have a knowledge of their methods of raising vegetables from personal observation. Our methods differ. We do not use the same stuff. They use their own water. They save it all winter in jars. They take it out and pour it on the vegetables, celery, lettuce, turnips and carrots. They do not use it on potatoes, but they use it on most of the other kinds of vegetables that they grow during the season. The stuff is poured on the top of the leaves of those vegetables. I have seen it done, and dozens of other farmers have seen the same.

Sam Hop, Chinese market gardener, stated: I know Mr. J. T. Smith. My holding is near his. I use nothing but horse manure on my garden. I sold the produce, a load of turnips, to Mr. Smith. He used them for his house purposes and to feed the horses and cattle that he had. He told me that he was going to use them for the house.

William Daniels, a farmer, South Vancouver, says: The Chinese can grow vegetables as good as myself. I cannot compete with them because they work more hours than I do, and they get their countrymen to work cheaper for them than I can get work done for. They have no families to keep like I have. The Chinese are good tenants and pay their rent promptly. I have observed their methods of cultivation during ten years, and I think they are very good market gardeners. I have heard statements about the objectionable methods adopted by Chinese market gardeners, but I have never seen any of those practices. I eat vegetables grown by Chinese and am not afraid to do so. They are all right.

William James Brandrith, secretary of Fruit Growers' Association for the Province, says: The Chinese are a menace to health from the way they use human excrement in their market gardens. I have seen them using it.

Joseph D. Palmer, of Vancouver, landscape gardener, says: They (householders) get their ideas from me and get Chinese to carry them out. They affect me in looking after ground, and they drive away numbers of men, useful men in a garden but not practical gardeners. They have largely got control of that work. I can't say how many white men have been superseded. Many gardeners, six or eight, have told me that they had given up their work. I consider Chinese a curse to the country. I had to stop writing to our people to come here. In my ten years of landscape gardening in Seattle I never met a Chinese. There are no Chinese employed in gardening in Seattle.

Mah Jo, Chinese, restaurant keeper of Rossland, stated that there were from one hundred to one hundred and fifty Chinamen in Rossland who worked in gardens in summer and cut wood and cleared places in winter.

Gordon W. Thomas, Cedar Cottage District, near Vancouver, says: There are Chinese market gardeners near me. We cannot compete with them in the market. Their mode of living is so much cheaper than ours and their labour is also cheaper. I have never known anyone who could hire them at market gardening. Only one has a family that I know of and he lives on Lulu Island. The rest live together, from five to fifteen men, according to the amount of land. They cook for themselves. They have no home life and no families. They are law abiding.

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I know for a fact that those labourers working for Chinese market gardeners stayed for three years, or until they pay the expenses of the man who brought them out. Then the market gardeners send for a fresh supply again, and those that have served their time are turned loose on the country. When they become proficient in the work they demand more wages.

Twenty years ago at Cedar Hill near Victoria I was on a ranch when they were irrigating. They had a large pit five or six feet deep and ten feet square, and this was filled with human filth, and they had large iron ladles on the end of poles, and they digged this filth out into buckets and irrigated green vegetables with it, cauliflowers and cabbages and radishes, and several other things. I saw it done two years ago near where I lived. They had barrels instead of pits. It was put on spinach, cabbage and cauliflower. I would not like to swear it is done generally, but it is my firm belief that it is so.

Dr. O. Meredith Jones, of Victoria, says: I think there are other things far more dangerous than leprosy, such as the improper use of manures in the raising of vegetables. I think that is far more dangerous to the community at large. Leprosy is a very slow thing. I have no personal knowledge of such conditions having engendered disease, but there is no doubt they are a very dirty people. Their vegetables are very dangerous.

Dr. Robert McKechnie, Health Officer of Nanaimo, says: As to filthy practices, I would like to mention that one commonly finds in some dark corner a coal oil tin for the accommodation of urine. I took the trouble to trace what became of the urine contained in these tins. I visited the Chinese ranch. This is a rather extensive market garden. Going through the buildings I found a small shed opening on to a large store room. In this shed were some twelve barrels holding from fifteen to twenty gallons each. Two were half full of urine and the rest showed they had been used in the same way. In an empty stable I discovered a dozen more presenting the same appearance, and from the fact of the urine being saved in 'Chinatown' and a stock of it found on a vegetable farm, I concluded that popular report was true and that this liquid was used. If typhoid fever existed in 'Chinatown' it is a fact that bacilla is excreted by the kidneys, and using it on green vegetables would carry the disease; even if it were used on the soil it might be dangerous. I don't know of a case of typhoid amongst them. They do not report their cases.

Many other witnesses confirmed this practice of Chinese gardeners, but it was as distinctively and positively denied by them.

Your Commissioners think this practice was and still is followed, though not to the same extent now as formerly, and more secretly; and by some of the better market gardeners perhaps not at all at the present time.

The medical witnesses who were called undoubtedly regard this practice as a constant menace to health.

## AMERICAN OPINION.

A. H. Grout, Labour Commissioner, Seattle, says: Market gardening by Chinese in the city and neighbourhood has been almost entirely superseded by white labour, Italians principally. It is hard to say or to find out what is the reason for the change. It may have had relation to the methods of the Chinese in market gardening, but I cannot say positively. At one time, fifteen years ago, the Chinese were extensively engaged in market gardening, but I do not know of any Chinese market gardeners now. I do not know the reason of the change. It was after the Chinese were expelled from Seattle. I came here two or three years after that. They were not really excluded. There was an attempt to exclude them, but the citizens representing law and order prevented any harsh measures. In Tacoma they were excluded and have continued excluded.

Henry Fortman, president of the Alaska Packers' Association, San Francisco, says: The Chinese now are the principal raisers of vegetables here. They do a great deal of market gardening, and we have vegetable canneries here. I think the asparagus business is entirely in the hands of the Chinese. The land is owned by the whites and

the canneries are owned and operated by whites. The vegetable exported from California to British Columbia is largely grown by the Chinese.

F. V. Meyers, Commissioner of the Bureau of Labour Statistics, San Francisco, says: The Chinese engage a great deal in market gardening. It is fallen into their hands to a considerable extent. I would say from my observation and from the information at my command, that from forty to fifty per cent of the market gardening here is done by the Chinese. I do not know that the question has ever arisen as to whether or not there was any menace to health from the Chinese by reason of the methods employed in market gardening. It is a matter of course of scientific knowledge that certain manures are good for use in the raising of vegetables, but the manner of their use is of great importance. I do not think that human excrement is used here. You will find a great deal of market gardening done by Italians here. About fifty per cent of the market gardening here is done by Italians, Portuguese and other nationalities.

#### SUMMARY.

Many instructive facts are to be obtained from this industry, the natural adjunct of farming.

The Chinese have this business almost entirely in their own hands.

They rent the land and pay a very high rent. Frequently they take land uncleared. They lease land uncleared for ten or fifteen years. For the first three years without rent; after that for \$5 to \$12 an acre, an average of \$8 an acre rent.

In one case it cost to clear the land over \$100 an acre. In another case \$400 was paid for one hundred acres, with only thirty cleared; and in another case \$700 rental for one hundred acres. In another case \$320 annual rental was paid for thirty-two acres.

The above rentals were sworn to by Chinese gardeners. Much higher rentals were mentioned by other witnesses.

The effect of those high rentals is to keep up the price of land suitable for market gardening beyond the reach of white settlers who cannot compete for obvious reasons.

The Chinese live in shacks and board themselves, or if boarded by the 'boss' he has his profits on the provisions. From five to fifteen men live in one shack.

They can be hired for \$3 and \$4 and as high as \$12 a month and board. For old and skilled hands the wages are higher, ranging from \$12 to \$25 a month. Of this class the average would be from \$17 to \$18 a month, and board.

They are either unmarried or their families are in China. There are probably from six to eight hundred Chinamen engaged in this business. We only heard of one who had his family here. Under normal conditions this number of workingmen should represent a population of at least three thousand, contributing to the schools, churches, social life, and general well-being of the community. In the one case they are citizens in the proper sense of the term; in the other they cannot in any sense be called citizens, nor are they likely to become so.

They prevent social life wherever they come. The white man with a family will not settle in their neighbourhood if he can avoid it. They are separate from the community and take as little part in the interests that go to make up a desirable neighbourhood as the dumb animal, and we found no place, either in Canada or the United States, where there has been a change in this regard among that class.

Over three millions of agricultural products are imported into British Columbia yearly, including large quantities of market truck.

At San Francisco we were informed that forty or fifty per cent of the market gardening of that State is still in the hands of the Chinese, and, further, that of the vegetables exported to British Columbia from there, nearly all are grown by Chinese. In Washington State fifteen years ago the Chinese were largely engaged in this industry, but to-day they are entirely displaced by whites.

We believe that agriculture and market gardening would have been much further advanced if there were no Chinese to keep out those who would otherwise go into the business. It is our firm conviction that this great interest never will be developed to its true proportions so long as it is blighted by the presence of these people.



## CHAPTER IX.—COAL MINING INDUSTRY.

Coal mining is one of the chief industries of British Columbia. The total output for the year 1900 amounted to 1,590,179 tons, of which 914,188 tons of coal and 51,757 tons of coke were exported. The Crow's Nest Pass colliery output was 206,803 tons, leaving 1,383,376 tons as the output of the Vancouver Island collieries.

There are no Chinese employed in the Crow's Nest Pass colliery.

The aggregate output for all Vancouver Island coal mines for 1900 exceeds that of 1899 by 180,175 tons. The report of the Minister of Mines says:—There has been a steady demand both in the home and foreign markets for the hard bituminous coal produced by Vancouver Island mines, and work has been constant at all the collieries.

These mines may be divided into two groups:—Those operated by the New Vancouver Coal Mining and Land Company under the management, for the last eighteen years, of Samuel M. Robins; and the Wellington colliery in Douglas district, known as Extension Mine, operated by the Wellington Colliery Company, Limited, the Union colliery, operated by the Union Colliery Company, and the Alexandra colliery, operated by the Wellington Colliery Company, Limited, of which Mr. F. D. Little is general manager. For convenience the former will be referred to as the New Vancouver Coal Mines, and the latter as the Dunsmuir Mines.

It is stated in the annual report of the Minister of Mines for the year ending December 31, 1900, that the total number of men employed in and about the Vancouver Island collieries is 3,701: of these 568 are Chinese, 51 Japanese, and the rest whites. Assuming this to be an accurate statement for that year, the number of Chinese and Japanese employed in the coal mines has considerably increased during the early part of the year 1901, for, from the evidence of the managers of the Island Coal Mines, it appears that the Vancouver Coal Company employs 1,336 men, of whom 1,161 are white men and 175 are Chinese. No Japanese are employed by this company.

At the Dunsmuir Union Mine 877 men are employed, of whom 412 are white, 363 Chinese and 102 Japanese. Chinese and Japanese are largely employed underground in the Union Mine, and are engaged in every kind of work, as will appear from the following statement furnished by the general manager:—

Mex employed at the Union Mine, Cumberland.

Underground.	Whites.	Chinese.	Japanese.
Miners.....	203	16	6
Helpers.....	15	157	40
Runners.....	8	37	16
Drivers.....	30	12	7
Track.....	3	12	
Brattice.....		4	
Labourers.....	2	14	5
Timbering.....	7	7	1
Underground—Other work.....	16	2	2
Supervision.....	17		
<b>Topmen.</b>	<b>301</b>	<b>261</b>	<b>77</b>
Carpenters.....	22		
Blacksmiths.....	11		1
Machinists.....	5		
Engineers.....	11		
Supervision.....	8		
Stokers.....		15	
Railwaymen.....	17	8	
Labourers.....		51	24
Other work.....	25	4	
Pithead.....	12	24	
	<b>111</b>	<b>102</b>	<b>25</b>
	<b>301</b>	<b>261</b>	<b>77</b>
<b>Total—877.</b>	<b>412</b>	<b>363</b>	<b>102</b>

At the Wellington Extension Mine 1,060 men are employed, including 164 Chinese and 1 Japanese. No Chinese or Japanese are employed under ground. Formerly about 100 Chinese were employed in this mine below ground, but were taken out (according to Manager Bryden's statement) owing to a promise made by Mr. Dunsmuir.

As this industry is second to none in the Province, your Commissioners deem it of great importance to ascertain its exact position in regard to Chinese labour, and how far increased restriction or exclusion may affect it, and how the parties most interested would regard any change in that direction.

Samuel M. Robins, Superintendent of the New Vancouver Coal Company for eighteen years, says: The Company employs 1,336 men, of whom 1,093 are whites and 243 Chinese, including special hands. No Chinese are employed below ground. 918 white men are employed below ground and 175 above ground. Of the Chinese in connection with the mines, there are 37 stokers, 48 banksmen,—these are under the supervision of a responsible white man; 19 timbermen, 39 wharfmen, 17 cutting timber, and 18 for general purposes; besides these there are 57 clearing land and 8 farm hands proper,—making a total of 243. At present we have no Chinese at less than \$1.12½ per day, and the highest \$1.25 per day. Miners earn from \$3 to \$5 per day; labourers below ground have a daily wage of from \$2.60 to \$3 a day; very few get less than \$2.60 a day.

The origin of the removal of the Chinese followed a sad accident we had here in 1887 and was brought about by pressure from the white miners upon the two companies, who simultaneously removed them from the mines. For myself I may say with great satisfaction, the principal reason outside the pressure was on account of the greater safety of the mines. I certainly consider Chinese under ground who can't speak and understand English an element of additional danger. I don't say they are not undesirable on other accounts, but that is a special cause of danger. They are undesirable on other grounds: for one reason in time of accident, they become panic-stricken and can render no help whatever, whereas a white miner has always the reserve of courage to meet a calamity. I am speaking now as a coal mine superintendent. I certainly regard it in the interest of the company to have them excluded from the mines. I don't think a single Chinaman has ever set foot below ground in any of our mines since 1887.

The Wellington mine also continued to exclude them while it worked, as far as I know. I believe it is quite closed now. I employ Chinese above ground, financial grounds forcing it upon the company.

It would have been possible to carry on the mines without the aid of the Chinese if all the mines removed the Chinese from their service. That would have been possible until the end of last year; it would have been possible then, but hardly possible now, for the reason that we are face to face now with entirely new conditions in the coal market, that may greatly reduce the output of British Columbia collieries, namely, the introduction of coal oil largely in California: as a corollary to that the conditions, as far as I can foresee them, might force upon the Company the reduction of wages of whites employed, if the Chinese were to be removed from the surface.

Q. I suppose your own residence here has enabled you to reach a conclusion in regard to the Chinese question as to the policy of further immigration!—A. Yes, I have formed an opinion of my own.

Q. Will you state your opinion fully to the Commission!—A. There are certain problems in connection with the thing which I need not go into at the present time, but upon the broad question of the immigration of Chinese into this province, I think it should be entirely stopped, either by prohibition or by a prohibitive head tax.

Q. Why; upon what grounds would you say so; what are your reasons!—A. Now, I am not speaking so much from my position as an officer of a coal mining company, as from my own views and feelings as a British Columbian. Another reason is that manual labour—that is labour that is not usually regarded as skilled—is looked upon as humiliating by the white population, because of the presence of the Chinese and their engaging in manual labour here, and the young generation are more desirous than in any other country I know of, to escape from manual employment. The younger generation here seems to be ashamed to do the work that the Chinese do.

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Q. That condition of affairs you regard detrimental to the interests of the country at large?—A. Undoubtedly it is.

Q. From your own observation, do you think the Chinese show any tendency at present to live up to our standard?—A. None whatever. There is no change whatever in their practices as far as I have observed.

Q. If they would assimilate with our people do you think it would be desirable in the interests of the country?—A. I should say not. Assimilation covers not only the habits of life, but would imply intermarriage with the people, which would not be desirable here. It would be very undesirable for any foreign nationality to be largely imposed upon us. The standard of living and the mode of living of the Chinese are largely removed from that of a white worker in the same calling. A white man might live and support a family on the wages paid a Chinaman, but certainly it would be little better than starvation. It would be ruinous for any country to have such a nation as the Chinese intermarry with them.

I have never seen in the district more than two or three Chinese women, and they are the wives of merchants and not of the labouring class.

I have no cause of complaint as to their want of obedience, diligence and thrift. I have no means of knowing of their thrift or morality from an Englishman's standpoint. I understand there is a Chinese mission, but I am sorry to confess that I have not paid much attention to that, possibly because I doubt whether the Christian practices and Christian theories would not baffle the intelligence of the ordinary Chinamen we find here.

I apprehend no inconvenience will be suffered by the supply of Chinese labour being cut off. In forming this conclusion I know there is a large surplus of Chinese labour available at this moment. If there was a large emigration of Chinese we might suffer. There is no danger of that unless they were called home by the Chinese Government.

Q. Do you know of any industry here which has been called into existence by reason of the presence of the Chinese?—A. No, I am not aware of any, but that might not mean that no other industries were maintained by the presence of the Chinese; but looking nearer home, land clearing so far as my company is concerned, would cease at once if there were no Chinese here.

I could not always refuse to employ white labour even when tendered at Chinamen's rate of pay. I prefer to pay white men wages upon which they can live comfortably. I have never engaged Japanese in clearing land. When I speak of the one I speak of the other. If there were no available Chinese or Japanese the land clearing must cease.

The company have cleared about seven hundred acres by Chinese labour, whilst the leaseholders under the company have also cleared mostly by Chinese labour, six or seven hundred acres more. I say mostly, because a good many have done their own clearing or employed whites to clear, even if it cost three times what it would cost with Chinese.

The sale of lands have been about nil for the last four years. The lands have cost us more than we hope to get back, but we cleared first for safety on account of fires, and to improve the surroundings of Nanaimo. It is not my experience that most of the timber lands are useless.

I am of opinion that none of the existing industries in the province would suffer by forbidding of further Chinese immigration. That is the way I wish to put it. I do not think there would ever come a better time to do that than the present; in fact, if I am allowed to express an opinion without your giving me a question to answer, the sooner Mongolian immigration is stopped the better, before it grows to unmanageable proportions.

I may state here that a large proportion of the miners here own their own homes, but owing to the presence of Chinese which makes the children adverse to manual labour, and there being no other employment for them, the parents do not know what to do with their children.

The result of farming would not at present permit of the employment of white labour, although scientific farming might do. If white men could obtain blasting powder at a reduced cost it would materially aid them in the clearing of land.

The company leases to miners with the option of purchase, so they can do what they please. Most of the miners who have arrived at marriageable age are married. A great many own their own homes. Large numbers may be considered permanent residents. That raises the question I have already referred to, the aversion on the part of children of white people to manual labour. Children are growing up here, their parents or heads of the house working in the mines, and those children are not able to secure any employment, and it has become a serious question with parents what to do with their children. The presence of the Chinese deters children from seeking employment because of the Chinese being employed at certain work, and as I say the parents do not know what to do with their children, with young boys and girls who are growing up in the community.

Q. How long is it since coal oil encroached upon the coal market?—A. It began to be felt last November. We heard about it before that, but it did not affect us much; but now we are beginning to feel the effect of coal oil competition. San Francisco is our largest market. The price of domestic coal is governed largely by the consumption of railway and steamship owners, but there is very little fluctuation in the price of coal. The British Columbia coal is about one-third of the coal consumed in San Francisco. We have found in years gone by that coal had come in from England and from Australia when there was no home demand for it.

Sometimes coal has been brought here, colonial and English coal would come in here and been sold at a price which would hardly pay for getting it out of the ships, but that has not occurred recently.

It is quite within the range of possibility that it will be impossible to mine and ship coal to San Francisco. Coal oil may be used in some industries and in other industries it cannot be used on account of danger; and then the question comes in as to domestic use. Coal oil can only possibly supersede coal for domestic use; but the use of coal in San Francisco may result in a large reduction in the demand for coal from here, and the orders from San Francisco would be of such small amounts, that it would not pay for us to keep our mines open. We are watching that very carefully but we cannot decide as to how far it will interfere with our mining here. It may be that the oil people will be able to secure new inventions, whereby oil could be more generally used in a great many industries, but at present they have more than they can handle and they have to get rid of it, and therefore the market is more affected at the present time. The competition from coal oil has increased rapidly of late, because when one man sunk a well his neighbour had to do the same to prevent his land being drained. If the companies could place their oil elsewhere they would rather get \$1.25 a barrel for their oil than 65 cents as they are getting to-day because of over-production.

Q. Would that follow irrespective of whether the Chinese were here or not?—A. It is perfectly independent.

I entirely disagree with the idea of servile labour. It might create a few large individual fortunes, but it would be utterly detrimental to the white labour class.

Q. Would you consider the Chinese and Japanese as at present here servile labour?—A. Largely so; not, perhaps, speaking in a legal sense.

They are a little too servile to please me. The Chinese have never put any pressure on to get more than half the wages of white labour. I can't remember of a strike; none in our mines.

Q. On the other hand if the margin was very close it would mean a reduction in the price of labour; it would mean the employment of cheap labour, or there would be no exportation of coal?—A. You wish to get an expression of my views whether it would bring Chinese labour into the mine? For myself and my company I say that under no circumstances would that introduce Chinese into the mines. We would rather suffer ruin first.

We are employing Chinese in all available departments above ground now. A Chinaman can do pretty well as much as a white man at the work we have them employed at now. In some I should say, yes, unhesitatingly, such as stoking, and as a banksman they do nearly as well as white men. The true banksman, the responsible banksman is a white man, but he has subordinates, and the subordinates may be Chinamen.



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There have been times when we should have been glad of five cents a ton.

Q. You told us the presence of the Chinese prevented white men getting employment on the farms!—A. That statement was made in regard to children and in regard to boys being employed in clearing land. I have tried young men or boys of from fourteen to sixteen years of age. They are not strong enough to do farm work, but there are certain things that these lads when they reach the age of sixteen or seventeen might do about the place, where we now employ Chinese.

Q. Why don't you employ them!—A. Because you will understand, a lad about sixteen or seventeen, a growing lad, is not so physically able as a full grown Chinaman for certain work.

Q. If you hadn't the Chinamen to employ you wouldn't get such work done!—A. We would get it done in some way, but we are obliged to employ the Chinamen who are able-bodied, but if they were not here at all we should employ white men, although we might have to suffer a little in pocket.

Q. Isn't it a fact of the present generation and particularly of the present day that owing to the high standard of education the children get here they are inclined to climb more into skilled labour!—A. That is a feeling that is largely produced by the presence of the Chinese. Young people like to rise higher, and they cannot be blamed for that, but the shame they feel at doing manual labour as far as I can see is produced by the Chinese being here, and the young people do not care to go at work which the Chinese are generally employed in doing. \* \* \*

I have never met one Chinaman without a pig-tail. If Chinese immigration were prohibited, Chinese labour would gradually disappear and perhaps it would increase the price. I don't think the scarcity of Chinese would be such as that their wages would approximate to that paid for white labour. I think Chinese immigration ought to be stopped entirely. I believe there are questions of imperial importance in regard to the Japanese. We own the land on which 'Chinatown' is built; the Chinese erected the buildings, such as they are, themselves. It was considered temporary. I wanted to get them outside of the town. I removed them. We get \$50 or \$60 a month for the whole of 'Chinatown.' It is unsatisfactory to me. They have been there sixteen or seventeen years. They tried to buy lots in the city. They offered very good prices on it. I refused. I refused to sell to them anywhere. As the Chinese gradually decrease the white labour would increase. I would try and maintain a standard of wages. If today you removed all our Chinese we would either have to reduce our wages or shut down. I always deprecated labour being brought in to reduce wages. I set my face against bringing the scale of wages down. We don't want to take every cent there is in the business. I have no doubt the miners' unions would do all they could to prevent wages coming down.

Q. Referring to the condition of the labour market in a large business like yours, don't you think the industrial conditions in regard to the rate of wages should be left to settle themselves without any interference from the Legislature in the way of restriction of any kind!—A. That, I presume, points to the question of the minimum wages. Speaking as a superintendent of a company I say that a wage be paid to a man upon which he can live respectably and support a family respectably. The wages should be governed on what a family can be brought up on respectably. Employers and men have to meet as far as possible each other's views. An employer may reduce wages by small degrees now and again until you are ashamed to look a workman in the face; until the workman cannot tell where his bread is to come from for the next day. That is the effect of the importation and employment of cheap alien labour. I may say that it is my earnest hope that such a time may never come in this country, and in order to prevent that, I would rather that no such labour should come in.

Q. Do you think it is proper a distinction should be made between one class and another!—A. That has been attempted but it has been brought about by agreement. There has been no legislation in England that I know of to prevent immigration.

Q. Do you know of any country where that idea is seriously entertained—the question of prohibition of immigration and the minimum wage!—A. I have not gone into the question of legislation and the minimum wage. I take the general ground,

from my point of view it is more satisfactory to the people to have such a thing as a minimum wage and then employees are adequately paid.

Q. Would you prefer to deal with organized labour in preference to dealing with unorganized labour? A. Yes, most emphatically I prefer to deal with organized labour.

I have a copy of the Company's agreement with the union which I have pleasure in handing you.

This agreement, Exhibit 25, follows:—

Memorandum of agreement entered into between the New Vancouver Coal Mining and Land Company, Limited, and the Miners and Mine Labourers' Protective Association of Vancouver Island, this 24th day of July, 1891.

1st. The Company agrees to employ miners and mine labourers only who are already members of the Miners and Mine Labourers' Protective Association, or who, within a reasonable period after employment, become members of the Association.

2nd. The Company agrees to dismiss no employee who is a member of the Association without reasonable cause.

3rd. The association agree that under no consideration will they stop work by strike without exhausting all other means of conciliation available.

4th. The Association agree that they will not interfere with the Company in employing or discharging employees.

5th. The Association shall comprise all men employed underground, excepting officials and engine drivers, and above ground all day labourers, not officials, engine drivers or mechanics.

6th. This agreement can be terminated by 30 days' notice on either side.

For the New Vancouver Coal Mining and Land Company, Limited.

Francis Deans Little says: I am General Manager of the Wellington Colliery Company. The mines are at Extension or South Wellington, Alexandra and Union.

The Alexandra is not working now, it ceased last December. At the time it stopped working we did not employ Chinese underground. We employed above ground about twenty, and ninety miners, all whites. In all, about one hundred and fifty white men. We paid Chinese above ground for ten hours \$1, and for firemen for twelve hours, \$1.50, and dumpers, \$1.50 for eight hours. We never employed Chinese underground at Alexandra. We employed them underground at one time in all other mines. We employed them in the Extension till last year. It was an experiment on Mr. Dunsmuir's part. He appeared to think he could run as cheaply without them as with them; not a very good result financially. The expense was increased. It cost nearly double in track laying pushing and that class of labour generally. I have failed to find a single white man that will do the work of two Chinamen at this class of work, and some Chinamen will do at that work as much as white men. I do not agree with Andrew Bryden when he says a good white pusher is equal to two Chinamen, or when he says 'It would not be advisable for the management to go back to Chinese underground.' We have worked a mine, No. 2, with all Chinese, and never a man killed in it. It ran for eight years. The Chinese did all the work in connection with the mining, except one overman and two firemen to examine for gas. There were about one hundred and fifty Chinese working there and only required the three white men. We found it quite satisfactory in every way. I do not consider the Chinese any more dangerous than whites. I think they are a little more careful. They won't take risks. In case of accident they are not a bit more subject to panic. We employ here nine hundred men, of whom one-half are Chinese and Japanese; namely, about one hundred Japanese and the rest Chinese. We do not employ them all. We employ the labourers; of these 450 Japanese and Chinese, we employ 30 Japanese and 135 Chinese. For section men we use one white man to five or eight Chinamen. None of the helpers in the mines are employed by us. They are paid by the miners. The price varies from \$1.25 to \$1.50. We contract by the ton. We pay 75 cents per ton of 2,500 pounds. The miners average from \$3 to \$3.50 and some as high as \$5 a day. We pay mule drivers (whites) \$2.50, and Chinamen \$1.50. The Chinamen do not manage quite so well. The intention was to exclude the Chinese here. It is better the way it is financially. I

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would not change. Mr. Dunsmuir wants to change. I do not agree with this new idea of his.

We brought out two hundred Scotch miners, and they were no good. We have twenty left. I do not know where they went to and I do not care. I do not think one-third of them ever dug coal in their life. Very few paid their passage. They were supposed to pay \$70 each for the passage, but never did. Many of them went to Seattle at once. They never came here at all. Mr. Dunsmuir spent \$15,000 on them. I do not think he got \$3,000 back. I paid \$3 a day for a \$1 day's work to some of them. I was longing for the Chinamen.

The Chinese and Japanese are about alike. The Chinaman is a little stronger; the Japanese smarter and quick. The Chinese are good and faithful. I never saw one drunk. Very few of the Chinese have their families here, only three or four of them have. I don't think they send very much to China; they save for a while and make a trip home and most of them come back, and when they go home they take their savings with them. I don't think they will ever become assimilated. They are wanted in this country for a while yet to get the country ahead. There are lots of industries here that would drop at once if they were driven out for several years yet; I think it is necessary for them to be in the country for ten years yet; then it would be time enough to take steps. I don't see any object in keeping them out, only the labour trouble. I think there should be no restriction whatever, and speaking for myself, I do not think the time will ever come when there should be restriction.

Q. Then, do you think the country would be better off supplied with that class of people than with white people?—A. Altogether, no.

Q. What do you mean?—A. I mean to prepare the country for labour, and the country wants that class of labour to develop it.

Q. Why cannot white men do the labour of developing?—A. A white man won't do it, so why not employ them as well as anybody?

Q. Do you think there is no object in trying to get a permanent class of white labourers here?—A. I think so. Under restriction they will never come together with the whites. They will be always as they are now, labourers clearing land, and getting things into shape to help the whites.

Q. They make good miners?—A. Yes; we never get a Chinaman in a mine unless we cannot get a white man, except as a helper.

We have worked a mine altogether with Chinese to our satisfaction. They are quite competent to do that class of work.

If there is any scarcity of white men we take the Chinese, to do the same work as white miners. There are only sixteen Chinese who do mining in the whole mine. We have had 150 actually mining. It worked all right.

Q. So, if the Chinese came in in sufficient numbers it would be best, I suppose you will say, to supersede the white miner?—A. It would.

Q. What would be the object?—A. We would pay them just the same.

Q. Do you think that would be desirable?—A. No.

Q. Why not?—A. I would rather have the whites than the others.

Q. If they do the work as good why not let them do it?—A. I do not know it would make much difference.

Q. You think as long as you get out the coal or the ore it would be as much in the interests of the country to get it out by common Chinese labour as by common white labour?—A. I do not see it would make much difference myself; they spend nearly as much money as the whites. As long as we pay the same money for it it makes no difference.

Q. They make good outside labourers?—A. Yes, first class.

Q. So all the outside labour except overseeing could be done by Chinese?—A. It is done now all over.

Q. So, really, if there were enough of the Chinese here in the country you could run your whole mining as you did No. 2?—A. You would have to have your machinists and blacksmiths white men.

Q. That would be, as far as the country is concerned, as good and profitable!—A. Yes, just the same: the only difference is in the labour part. We would only have so much done.

Q. Are there enough here now?—A. I think there are enough.

Q. Have you had any difficulty in getting all you want?—A. No, sir.

Q. Suppose no more were allowed to come in, would you have any inconvenience?—A. Not unless I wanted to extend the work.

Q. So, although you would not suffer any inconvenience if no more came into the country, you are still in favour of more coming?—A. I say, make it free to everybody. Let them come and let them go: that is my view. That's the view I always held and see no reason to change my opinion.

I have been connected with coal mines since '64, and manager for thirteen years. The white man can take on as helper whom he pleases.

We had plenty of Scotch miners here before: they came here about ten years ago and are here yet. It would take the Scotch miner six months to become a skilled miner here. We guarantee to make their wages \$3 a day on dead work. We pay so much a yard for deficient work. It runs all the way from \$1 to \$10 a yard, besides the tonnage, the rate on which is equivalent to the rate on a ton of coal.

Q. Is your white labour steady?—A. Well, we have had it quite steady for quite a while. In five hundred men you have some moving now and again. We have had it steady for quite a while.

Q. Where do the white labourers go to?—A. To Washington and Extension.

Q. Do they go fishing?—A. No.

Q. Do they go mining?—A. Yes, the Yukon took quite a number from here.

Q. Could you afford to pay white labour and still have reasonable profit in the business?—A. If we paid \$2.50 a day instead of \$1 there would not be any profit left.

Q. Do you know what class of labour they employ on the American side?—A. They work ten hours a day and they get lots of men to work that time. The mule driver there will get \$1.75 a day for ten hours: so we are paying the Chinese here more than they pay the white labour over there for that class of labour. That is in Washington State. I cannot tell what Washington miners get per ton. The labour only I talk about. Different mines will have different tonnage. There is one instance they pay \$1.75 a day for mule drivers for ten hours' work, and we pay \$2.50 a day for eight hours' work. There is one example: and the other things are about the same proportion.

Q. Does that ten hours represent the time from the surface until the miner gets back to the surface?—A. I do not know, but that is what it is here, eight hours from the surface and back, for all classes underground, and on the top ten hours.

There is not much profit now. Down at San Francisco the oil makes a difference. The output of our mines and the mines of Washington State does not affect the market but little. Australian coal affects it a little; not much. Very little coal comes from Scotland. There is still coal coming from Wales.

Q. If the other coal mining companies in this country excluded the Chinese, do you think it would be better all round, and that they will be enabled to continue to mine with white labour at a profit?—A. They are not in the market at all. They are simply sending coal to two parties under contract. It would not make any difference to them. We have not the regulating of prices there. Washington State and others have the regulating of that. We cannot do it.

I have never heard a single objection to working with Chinese or Japanese. I never heard any complaints.

Q. Have men never made any request to you for the employment of white men exclusively under ground?—A. No, sir, only the Miners' Union in Nanaimo: that body they have now.

Q. Do your miners belong to the union?—A. I do not know, I am sure. They might be union men and they might not.

Q. Have they ever asked you to employ white men only?—A. Who?

Q. The Miners' Union?—A. Oh, we hear from them regularly.



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Q. You have no reason to doubt that their demands are in the public interest?—A. They are in their own interests.

Q. If it were possible to bring in a lot of white labour to the coast—the Chinese labour because it is cheaper—you would prefer it?—A. I suppose I would prefer the cheap labour. I do not care what labour it is so long as it is good labour.

Q. I suppose you would not go in for any more assisted immigration?—A. No, I have had two spells of that. I do not know which was the worst, the niggers or the Scotch miners. We brought sixty-five niggers from Pittsburgh and Ohio, and they were as bad as the others.

Q. What was the trouble with them?—A. Too much money. We had to pay their passage here and they gradually drifted away from us. I think there are some of them here yet.

There is no law for the eight hour day here in coal mines. I think eight hours is quite enough in a mine. I never approved of ten hours. I can't say if a miner with a white helper can do more than a miner with a Chinese helper. If the Chinese were not here we would hear from the unions; they do not know where to stop. I would certainly have recourse to Chinamen if we require them. Why shouldn't I? I fail to see that Chinese are forcing anybody out. The young people growing up in this country do not want to do that class of labour; they won't do it.

In 1898 an arrangement was made to put the Chinese out of the mines. There had been explosions in 1887 and 1888 in Wellington mine and in the New Vancouver Coal Company's mine. Mr. Robins said if Mr. Dunsmuir would do it he would do it. I don't think it was because it was thought the Chinese dangerous. They don't have helpers at the New Vancouver Coal Company; they work partners. If Chinese and Japs were not available we would have to get more for our coal or have to stop mining. The margin is close.

Cumberland is incorporated. The miners acquire the land from the company on which their houses are built; the majority of them own their own houses. The Japanese pay ground rent and build their own houses. It is the same with the Chinese.

John Matthews, local manager of the Union mine, said: I think the Chinese are as safe as ordinary miners if they understand English; that is the test, and they are not permitted to have charge of a place unless they do understand English orders. They are careful, faithful and obedient. In ordinary labouring work they are about equal to whites. They can't do as much as white men. In mining, about three-fifths would be a fair comparison. In pushing they are about equal. They are under the charge of a white driver of a mule. I have no preference for Canadians over a Chinaman in regard to working under ground. Above ground I would as soon have one as the other.

Speaking as a citizen, if there were more whites to take their place it might be better. It would not affect us much if the Chinese were shut out. It might indirectly affect us through the miners. It would be sure to raise the price of wages. Whenever a white man comes along we put a Chinaman out and put a white man in. I prefer white men because they do more work. Socially I prefer my own countrymen. The Chinese are absolutely necessary for present work. The cost of production would be greater without Chinese, but falling off in production here would not affect the price in San Francisco. It would compel us to reduce the white man's wages.

I have not the slightest doubt if left to their own choice the white miners would retain the Chinese as helpers. It enables them to work easier and they can make more money. I think their presence here has a tendency to keep the white man's wages high. I can explain that: The coal has to be produced at a certain price; we can only get a certain price in the market and we have to produce to compete with others. If we can get a certain amount of work done by the Chinese at a cheap rate, working in the place of white helpers at a high rate, it enables us to pay the white miners more. I do not think there can be any doubt about that. At the same time, it lessens the number of white men employed. If a number of white men came here to-morrow we could give them work inside of two weeks. They could get work without turning out Chinamen. We have got plenty of work for all. As to the Chinese, I think there are enough here for my purposes, but I want white miners.

The average Chinaman can be depended upon in time of danger. If a white man goes into any place in the pit the Chinaman will follow him anywhere, even to danger.

Business men are opposed to Chinese. If all the industries of the country were operated by white labour there would be more demand all round for mechanics. I think opinion is divided on the question among all classes. I don't doubt the general opinion is they would rather do without them. I do not think restriction would have any disastrous effect.

Andrew Brydon, manager of the Dunsmuir Extension Mine, says: We have eight hundred white men below ground and one hundred and ten Chinese in and about the mines. The miners work by contract at 80 cents per ton of 2,352 pounds. Our minimum wage in case the tonnage does not pay is, for miners, \$3 a day. If one man can make \$4 a day in the place, and the other can only make \$2.50, it is the man's fault, and not the place.

We pay pushers and drivers \$2.50 a day. About thirty timbermen from \$2.75 to \$3 a day: twelve firemen, \$3.30 a day: and twelve track-layers \$3 a day. Some of the miners make \$8 a day and others \$2.50. It depends on the place they are working and on the men. An average wage of miners is \$4 a day. The men never worked more than eight hours a day underground: the miners actually are at work seven hours. Board is \$20 per month.

About twelve months ago we employed about one hundred Chinese below ground. The reason of their removal was because Mr. Dunsmuir promised to put them away. They were paid underground \$1.25 (for eight hours). We pay the surface Chinamen \$1.50 for ten hours. There are only three now below ground, one in each shift, changing the rope from the empty to the loaded truck. The three are paid \$1.25 each. The Chinese above ground dump coal. That don't require much strength. Youths could do it, that is if over 16, and stout. I prefer whites to Chinese: other things being equal I would prefer to employ them. About one-half of them understand English. I don't think they add an element of danger any more than whites that don't understand English, that is the element of danger. There is no difficulty in getting the number of Chinese we require. If no more Chinese came in it would not affect us. There are sufficient here now for any purpose that we require. I do not care to express an opinion upon further restriction, further than I have gone. I don't know what became of the hundred that were underground in the mines: they are gone. Eight or nine months ago we were scarce of white labour to replace the hundred Chinamen who were put out.

We imported two hundred miners from the old country. Very few of them paid back the expenses of bringing them out. Most of them are in Washington: some are at Crow's Nest. The work here was different and they did not like it. It takes a man four or five years to become a skilled labourer. It did not inconvenience us. Wages were pretty good in the old country at that time, about the same as they are here. They claimed they were making \$3 a day before they left the old country; I do not suppose they were. They were an average good lot of miners and after two or three months' work here would have been efficient for our work. We gradually got other men from all over the world. There are good miners in all countries and in some there is a superabundance. When I was in Australia there were lots of miners that could not get work. It would not be advisable for the management to go back to Chinese under ground, if possible to get sufficient white miners. We employ Chinese as firemen, firing the boilers, eight altogether. I can't say how many whites it would take to do the work of the fifty Chinese under me. It would take about the same number of whites. We would lose \$50 a day in employing whites instead of Chinese. I don't know whether this would be a serious matter or not. Mr. Dunsmuir made some arrangement with the miners some months ago and he has carried it out. The Chinese that are there are giving satisfaction. An Englishman or a Scotchman would not take the place of the Chinese: miners would not. We have not tried to fill their places.

They don't employ Chinese in the mines at all in Australia. Our demand for white labour arose because we dismissed the Chinese. White labour is not always easily obtainable.

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Kilpatrick supplies us with timber. He employs Chinese for that purpose. We have never tried to replace Chinese with white labour. A white man can't live here on Chinese wages. If Chinese were scarce I would fill their places by Japanese. I see no difference between them.

## MINERS' VIEWS.

William J. McAllan, a miner who had worked in the Old Country, New Zealand, Australia and British Columbia, and who was appointed by the inspector of mines to act as arbitrator which involved an inquiry as to the danger of employing Chinese labour in the mines, says: I am opposed to the further immigration of Chinese. I object to them because they can never become a part of the nation. We should not admit any people to our shore with whom we cannot intermarry and who will not become a part of the nation. From the commercial standpoint they are a serious obstacle to successful business being carried on. They don't spend much of their wages in town. Any business requires traders, and if you have people who send their money out of the country you cannot build up the country. The industries of the country should not be operated by Chinese. I think such resources should be reserved for Europeans to operate. These riches might better be left in the ground. It tends to two classes, the rich and the coolie labour. I don't think we should have a servile class. It must have a weakening effect. It undermines the nation. The backbone of any nation is its toiling people. I am opposed to further immigration. This applies equally to Japanese.

I think the action taken in the colonies of Australia and New Zealand entirely does away with the argument that you require Chinese labour. No cheap labour is employed in Australia in the mines or on the surface. I never saw a native or Chinese employed in a mine in Australia or New Zealand. White men cannot compete with Chinese. I have no objection to Chinese as a working man if he would live and work like a white man. Chinese keep boys out of employment.

The Chinese wear overalls and the regulation miners' boots and hats when they are working outside the mine.

Eight years ago we had no difficulty in making ten or fifteen shillings a day in Australia or New Zealand; since then they have fixed a minimum wage. In Scotland about five years ago wages were from five shillings to eight shillings a day, eight hours shift. Cost of living in Australia and New Zealand is about \$18 to \$20 a month.

John Calligan says: I have resided in Nanaimo and Wellington 24 years. I am not working as a miner now. I am attending the pump. I have worked in mines with Chinese at Wellington. The Chinese were paid \$1.25 a day. White men in general paid them a little more. The company would not allow them to pay more than the \$1.25 a day. That was the standard price. The Chinese acted as helpers to the miners. The company paid \$2.50 per day to white men for loading coal and helping. I have objections to working with Chinese underground because they nearly killed me, and because they are stupid and ignorant. They don't understand where there is danger. I am opposed to Chinese coming into the country. They help to reduce the wages of the white man. I should say, don't let Japs or Chinese come in.

William Woodman, of Nanaimo, an engine driver, says: I have charge of a stationary engine at the mine above ground. The Chinese don't compete with us. I object to Chinese immigration. First, because they are effective for capitalists to oppress the labour element in general; he is willing to work for half the pay of a white man. Secondly, I regard them as tending to impoverish the country, as two-thirds of their earnings go to enrich their own nation and impoverish this. Thirdly, in the sphere of domestic service there is a serious objection. I regard domestic service as a large sphere where women may earn an honest livelihood and learn to fit themselves for more important duties in life. I judge the greatest objection is from unskilled labour in the past. That same experience will be the lot of skilled labour in general. Fourthly, I regard the presence of Asiatics in large numbers as a menace to health. They are very unsanitary by allowing accumulations of filth all around them. I cannot urge any serious objection as to their personal cleanliness. Fifthly, another serious objection is



the injustice that a British born subject has to stand to one side and Asiatics be preferred to him. I don't think they ever will assimilate with our people, and it is not desirable. I mean to say that when an appeal is made to loyalty in such case, it is putting loyalty to a needless and dangerous strain. A British race ought not to be asked to surrender their rights in order that favouritism may be given to an alien race. I believe in their elevation, but not at the expense of our people. I think we are competent to paddle our own canoe without the aid of the Asiatic.

I would simply answer that question by the general application of the principles recognized by the present Dominion Government wherever money is spent, that is by the enactment of the law for a fair wage for its work : then there will be no discriminating against the Japanese or any one else. In keeping the Japanese and Chinese out of the country it would be a thousand times more effective than all the other legislation in the past or future. I would simply have the law that where Government money is spent that no Chinese or Japanese be employed, and the most effective way of getting at that is by fixing a minimum wage, and no contractor will employ a Chinese or Japanese where there is the minimum wage paid to white labour. A law such as I have mentioned would prevent the employment of cheaper labour or degradation of it.

To protect the weakly white man against Chinese getting into competition with them, I would have a Board of Arbitration as they have it in New Zealand. If a man is incapable of doing certain work, then the Board will decide he should receive less.

I would apply the minimum rate of wages to all callings, even to domestic service. It would apply also to skilled labour. It might result in increasing the wages for domestics.

It may be said to be very largely a wage question. It is a labour question. They want to do the white man's work for half the white man's pay. It is more than a labour question. It is serious from a sanitary point of view and it has also a strong tendency to permit the accumulation of wealth by the capitalist.

Labour in Great Britain is better paid because of the employer and employees getting close together and each studying the interests of the other, and each respecting the other.

I learned my trade in England. I was apprenticed. Quite a few girls here are in domestic service. The miners have families as a rule. White girls get from \$15 to \$20 a month. There are hundreds in the Old Country who would be glad to come. I wonder what the boys are going to do. If no Chinese were employed it would give place to boys. It would be an important factor in that direction. I regard it as a national weakness to bring about conditions which compel our youth to emigrate. I think the exclusion of Asiatic labour would benefit us all around. I regard the Japanese question as more acute than the Chinese question. I don't deny they are superior to the Chinese.

John Knowles Hickman, who is a locomotive driver in connection with the mines, and has resided in Nanaimo twelve years, says : The Chinese compete with me to a certain extent. The way I would point it out is this : That the rising generation—that is our young people—have not got the chance of learning my business, for the simple reason that the helpers we have, the firemen and brakesmen, are Chinamen ; therefore the white boy has no chance to come and learn the business of locomotive driving. Therefore, I say, the Chinaman is injurious to the white man and his family.

We have had Chinese for firemen and brakesman for twelve years to my knowledge, in the new Vancouver Coal Company. There are five locomotive drivers. We have one fireman to each locomotive. I am opposed to the Chinese immigrants. They are an undesirable race of people. They cannot be depended upon in case of accident or emergency. I have found this so. Their sanitary condition is not what it should be. It ought to be righted, but it is not ; overcrowding of Chinese and Japanese, the filthy state of " Chinatown " as I have seen it, and bad smells, are a menace to health. I don't think they ever will assimilate. They are still a distinct race. I know they fill the following callings, namely : firemen, brakesmen, domestic service, general labourer, laundrymen, market gardeners, helpers to plasterers, etc. They are a detriment to white wage earners. I learned my trade in England by apprenticeship. We have to teach the Chinese



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There are no locomotive engineers, Chinamen; they are at the top of the tree when they get to be brakemen and firemen. The boys are around all the time wanting these positions. They would do the same work for \$2 or \$3 a week and team driving at the same time; Chinese would not be so profitable as white boys to learn the trade. I think boys would learn and be a benefit to the Company. I think there are too many Chinese here now. I believe in absolute prohibition of Chinese and Japanese. I am an alderman. The corporation does not employ Chinese on corporation work.

John C. McGregor, Secretary of the Trades and Labour Council, of Nanaimo, presented certain resolutions of the Miners' Union which shortly and fully set forth the views of the miners and mine labourers of Nanaimo, and probably fairly represent the views of this important class in the whole province:—

The following resolution was unanimously discussed and carried at the Miners' meeting held on January the 26th inst.

That as a Miners' Union we implore the Commissioners to impress upon the Dominion authorities the great necessity there is for restricting or preventing the importation of the above class of labourers into our province. That as miners we know by hard experience that these workmen are very undesirable in and about our mines, because of their being an ignorant and therefore a dangerous class of workmen.

In 1887 a serious accident occurred in Nanaimo resulting in the loss of over one hundred lives, and the following year at Wellington, with almost a similar result, and there were good reasons for supposing that these serious accidents were due to a considerable extent to the above class of workmen.

So much so, that the operators of these mines voluntarily agreed to dispose entirely of them from their mines and as a matter of fact no such accident has occurred since they were put out of these mines.

The fact of this has been made so clear to the members of our provincial legislature that they have exercised their powers to the utmost extent to safeguard the lives of white miners both in coal and metal mines by enacting laws prohibiting their employment underground; such legislation has however been declared *ultra vires* of the local House and we are now depending upon the disposition of the mine operators to keep them out, a state of things we consider should not be allowed to continue, considering the dangerous nature of underground work. We therefore present these facts and depositions to you in the hope that the Dominion authorities will as soon as possible give us greater security as miners.

On behalf of the above association.

WILLIAM STOCKER, *President.*

JAS. BRADLEY, *Vice-President.*

RALPH SMITH, M.P., *Secretary.*

NEIL McCUTSH, *Assistant Secretary.*

WM. SMITH, *Treasurer.*

This witness further said: I think they are a detriment to the country. They tend to keep out labourers. Their habits are uncleanly. They cannot be counted upon as reliable men in case of trouble. I draw no distinction between the Chinese and Japanese. I think the country would be far more prosperous without them.

David Moffat says: I reside in Nanaimo. Have been a miner for 45 years. Mined in Scotland from the time I was eight years old till I was thirty. Came to the United States and mined in Pennsylvania, Illinois, Wyoming, Washington and Utah. Have been here eighteen years. The Chinese should not be employed in the mines because they are inimical to the safety of white men's lives and their own. I have proved it by what I have seen underground with them; because they have no idea of the precautions that should be taken underground. Shortly after we had an explosion in the Wellington Mine, in the old slope, at 9 a.m.—Messrs. Brydon and Scott asked me to take charge of the mine—Mr. Brydon was superintendent and Scott was foreman of No. 4 shaft and the slope. Immediately after going to the slope I examined the place where the men were buried and found still a large quantity of gas. I took a Chinaman with me and put a fence up three hundred yards from where the gas was; at both sides

where there was access or egress to that place. I wrote in English that there was no road that way and had the Chinamen write in Chinese the same. Two days after that I was in the mine, at No. 10 level, east, and to my horror I met two Chinamen coming through this road in close proximity to this gas. I asked what they were doing there. They said "no sabbee." I took the naked lamps from them and took them back to this fence, asked them to read the writing on it, and they said they did not pay any attention to the writing. On another occasion I found them tacking the curtain up: the curtains keep the air to the bad places. They left these curtains open. I asked why they did it and they answered "no sabbee." On another occasion two of the pushers that set fire to a curtain ran off and left it. They had set fire with their lamps. When I found something was wrong in the air I went and found the curtain still burning. By that time it had caught the brattice (that is lumber put in to conduct the air). I put the fire out and went to hunt the Chinamen, but they had fled. They wanted to get up the shaft. I got a curtain and went back and fixed it up.

On another occasion two of the Chinese pushers let the car run away and, without warning, let it come down a heading and break a white boy's leg.

The explosion was twelve years past. I worked for the company eight years. Chinamen were in the mine all that time. Two years before they caused an explosion. In a previous explosion nine men were killed. After that there were many cases of carelessness. I was overman in charge of the whole mine. We have to search in every part of the mine for gas. The Chinese are not allowed to do that. They are not considered competent for that, nor to go in a mine after an explosion, even with a safety lamp. If there is a place where there is gas and you tell a white man he'll not go, but the Chinaman says "no sabbee" and he'll go there.

Q. Do you know from your own knowledge whether superintendents where Chinese have been employed regard the Chinese as dangerous?—A. They regard them as dangerous. They will not go into a place in the mine if it is a Chinaman that has examined it.

Q. How do you know?—A. I have proven it.

Q. In what way?—A. When I would ask Mr. Brydon to go into a place he would say: 'Have you been in there?' If I said yes, he would go in, but if I said a Chinaman had been in, he would not go in. He would say: 'It is not fit for anyone to go in unless you have examined it yourself.'

If safety lamps are furnished and kept closed there would be no danger from the lamp alone. I have locked the lamp and given it to a Chinaman and going on shortly afterwards I have found it opened. I would like to see a lamp a Chinaman could not open. Where safety lamps have to be used the employer supplies them. When the mine is supposed to be free from gas, the naked lamp may be used.

It is lack of intelligence as well as stubbornness. The statute says that Chinese shall not be put in any position of trust in the coal mines (R.S.B.C., 1897, chap. 138, sec. 82, Rule 34).

I have not worked with a Chinaman since the Wellington explosion, January 24, 1888, when 31 white men and 45 Chinamen were killed. There is the same danger now as there was then. We have had no serious accident since the Chinamen were put out of the mines here and at Wellington. When I had charge we had two Chinamen to one white man. We paid a white man twice as much as a Chinaman. By having the Chinaman it kept the white man from asking more wages. Old men could work above ground if the places were not monopolized by Chinamen. There was a finding of a jury that the Chinese were the cause of the accident, and at No. 5 explosion the accident was directly traced to Chinamen.

James Cartwright, 27 years a miner, came from Lancashire, England, eight years at Nanaimo, always worked in coal mines, says: I speak of the danger of Chinese underground (refers to the above statute). I will not work with a Chinaman in the mine because I would consider it dangerous to my life. I am opposed to Chinese because they are not up to our standard of life. It costs them one-sixth of what it does a white man. I have seen sixteen or seventeen Chinese where one family would dwell; that is, so many Chinamen would pay in rent what one white man would have to pay to

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keep his family. I know the presence of Chinese keeps out white immigrants. The wealth of every country is in its working people. The Scotchmen brought out here would not work with Chinese. I don't want any country to stop me from going to that country if I live up to the standard of that country and obey its laws. All my objections to Chinese apply to Japanese. I think they compete worse than the Chinese. I want a barrier that will keep the miner in the position he occupies to-day, or better it. Whites from the east would want a standard wage.

Miners' wages in Lancashire from 1893 were ten shillings a day. Board at that time, 12s. 6d. a week. I average from \$3.50 to \$4.25 here by contract. If we did not average \$3 a day we would quit. Average cost of board and lodging here, \$20 to \$23 a month. I would have wages regulated by the Legislature. I would have a minimum wage.

In every country there is cheap labour amongst its own people, but if a man cannot have a living wage and they bring Chinese in to compete against him—if that is necessary for the capitalist—it is better for the country to close the works down. It is a wage question, and more important than that, it is a question of affording safety to human life. If they were educated up to our standard they will want the same wage as we do and live as we do and take their share of the responsibility of citizenship as we have to do. If we had the minimum wage and there was an enactment providing that that would be the lowest wage, there would be very little competition from the Chinese. There would be no working for half the wage of a white man then, because the companies would not pay Chinamen what they would pay a white man. We would not need to drive them out; they would go out.

There are quite a number out of work in Nanaimo. Quite a few miners own their own homes.

If the Chinese demand it and get the same wages that we do and lived up to our standard, I do not know that I would have the right to object then. I am a member of the union. If there was not enough work for the men under the minimum wage law, they would work in turns or work fewer hours.

John Hough, a miner from Lancashire, came to British Columbia in 1884, says: I worked at Wellington from 1884 to 1888. I speak from personal experience. I was fire boss at that time—the man who examines to see if everything is safe. I have caught them (Chinamen) even with fires along the road to warm the oil. I stopped them. I do not see them with fires any more. I was fire boss four years. As a result of that four years' experience I say they (the Chinese) don't report a danger. They were put out in 1888 on account of their being considered an element of danger. As long as they were there they were dangerous. After No. 5 explosion a committee, of which I was a member, was appointed by the miners. The report was that they were an element of danger. Before a mass meeting the two companies agreed to do away with the Chinese—ten per cent every three months till they got all whites. The miners would not accept this, but passed a resolution to do away with them at once, and the two companies at Wellington and Nanaimo did not employ them in the mines after that. There has been no accident in these mines since 1888. In 1884 there was an explosion at No. 3, South Wellington; 23 killed. The Chinese were not responsible for that.

Edward L. Terry, secretary of the Alexandra Miners' Union, Nanaimo. 205 members, presented the following resolution as expressing their views on this question:—

## EXHIBIT 24.

SPECIAL MEETING, ALEXANDRA MINE, SOUTH WELLINGTON.

FRIDAY, February 22, 1901. 4.30 p.m.

Meeting called in order to hear letter read from F. J. Deane, secretary of Royal Commission to inquire into Chinese and Japanese Immigration to British Columbia, and to discuss the subject and decide upon a reply to the secretary's letter. President calls meeting to order. Secretary reads the letter.

Correspondence received and open for discussion.



Resolved that the secretary be instructed to reply as follows:—

That we, the members of the Miners' Protective Union, as a body of British subjects, do, after due reflection and consideration upon the subject of Chinese and Japanese immigration into British Columbia, hereby declare and make known our opinions and convictions, as follows:—

1. That, whereas the immigrants from China and Japan, employed in the coal mines of this province, represent the lowest class of the people of those nations, we submit that the employment of those immigrants in the coal mines of this province constitutes a grave menace to the safety of the mining community of this province.

2. With regard to the fatal explosion at Cumberland, which took place on February 15th, 1901, we believe that better precautions would have been adopted by the management if the men employed in the mine had been all white men, and we believe that the explosion would not have occurred had no Mongolians been working in the mine.

3. We believe that the employment of Chinese and Japanese immigrants in the various industries of this province is inimical to the prosperity of the province, and that it is instrumental in and conducive to the lowering of the white men's wages.

4. We believe that Mongolians absorb, to a great extent, the revenues of this province.

5. We believe that the presence of Mongolians in this province is a great factor in keeping white men of all classes from settling in this province, and we believe it is also the cause of many white men leaving the province.

6. That whereas the Mongolian standard of living is far inferior to that of the white man, we believe that the white man can never assimilate with or compete with the Mongolians.

7. That whereas the habits and general character of Mongolians make them destestable to all white men throughout this province, we believe that the presence of Chinese and Japanese immigrants in this province constitutes a grave menace to the public peace.

8. We believe that unless rapid action is taken with a view to expelling them from this province the white man will leave this province in possession of Chinese and Japanese immigrants.

Letter produced and read from Mr. McInnes re petition received and filed.

Meeting adjourned—no other business transacted.

EDWARD L. TERRY,

Secretary, M.P.U.

The witness further said: I think they are a menace to health. The two first cases of bubonic plague were discovered at San Francisco among Chinese residents. I was there at the time. I believe they are a menace to the peace, because at Steveston on the Fraser river the military had to be called in to keep the peace. I believe they are a drag on the prosperity of the province, because they send money to China and import provisions from China.

I think they are a danger to life in the mine. On November 9 last two men were incapacitated for life by being run into in a slope of the Alexandra Mine. A Chinaman was employed as signal man on that occasion, and it was owing to his signal, that the cars run into the slope when they ought not to have been run there. I saw the signal man. I don't consider them safe underground. The employment of Chinese signal men is contrary to law.

Two or three of my acquaintances came out with the intention of taking farms in the country, and as soon as they found Chinese here they went off. They did not like Chinese. They preferred to quit British Columbia because of the Chinese. Everybody here, almost to a man, is against them. They are a menace to the community in every shape and form. Very many men are not in the country, have gone out because of the Chinese.



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There are a good many people afraid to come up and make complaints, especially in the mining community. The presence of the Chinese here is a great grievance; there is no doubt about that. I think before you get out of the province you will have enough men to satisfy you that the Chinese are a menace and a danger in the community. The strongest argument in favour of that is revolution. If people are not liked, trouble is certain to take place somewhere, and the military are called out, or the police, and then the government will come to the conclusion that something has got to be done. If these people, the Chinese and Japanese, are allowed to come here any further, I am afraid it will lead to trouble before the government act. I would be in favour of it myself rather than be driven out of my country. I should be in favour of revolution if the government did not do what was necessary under the circumstances. Most of the men here are British subjects, but we have got a good many Americans here. I think the majority of them are naturalized British subjects or Canadians. I have only been here nine months just now; was here two years ago, and went from there to California. Prior to that I was in South Africa and fought in the Matabele campaign for the British Empire.

William Stocker, says: I am a coal miner. I have worked in Utah and Colorado at coal mining. There are no Chinese mining there. I am president of the Miners' and Mine Labourers' Protective Association, representing 900 men. But for Chinese competition we would have got the ten per cent advance that we asked for recently. The strong competition of other companies employing Chinese prevented us getting that advance. I never worked where Chinese were employed. I would not take the risk. I believe that where Chinamen are in numbers, white men are afraid to come. By employing all white labour it would most assuredly increase the cost of production a little. My wages average about \$4 a day. White men are generally contented in doing an average day's work. I am an American citizen. I would not advise my countrymen to immigrate to this country or this island, under existing conditions. I am certainly in favour of restricting any further immigration of Chinese. Americans who are working here for three years and doing fairly well become naturalized. I have a great desire to become naturalized myself, and live permanently here, but I do not want to become naturalized until I know what competition we have to expect in the near future. If I were forced to go down into a mine where Chinese were working, or if a Chinese helper were forced on me here, as they are in some mines, I would have to quit and leave the country then. I intend to live here, if I can live without being brought into unjust competition with either the Chinese or Japanese. From what I have seen of them, and I have been on a number of occasions in 'Chinatown' here, they are penned up, to my way of thinking, in such a way that they cannot but be a menace to the whole community. You will find seven or eight and sometimes more, where three white men in the same space would feel that they were overcrowded. In fact one white man would consider he had hardly enough space in the room to dress properly. The Chinese live in small wooden shacks, barely high enough to get into, and very ill smelling in many cases. So many in such a small room cannot be good for health. I have been in some shacks where the Chinese live and the air was so foul, so ill-smelling to me, being accustomed to live in clean, well-regulated rooms, that I had to go out at once to get a breath of fresh air. In some of these shacks I could not stand up. The presence of the Chinese has a very injurious effect upon the white labouring man here, who would be to-day in a much better position if they were not here. The white labouring man would be able to make more money and would be able to spend more in the purchase of supplies. I would be better off if the Chinamen were not here. I consider the more money I am able to make the better member of the community I will be, and would be able to do better by my family in the way of giving my little girl education and in affording my wife more luxuries—all-round living better and spending more in the community, yet still saving and making a little home for myself and settling down as a good citizen of the country. The presence of the Chinese here has a tendency to bring other miners and myself down, so that we are not able to enjoy the privileges that white people should enjoy—that all white people should enjoy.

## UNION MINES.

Richard Henry Hodson, miner, says: I have worked here ten years. I have a Chinaman helper. I pay him \$1.50 a day. I earn about \$4 a day. About two years ago when Chinese were not allowed in the mines on account of the law, I had a white helper for a few months at \$2.25 a day. I made about the same wages so that it did not make any difference with me. I worked part of the time without a helper and made from \$3.50 to \$4 a day. I did not make as much there because I did not get all the boxes I wanted. If I had I think I would have averaged \$4. What I say is what the rest would say. I don't know any miner who prefers the Chinese to the white man. I would not rather employ Chinamen and take \$4 than employ white men and take less. I would prefer to employ the white man if all the others did it. In my opinion the white man is a far better helper. They know what to do and can do it; they can change off. If Chinamen were not in the mine the output would be greater per man. I would be willing to have my wages reduced rather than employ Chinese. I know of my own knowledge the feeling of the men is against the Chinese. I have heard them express the view that they are not a desirable race. If you get the manager willing to put them out I think the men would meet him half way. A person who cannot speak English is more dangerous in a mine than one who can speak English. I think something should be done. I think the time has arrived. I think the Japs are the worst element of the two.

If the company were willing to put the Chinese out the men would be willing. That is my honest opinion; but to take out the Chinamen at \$1.50 a day you would have to replace him with a white man at \$3 a day. You would have to raise the price of coal. You would have to have a raise in the price paid for mining or in the price of deficient work in order to meet that. I think the output of the mine would be about as much with fewer miners.

## COAL OIL.

Bearing upon the question of the cost of oil as compared with the cost of coal as fuel, the following letter received by the Commission from R. P. Rithet of San Francisco and Victoria, B.C., may be of interest:—

SAN FRANCISCO, October 11, 1901.

Mr. D. J. MUNN,  
New Westminster, B.C.

Your letter of the 7th inst. reached me this morning. I will be very glad to give you any information I can in regard to the cost of oil as compared with the cost of coal as fuel. The price we pay for oil at present is 72½ cents per barrel.

According to our tests four barrels of oil are equal to a ton of coal, that is the best Australian coal or British Columbia coal. The price of this quality of coal to-day is about \$6.50 to \$7. Our fuel therefore on this basis costs us the equivalent of \$2.90 per ton of coal for fuel.

In the case of British Columbia you will understand of course that the cost of oil would probably be \$1.25 per barrel, while the cost of coal is probably only \$3 per ton, so that the cost of oil fuel in British Columbia would be equal to \$5 per ton of coal if the oil had to be imported, while the actual cost of British Columbia coal at the mine or say within a short distance from the mine in British Columbia should not exceed \$3.50 or \$4 per ton.

I think this covers the points you asked. With kind regards.

R. P. RITHET.

## SUMMARY.

Chinese labour is not employed in the Crow's Nest Pass coal mines, nor is it employed in the Vancouver coal mine below ground, and has not been for many years. After the explosion at the Wellington mines in 1887 the New Vancouver Coal Company and the Wellington Coal Company, at the urgent solicitation of the miners, agreed not to employ Chinese underground (they never had employed Japanese underground). The reason for their exclusion was the alleged increased danger to the miners.

Both Chinese and Japanese are, however, employed underground at the Dunsmuir mines at Union, and on the surface at all the principal coal mines on Vancouver Island.

Name of Mine.	Whites.	Chinese.	Japanese.	Total.
New Vancouver Coal Company.....	1,161	175 above ground.....	.....	1,336
Dunsmuir Union Mines.....	412	363 above and below ground	102	877
Dunsmuir Extension Mine.....	895	164 mostly above ground....	1	1,060
	2,468	702	103	3,273

Mr. Samuel Robins, for eighteen years the general superintendent of the New Vancouver Coal Company, that produced 600,000 tons out of a total production from the Vancouver Island mines of nearly 1,400,000 tons, favours exclusion at once.

Mr. Francis Little, the general manager of the Wellington Colliery Company, thinks there should be no restriction whatever.

Mr. Andrew Brydon, manager of the Dunsmuir Extension mines under Mr. Little, says: There is no difficulty in getting the number of Chinese we require. If no more Chinese came in it would not affect us. There are sufficient here now for any purpose we require. I do not care to express an opinion upon further restriction, further than I have gone.

Mr. John Matthews, local manager of the Union mines, under Mr. Little, says: Speaking as a citizen, if there were more whites to take their place it might be better. It would not affect us much if the Chinese were shut out. It might indirectly affect us through the miners. It would be sure to raise the price of wages. I think there are enough here at present for my purposes. I do not think restriction would have any disastrous effect.

The Commission were not favoured with the views of Mr. Dunsmuir, although requested. In an official utterance, dated October 9, 1900, as premier of the province, he favours 'an increase of the per capita tax in such measure as to surely limit the number of immigrants, and by enactment of legislation similar to the "Natal Act," to regulate their employment while in the country.'

It should be noted in this connection that the management favourable to exclusion are the largest exporters and have to compete in the foreign market. This appears from the following statement:—Of the total output of 579,351 tons of the New Vancouver Coal Company for the year 1900, 428,578 tons were exported to the United States, 11,888 tons to other countries, and only 55,802 tons sold for consumption in Canada, the balance being used at the mines.

In the Dunsmuir Mines, of a total output of 804,021 tons 389,049 tons were exported to the United States, 76,708 tons to other countries, and 221,064 tons sold for consumption in Canada, the balance being used by the company, made into coke or on hand. The result is that of the output of the Vancouver coal mines over 75 per cent is exported, and of the Dunsmuir Mines about 58 per cent. The point to be observed here is that the management favourable to the exclusion of Chinese relies almost entirely upon the foreign market for the sale of its product. It may be here stated that Chinese are nowhere employed in or about the coal mines of Washington State which enter into competition with the British Columbia coal mines.

The recent discovery of coal oil in California introduced a factor which has to be taken into account in its bearing upon the output of coal in British Columbia.

By an Act of the Local Legislature their employment in underground coal workings was prohibited, but the Act in that respect was declared to be *ultra vires* of the Provincial Legislature. (*See the Colliery Company of British Columbia vs. Brydon*, Appeal Cases 1899, page 580.)

The weight of evidence points to the conclusion that their employment underground is an additional element of danger to miners. Their employment on the surface and in the mines to that extent excludes white labour and distinctly promotes idleness among the youth and young men of the villages and towns adjacent to the mines.

The present supply of Chinese labour is sufficient to meet the demand for the present and for years to come.

The evidence of those principally concerned justifies the conclusion that further restriction, or even exclusion, of Chinese labour will not cause any appreciable inconvenience or loss to this industry.

## CHAPTER X.—PLACER MINING.

The total production of the placer gold fields for all years up to and including 1900 amounts to over sixty-two and a half million dollars; the largest yield, nearly four millions, was for the year 1863. In 1900 the yield amounted to \$1,278,000, of which the Cariboo District contributed \$684,000, and Atlin Lake Division \$406,000. The principal placer mines now being worked are in these two districts.

Atlin is reached by steamer to Skagway, railway to Bennett and then by steamer. It is distant from Victoria about one thousand miles. There are about 3,500 in this district engaged in mining; all are whites.

In Cariboo district during the season of 1900 there were about 150 companies working, large and small, employing about twelve hundred men, about one-half of whom are Chinese: this does not include the claims worked by Chinese on royalty and under lease, which would probably increase the number of Chinese engaged in placer mining to over one thousand.

John D. Graham, a resident of Atlin, gave evidence at Victoria. He said: I reside at Atlin, one thousand miles from Victoria. It is reached by water by steamer to Skagway, railway to Bennett and then by steamer. It is a mining district, placer and quartz mining. There were last year engaged in mining 3,500, roughly speaking. During the summer the population is large; in winter it is reduced. The population is all white. No Chinese or Japanese are there. There were Japanese last year, mostly engaged in the restaurant business. They were mostly frozen out and got out. We got married women to do the work. We do it ourselves if we cannot get white women to do it. I am opposed to the Chinese in the mining district because he works at reduced wages. He works for less and lives on less. I have lived in the Province since 1887. I think it would be better for the white man if the immigration of Chinese into the country were prohibited. There would be more openings for the white man. It seems to be human nature to go to the cheapest market. I know myself when I came here first I could get nothing to do for the simple reason that the market was filled with Chinese. They work for less than I could work and live.

Q. Would it be for the benefit of the industry of placer mining to have cheap labour?—A. I think it would be better to have our mines worked by white labour. The Chinese take all they can out of the placer mines and it is almost impossible to get any money out of them.

It might be a benefit for those engaged in hydraulic mining to have cheap labour, but the question is, what is cheap labour? Last year there were from eight hundred to a thousand men engaged in the installation and working of hydraulic plant, and the rest of the men were engaged in ordinary placer mining.

Q. What distinction do you draw between the Chinese and the Japanese?—A. I would rather deal with the Japanese. They are a more manly class of people.



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Q. In your opinion are there any mining claims not being worked by reason of the cost of labour?—A. No, sir. In some cases capital has been lacking, but I believe it has been provided for. In 1899 we were overstocked with men.

The placer mines of Cariboo (except hydraulic mining on a large scale) are worked by Chinese; sometimes on royalty and in some cases under leases.

Major Charles F. J. Dupont, who owns some placer claims that are worked by Chinese, said: I know that hundreds, perhaps thousands, at least a considerable percentage of the Chinese in British Columbia, are engaged in work that not only does not interfere with white men, but produces wealth within the province. In placer mining the Chinese are content if they make from \$1 to \$1.50 a day; white men will not look at that. Then the Chinese are consumers of table goods, purchase their supplies at the stores of white men. They purchase rubber boots, carpenters' tools and nails. They are large purchasers of provisions. They travel largely by our railways and steamers.

I have some Chinese working on royalty for me. I had sixty in my own employ last year. They did not make a dollar a day, yet they are quite content to do the work this spring. I never could have worked without the Chinese. I have a white man in charge of each gang of Chinamen, and he checks the produce each night. He checks what each man produces. Two per cent has to go to the government, and the balance goes to the benefit of the country. I know these men are anxious to go to work this spring and contracts have been made with some of them. They do not interfere certainly with the white men.

I was Managing Director of a company engaged in a large work, expending about \$400,000 on the South Fork of the Quesnel River. We paid white men \$2.75 a day; that was for shovel work; skilled men we paid more. The ordinary pick and shovel workmen were paid that. The pick and shovel men struck for \$3 a day. They were under the impression that we were at their mercy, and that we could not get any other men to perform the work, but we employed Chinese for a while, until the white men came to reason and were content to resume work at \$2.75 a day; then we dispensed with Chinese labour.

The Honourable James Reid, senator, who has resided in Cariboo for 38 years, stated that placer mining is the chief industry. The Consolidated Cariboo is in that district. There are from five to six hundred Chinese in that district. More than one-half of these work their own claims. The others are cooks, gardeners, and farm labourers. The Chinese were employed in the Cariboo Consolidated. They gave place to Japanese who worked for less and were more available at that time. The Chinese have been there as long as I have been there. The Chinese have been useful. We could hardly have got along without them. I think we could do with a few more of them, for the present.

Q. In what way is the Province benefitted by the Chinese working at placer mining?—A. I am up and down all the time and I come in touch with a great many Chinese. Hundreds of dollars are taken out of the ground and put in circulation by the Chinese. A Chinese will work as long as he earns his board. He will keep along with the expectation of doing better. Sometimes they make from \$8 to \$10 a day, working hard all the time. Often they will not make more than their board, and they will still work on; but a white man will not do that. As soon as it goes below the ordinary wages of the country a white man quits.

Q. How does the Chinese money get into circulation?—A. I find when the Chinese do well they live well. They buy chickens and eggs and beef and pork.

Q. Do they travel much from one place to another?—A. They do in search of mining grounds. They are continually hunting up abandoned places and working them.

All the valuable ground is worked out in placer mining. The upper part has all been worked out. It now requires capital to go to work and develop the deeper grounds. The Chinese only go down a very little distance, and it will only require mining to go down two or three feet to come to pay dirt. Notably has that proved to be the case in the Cariboo Consolidated Company. Chinese excel in pick and shovel work and in running cars.

Dennis Murphy, of Ashcroft, M.L.A., says: I was born in the Cariboo country and lived there till I was sixteen, and am up there every summer. I am pretty familiar with the conditions there. The placer mines are carried on by both whites and Chinese; the largest concerns by whites. The largest company there is the Cariboo Consolidated. They employ over a hundred all told; no Chinese, except cooks, but from thirty to forty Japs. I think there are about 1,500 or 2,000 Chinese in the Cariboo, and about 1,000 engaged in the placer mining. They generally work for themselves. I don't think the whites employ them except for placer mining. The Chinamen are employed in the old worked out placers and they prospect just as whites do, and take up claims as whites do.

Leicester Bonnar, of Barkerville, in the Cariboo District, said: There are no Japanese around Barkerville. There are from 200 to 300 Chinese according to the season. About half work for themselves and half for wages. A Chinaman gets \$2 and \$2.25 a day and boards himself. They are not particular how long they work; I should think a twelve hour shift. Whites are paid \$3 and \$3.50 and board themselves. He would pay \$30 a month for board. I was speaking of twenty mile radius from Barkerville. The British white labourer—that is the permanent miner—is not interfered with by the Chinese. I was manager of the Cariboo Gold Fields Company. They employed from 60 to 180 men; of these about 100 out of 180 were whites. That was during construction. Afterwards we employed about 30 whites and 15 or 20 Chinamen. The proportion in other mines would be about the same. It is sixty miles from Barkerville to the Consolidated Cariboo. They employ 200 men all told; of these about 100 are whites and 100 Japanese. Barkerville is 286 miles by road from the Canadian Pacific Railway. Our company operated since 1895, open hydraulic, and the largest, after the Cariboo Consolidated. The company expended there \$500,000. It is putting in plant now. There are four or five companies adjoining. They have expended about \$100,000 apiece. Chinese labour is an absolute necessity. The length of the mining season in hydraulic mining is about 90 days. The men have to pay their way up. It takes four days each way and costs \$64 from Ashcroft to Barkerville and return. I am an Englishman. I don't consider Chinese good citizens. My feelings are against Chinese. I would clear the lot out. If they are allowed they will take the field from us. They can live cheaper than whites. From a business standpoint I favour Chinese. From a citizen's standpoint I oppose them. I think there are plenty of Chinese there now. They are trained to the business. They have been there a long time. I should say there are plenty in the country now. They have cleaned out the placer mines. They live on nothing. I think it would be a good scheme to stop Chinese taking up lands, and keep Canada for Canadians. Cariboo is fairly prosperous. If there was a permanent class of settlers it would be better for all, employers and employees. It is the permanent settlers we want. If they were all whites it would be far better for the country.

Edmund B. Kerby, general manager of the War Eagle and Centre Star, says: My experience has extended through the Western States and Mexico, in connection with mines and mining work, for the last fifteen years. As to placer mines, so far as I have been able to learn, they seem to have gone into placer mines that white men thought were worked out, or would languish until finally they would accept the offer of Chinese gangs to work them for them, and work them in their own way. They lease the property and pay a lump sum as a royalty. I have generally understood that a running royalty was unsuccessful because no one could get at the exact amount that the Chinese took out of the placers. All the bargaining is done by one Chinaman, and he deals for the gang. It has been considered an advantage to the owners, but I do not know that it has been any advantage to the district. I do not think myself it would be well to have placer mining carried out by Chinese all over the country. The Chinese are working placers and taking a large amount of money, hundreds of thousands of dollars, out of the country, and that undoubtedly has an effect on the whole community. Perhaps it will be well to leave the placers unworked until white labour could be got to work them. The Chinese get most of their supplies from their own people, and deal very little with white men.

## SUMMARY.

In the early history of placer mining, after the richer claims were worked out, the white miners left the placer diggings in great numbers, leaving large numbers of Chinese, who continued to work the abandoned surface claims. In future the industry will depend upon the deep placer mines, which will be worked largely by machinery.

A large part of the earnings of the Chinese in this industry have in the past been sent to China, and it is a question whether it would not have been better to have left these abandoned claims to have been worked at a later stage by machinery and white labour.

There are no Chinese engaged in placer mining in the Atlin country, or the Yukon Territory.

In Cariboo, Chinese have been engaged in placer mining from the commencement of this industry. The richer placers were worked out and the Chinese now work over the old claims and take up new claims, sometimes working on royalty, but mostly on their own account. They are largely employed in the open hydraulic mines, except in the Cariboo Consolidated, where Japanese and whites are employed. These mines are situated, many of them, 150 to 300 miles north of the Canadian Pacific Railway, and the difficulty of obtaining good white labour is very great. The mining season lasts only about ninety days. It takes from four to six days each way from Ashcroft to get in; and for a return ticket costs \$64 from Ashcroft to Barkerville.

Under the present conditions of the labour market there, the Chinese are a necessity. Those there are trained to the business, and are sufficient in numbers to meet the demand. Exclusion of further immigration of Chinese will not affect this industry.

## CHAPTER XL.—LODE MINING.

This industry has steadily increased since 1887. In that year the output was \$26,547; in 1892 it had reached \$100,000; in 1893 nearly \$300,000; in 1894 nearly \$800,000; in 1895 over \$2,000,000; 1896 over \$4,000,000; 1897, \$7,000,000; 1898, \$6,500,000; 1899, \$6,750,000; and in 1900 over \$10,000,000. There are probably between 7,000 and 8,000 men engaged in that industry. No Chinese or Japanese are employed in the interior, and very few on the coast.

Edmund B. Kerby, manager of the War Eagle and Centre Star, says: There are no Chinese or Japanese employed in those mines, nor have they ever been employed under my management. We have a large hotel up there in which at one time some Chinese were employed. They were employed in the laundry, and perhaps a couple of Chinese around cleaning up the bunk houses; that was not in the mining company, or anything to do with the mining company. When we operated the hotel or boarding house we had two; the parties to whom we leased it have one as a cook. Outside of that they are not used, except for domestic service among the members of the staff. I have had a large experience in mines on the other side. I have never known the employment of any Chinese except in placer mines; that holds good all over the coast. My headquarters were in Colorado, but I had worked pretty much all through the Western States in connection with mines and mining work. I do not see that any inconvenience would result at present if no more Chinese came in. I do not think myself that it is for the best interests of the community to have an unlimited supply of Chinese or Japanese labour coming into the country. My impression is that the plan we have adopted in the United States has worked out fairly well.

As to their being employed in rock or quartz mines, I have never seen the question raised. In the first place, their ability as miners would be rather deficient, and physically they are not nearly as strong as white men. Then, for another reason, their limited knowledge of English would make them a little harder to train as miners; and I suppose were mine superintendents to think of employing Chinese underground, they would consider the fact that it would lead to more or less trouble with the men, who



would object to their being used underground. I have never seen the question raised, however, of employing them underground, so far as metaliferous mines are concerned.

Bernard McDonald, manager of the British America Corporation, the LeRoy, &c., &c., says: We employ between 800 and 900 men. I employ one Chinaman as a janitor in the office. The boarding house is leased and the cooks there employed are whites.

There is just one Chinaman in the employ of the Company. It would make no difference to us if no more Chinese came in. I do not regard the Chinese as a class of people desirable to form the basis of the citizenship of the country. I draw a distinction; I think the Japanese would be preferable, because they are more progressive, and therefore more profitable, but my knowledge of them is not extensive. In the United States Chinese have not been employed to any considerable extent in the mines or in the industries connected with the mines. There are no Chinese employed in them that I know of. The mining industries have developed very fast in the United States. I do not think it advisable. Where these people are not employed there has not been any retarding of the development. The development in the Cœur d'Alene has been rapid and has gone on without this class of labour, and the development has gone on rapidly in other parts without the presence of the Chinese. Although the railways were built by the Chinese, I do not see why we cannot get along without these people. I think it would help to get white labour here if the Chinese were not here, and then we would have white girls—plenty of them.

James Devine, secretary of the Miners Union, Rossland, says: Chinese are not employed in or about the mines in this vicinity. I have had experience in Colorado, New Mexico and portions of Arizona. They are not employed in any of the mines I ever worked in. I should certainly say the Government should prohibit this class of people from coming into the Province. They are of no benefit to the country and it would be a benefit to encourage the immigration of white labour. They affect all trades and callings, both directly and indirectly, wherever they are. They drive out white labour and force it to seek employment elsewhere. It drives white labour from the coast cities and to seek employment in the mines. Labour when driven out by the Chinese has to seek employment where it is most likely to find it. There is more labour in the city at the present time than there is a demand for. There is an overabundance of labour here. The supply of miners has always been equal to the demand since I came to the country. They make it more difficult for white men to get employment, and their presence also has a depressing effect on the coast cities from which we could get white labour.

The wages here compare with the wages on the other side very favourably. In some portions of Montana the wages are \$3.50 a day; in Washington State for skilled miners \$3.50 a day. In portions of Montana, in the great copper mines of Butte, skilled and unskilled labour are \$3.50 a day; in this camp unskilled labour is \$2.50 a day. All over the Kootenay country unskilled labour is paid \$3 a day in the mine.

There is always more labour in the country than there is a demand for.

J. B. McArthur, K.C., of Rossland, says: I have resided in Rossland since January 1895, when it had a population of 75. I am interested in mining here and in the Slocan district, the boundary district, Similkameen, Lardo and Duncan. No Chinese or Japanese are employed in mining in any of these districts. Where they are engaged at mines as cooks they are generally paid from \$50 to \$60 a month and board; the second cook gets \$40 a month.

The general feeling in these districts is universal, that the Chinese shall not be engaged in mining or in mines at all. The view is universal that they should be further restricted. My opinion is that a \$300 tax would practically bar out all the undesirable Chinese: that is the Chinese that come into competition with white labour. I think what they really desire, as far as the boundary country is concerned, is practical prohibition of further Chinese immigration. Of course there are exceptions to that rule. That would apply to the whole of the country I have referred to, as far as I can judge. As to the development of mining centres, I do not think it would have affected us at all if there had been no Chinese. I think as the new conditions arose we would have met them in some way or other, but the Chinese followed the white men into all these



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camps. I have seen three or four camps started, and the Chinese always followed the white men into the camps very quickly. I have about seventy men all told employed in the mining industry. Grand Forks, with a population of fifteen hundred, has 78 Chinese and 2 Japanese,—17 laundrymen, 26 cooks, 5 gardeners, 4 merchants, 26 labourers and hangers on, and two prostitutes,—the largest Chinese population of any other place in the boundary.

I think the production of the mines justifies the mine owners in paying the rate of wages paid. The grade of ore is more in the boundary. They pay slightly higher wages to muckers there than here, and have no trouble about labour questions there. There is no reason why our mining resources cannot be developed here as they are in Montana and other places. I certainly think it in the interest of the country to exclude the Chinese.

The Honourable Smith Curtis, of Rossland, says: I am a barrister by profession, but for the last two years have been engaged in mining, and not followed my profession. I am pretty familiar with the conditions now existing here. I am strongly in favour of the exclusion of all oriental labour. My reasons are: the orientals are physically and mentally an inferior race, and if allowed to come into the country without restriction they will drive out the white population, outside of the capitalistic class, or they will force white people to live on the same plane as the orientals; in other words, the white race would be driven out, or be degenerated and degraded. I hold that a servile race, or class, is not beneficial to a white race, and that has been proved by the experience of having the negro in the Southern States. And the inferiority of the orientals to the white race in British Columbia is shown by the refusal of the white race to assimilate in any degree whatever with the oriental. The opinion throughout the country, I believe, is practically unanimous. It is almost the unanimous opinion of all classes that there should be no more immigration of this class of orientals into British Columbia. In so far as industry is concerned, I do not think they are at all essential or necessary. I know of no industry that would seriously suffer from the exclusion of the Chinese. Its tendency is to keep white labour out of the country. If they were not here we would have the country populated by a very desirable class of white people, who would settle and develop the country. We are a new country: what we want above all things is good white labour. I may say in this country they can afford to pay the standard wages. We do not shut down because we cannot pay the standard wages, but because we have not sufficient capital to-day to develop property which can afford to pay white labour, so we do not require to have low-priced oriental labour. We have plenty of propositions—paying propositions; the country is full of them, simply waiting capital intelligently applied.

George Allan Kirk, wholesale merchant, of Victoria, and interested in mining, says: Take the case of mines. A number of mines with low grade are tied up because of the price of labour; there are a number of low grade mines which cannot be worked because of the cost of mucking and pushing. There is a mine up near Silverton with a very narrow vein; consequently we cannot pay so much to get the ore out; we cannot afford to pay \$3 a day for doing it. The consequence is the mine is closed down and a number of people—one party of Scotch people—have been thrown out of employment, because the mine owners could not afford to pay the price demanded for labour. If the work was done by Chinese and Japanese it could be done for much less. The mining itself could be done by white miners, but the common labour, such as mucking, should be done by cheap labour, such as the Chinese or Japanese. The machines could be worked by the white miners. I do not think that the effect of that would be that Chinese and Japanese would gradually encroach upon the white man's work, and get to working the machine.

In South America the common work is done by natives and there is plenty of work for white men.

Q. What do the white men there do?—A. They oversee the natives.

Q. There are comparatively few white men employed?—A. There is a white man to oversee each gang.

Q. Do you think it would be in the interests of the country and white labour to allow Chinese to come in without restriction—to allow them to come in in large numbers—a coolie class as you say?—A. Certainly.

Q. Do you think a coolie class is desirable in any country?—A. Well if you want to get into manufacturing I do not see what else you can do.

Q. I mean in the interests of the country, do you think a coolie class is desirable?—A. I was speaking from the standpoint of an employer.

Q. What is the effect on white labour?—A. I think it has a tendency to keep white labour down in the trades where the Chinese compete.

Q. Do you think that is desirable?—A. From an employer's point of view it is.

Henry Croft, of Victoria, says: I am engaged in mining at Mount Sicker, forty-five miles from Victoria; employ both white and Japanese labour at the mines. We employ only white labour in the mines, and Japanese in the sorting of ore. We employ from thirty to thirty-five Japanese. The boys from the town would come up and work for three or four weeks and then leave us suddenly. Either we had to get other labour or shut down. I thought about securing Japanese from sixteen to twenty-one years of age. We secured the Japanese for that labour. We found them perfectly satisfactory in every way. We pay them 90 cents a day. We cannot employ white labour for the simple reason that trade prices will not allow it. If we were to pay labour at \$2.75 a day, which is what I understand to be paid in the Kootenays, it would make a difference to us in profit of over \$1,900 a year. We employ only three or four Chinese, cutting wood. I am averse to Chinese and Japanese immigration, but I consider that in new countries like South Africa and Australia you must have cheap labour. I think there is a sufficient number of Chinese here now. I do not think it necessary to permit any more Chinese to come into the country; there are enough of Chinese and Japanese here at present. I believe it is now like a tap; when you want water you turn it on, and when you have got enough you turn it off. All you have got to do is to put a per capita tax on the Chinese high enough to exclude them. I think the miners to be introduced should be men likely to become permanent residents of the country.

Exclusion would certainly increase the immigration to this Province, but I do not think for some time. It will tend to make the different industries in a flourishing condition, as there would be more demand for goods of all kinds. I should advise the stoppage of immigration from the Orient in the future; we have enough Oriental labour in the Province now.

White labour will not come in while the Chinese and Japanese are occupying the place in cheap labour that they are doing at present, but with a restriction on immigration, white labour will gradually come in here, and the Japanese will leave the country.

Henry Crosdale, of Nelson, says: I have been up to October last, manager of the Hall Mines. I was manager for seven years. When we were working full we had two hundred men. Neither Chinese nor Japanese were engaged in or about the mines. The head cook was not a Chinaman; he had an assistant at times, and one or two Chinamen for washing up. In my opinion the country is not fit for further restriction. I am speaking of this district. There is a large minority of people here who are dependent on the Chinese, and the Chinese in rendering them the ordinary service connected with gardening, washing and domestic service, do not come into contact in any way with the labouring classes. I am quite willing to admit that the majority of the people here are opposed to any further immigration of Chinese, but I think the majority is made up of people who do not employ Chinese, nor get any benefit from their service. If you take the opinion of people who have been the employers of Chinese, I think you will find a number of them in favour of keeping the restriction as it is, and not increasing it; but the main point I should like to make is this: I do not see how this district—the existence of the Chinese that are here—in any way affects the mines or the labouring men in the country. They certainly do not keep down wages or come into conflict with them in any way whatever. They do not even get employment on the railways in this district. I do not regard them as a desirable race,—that is to have the full rights of citizens,—certainly not the right to vote, because they do not have the power of understanding the form of government under which we live. They do not take any interest

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in it. I simply look upon them as a class of citizens that we have to make use of,—only fitted for the service they render. They are good servants, and law-abiding. I do not think they are taking the place of citizens.

Q. Do you consider them a factor of any importance in the development of this section of the country?—A. No, I cannot say I do. They are not mining, and as I say, in this district, any work they do does not tend to develop the district. It is naturally dependent on mining, and in a secondary degree the prosperity is dependent on the railway.

Q. Is there an abundance of ordinary labour in this country—white labour?—A. Yes. Their wages are from \$2.50 to \$3.50 a day at the mines; that is on skilled labour.

*To Mr. Wilson:*

Q. As a British subject you feel it is desirable that the Chinese and Japanese should be gradually excluded, but all you desire is that it should not be rapidly consummated?—A. Yes.

## SUMMARY.

The metalliferous mines yield the largest amount annually of any natural industry of the province. Out of a total yield of all minerals, including coal and coke, of over \$16,000,000 for the year 1900, the lode mines alone yielded over \$10,000,000. The industry has steadily increased since 1887, when the output was only \$26,547, and this magnificent showing has been done almost exclusively by white labour.

The Chinese are not employed in the Kootenay or in the boundary district in connection with the mines, except in some instances in getting out cordwood, and as cooks. We heard of one mine near Yale where Chinese are said to be employed as miners, and a few are employed for development work in the interior, but only to a very limited extent, and their employment in this industry has not appreciably affected its development, nor can it be said that it is dependent to any considerable extent upon this class of labour. They are not an important factor.

The evidence of the large employers was to the effect that if there was no further immigration of this class of labour it would not retard the development of this industry. The opinion of those interested is almost, if not quite, unanimous in favour of excluding further Chinese immigration.

## CHAPTER XII.—THE LUMBER INDUSTRY (EXPORT TRADE.)

## TOTAL OUTPUT.

By the report of the Provincial Timber Inspector of British Columbia, for the year ending December 31, 1900, it appears:

There has been cut upon Crown Lands in timber. . . . .	152,486,199 ft.
“ “ cordwood. . . . .	19,202,900 “
“ leaseholds in timber. . . . .	61,140,883 “
	<hr/>
	232,831,982
	<hr/>
There has been cut upon private property in timber. . . . .	9,745,641 “
“ “ E. & N. Ry. land (so far as reported). . . . .	27,272,770 “
Imported timber. . . . .	6,386,077 “
	<hr/>
	43,404,488
	<hr/>

The cut for the year 1899 amounted to only 217,000,000, showing an increase in the total output of 59,000,000 feet. The above does not include timber cut on Dominion lands, and only a portion of that cut on the Esquimalt and Nanaimo Railway land.

#### TOTAL EXPORT.

The total shipments of lumber of the British Columbia mills for export for the year 1900 amounted to 84,210,553 feet. Of this large amount the Chemainus mills contributed 38,365,833 feet, the Hastings mills 23,873,782 feet, Moodyville mills, 19,312,482 feet, the Royal City mills, New Westminster, which are under the same management as the Hastings Mills, 1,312,100 feet, the Canadian Pacific mills, Port Moody, 687,353 feet: and the Northern Pacific Lumber Company, Barnet, 659,003 feet. It will be seen that three mills contributed about 97 per cent of the total export.

#### EXPORT FROM PUGET SOUND.

There was a total export from Puget Sound mills of 156,857,489 feet.



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STATEMENT of Shipments of Lumber from British Columbia and Puget Sound, 1900.  
(Exhibit 40, referred to in the evidence of R. H. Alexander).

Destination.	Hastings Mill.	Moodyville.	North Pacific Lumber Co., Barnet.	Canadian Pacific, Port Moody.	Royal City Planing Mill, New West- minster.	Chenainuss.	Total Exports from B. C. Mills.	Puget Sound Mills.	Total.
	¢	¢	¢	¢	¢	¢	¢	¢	¢
N. K. and continent	9,850,860	2,809,813				12,382,940	25,043,613	8,473,614	33,517,227
Australia	4,698,589	7,230,490	659,003	687,353		20,661,347	33,936,773	63,612,563	97,549,336
Oceania								5,041,866	5,041,866
Africa	2,149,018					3,738,367	5,887,385	12,298,256	18,185,641
Peru	831,236	3,723,114					4,554,350	14,817,020	19,401,370
Chili	890,660	1,461,692				1,506,478	3,858,830	16,616,052	20,474,882
Other South American ports	327,395						327,395	3,738,965	4,066,360
China and Japan	4,064,028	4,087,373			1,312,100		9,463,501	20,332,514	29,796,015
Siberia								1,413,817	1,413,817
United States Atlantic ports	1,061,405						1,061,405	1,261,969	2,323,374
Mexico						76,701	76,701	9,230,853	9,297,554
	23,873,782	19,312,482	659,003	687,353	1,312,100	38,365,833	84,210,553	156,857,489	241,068,042

The Hastings Mill employs 512 men, namely, 257 in and about the mills, and 255 in the camps. Of the men employed in and about the mills 164 are white men and 93 Japanese. No Chinese are employed. Of the 255 men employed in the camps, 245 are white men, and 10 Chinese, employed exclusively as cooks and their helpers.

The Moodyville Mill employs 110 men, of whom 60 are white men, 40 Japanese, and 10 Chinamen.

The Chemainus Mill employs in and about the mills 58 white men, 55 Chinamen, and 56 Japanese, and in the camps, 128 white men, 19 Chinamen, and 30 Japanese.

It will be seen from the above that the mills who do the principal export business employ comparatively few Chinese.

Edmund James Palmer, manager of the Victoria Lumber Company, at Chemainus, said: I have been connected with the company for twelve years. We have in the mill 58 whites, 55 Chinese, and 56 Japanese. The Chinese have been employed in the mill since February, a year ago, and the Japanese about the same time. Before that white men only were employed.

In the woods we have 128 white men, 19 Chinese, and 30 Japanese. Sixteen Chinese are employed as water carriers in the woods. I never employed Japanese in the woods until three months ago. I let them a contract for grading a road. The total number employed by the company is 347, of whom 186 are whites. We have doubled the capacity of our mill. Our business is entirely export. We have to compete with mills on Puget Sound. We have three mills, the Hastings, Moodyville and our mill, doing an export business. We are the largest exporters in British Columbia. I think we exported as much as all the rest put together last year. We have never carried on our business by white labour exclusively. It is simply impossible; we cannot do it. I think there are sufficient Chinese here at present to supply all demands. I think there are plenty of Japanese here.

I do not think any business man or employer of labour, throwing all sympathy out of the question, but would be willing to pay a white man \$2 a day rather than a Chinaman \$1. I have never found any difference of opinion as to this: that it takes three Chinese to do the work of two white men, and sometimes it takes two Chinamen to do the work of one white man in any heavy work, if not more than that.

Q. Then, do I apprehend you aright when I note you as saying you think we have enough Chinese here now?—A. Yes, I do think we have enough of them here now.

Q. And speaking of your industry, you say no serious inconvenience would arise if no more Chinese came here?—A. I think not. White people would then move in with their families, and it would be a benefit to us. The change would take place gradually. It would not take place all at once; and there would be no injury to business or any inconvenience to speak of....

Q. You are satisfied if no more Chinese came in, white men with their families would gradually come in, and the question of labour would adjust itself?—A. Yes, I say so.

Q. Do you think the presence of Chinese here has a tendency to prevent white immigration?—A. Yes, if there were no more Chinese coming in white labour would soon come in this direction. That would be a positive benefit to the Province. The Chinese will never become citizens or assimilate, nor is it desirable.

Q. Looking at the matter then from the standpoint of the interest of the country, and not being forgetful of your own interests, what do you say? There is no question about it disturbing present conditions?—A. I would say that all further immigration of Chinese or Japanese should be prohibited. What we have here now I think quite sufficient, and I think we can gradually work white labour in until we would soon have sufficient white labour in the country to answer all demands.

Q. Can you compare the standard of living of the Chinese and of the white people?—A. There could be no comparison between the living of the two nations. White people could not possibly live as the Chinese do. Very little of the money earned in this country by the Chinese is spent here. They send all their spare money, and that is more than two-thirds of their earnings, to China. We never do one dollar's worth of business in a month with Chinese. They come in on the last of the month and get their books and their money, and they trade entirely with their own people. The Japanese are different.

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We pay Chinese and Japanese from \$1 to \$1.25. The lowest rate of wages paid to whites for mill work is \$2. It ranges from \$2 to \$8. There is one paid \$8, one \$6.50 one \$5, one \$4.50, six at \$3.50, four at \$3.25, three at \$2.25, two at \$2.50, and the balance at \$2. Lowest wages paid whites in the woods is from \$2.25 and up to \$3.75. When not on contract the Japanese get \$1 a day. Chinese get \$1.25 a day.

I know of the Port Blakeley Mill, the Port Gamble Mill, the Ludgate Mill, the St. Paul and Tacoma, and the Bellingham Mill Company on the Sound. With the exception of the Blakeley Mill, all the other mills employ whites. The Port Blakeley Mill is the only mill that employs Japanese. Last year, owing to the excitement as to the Nome gold mining, they put in 300. They have 340 working in the Port Blakeley Mill now; they have Japanese on the carriers, on the trimmers, and everywhere. These are the principal mills we have to compete with. They do not employ Chinese.

There is a difference of one shilling and three pence to two shillings and six pence on freight rates between all Puget Sound points and British Columbia in favor of Puget Sound. It does not make any difference whether we are shipping to India, China or the Cape; they make that difference in the rate per one thousand feet. They claim the cause of it is extra pilotage charges on this side, the extra cost of supplies on this side from what they cost on the other, and sick mariners' benefit. That applies to the rate on sailing vessels. They have to pay extra pilotage, they tell us, and sick mariners' benefits on this side. The pilotage would not amount to \$50 on one million feet. The bulk of the ships carrying lumber are owned in California, and they have used that as a leverage to force the ships over there.

Q. What are your other disadvantages?—A. The freight rates, then they have a market, a home market that is very wide, they can ship lumber that we cannot ship. They can ship anything that is five or six feet long to the eastern market that we have to burn up as we cannot find any market for it here. We have no market for lumber less than sixteen feet long. Their machinery costs them considerably less. A large portion of the machinery we use is American machinery. They have also a preference of from thirty-six to thirty-seven cents a thousand feet by freight vessels.

The average cost of towing on Puget Sound is forty cents, on this side it is \$1, but we have an advantage being nearer the raw material.

The Americans have a market for everything they cut, no matter how short it is or how inferior it is. The strongest competition we have is from the State of Oregon. Their labour is white; their common labour gets \$1.75 a day without board, their lowest class \$1.65 a day. Living is cheaper over there, at least fifteen per cent lower than here. In Washington the general run of labour is \$1.75 for common ordinary labour around the mill. Men sometimes only get \$1.50 a day; boys cleaning up, \$1 a day.

Q. What proportion of your hands will be employed in the manufacture of rough lumber?—A. At the present time I have none. We have two or three cargoes and not a bit of rough lumber in them. European cargoes take more rough lumber. South Africa takes nothing but rough lumber; Melbourne takes rough lumber; Adelaide takes ten per cent manufactured and ninety per cent rough lumber; Sydney varies from ten to twenty per cent of rough lumber; China takes a small percentage of dressed lumber. They take a great deal of rough lumber. In a cargo of one million feet they will take twenty thousand feet of dressed lumber; while the countries of South America take quite a percentage of dressed lumber. It would depend on the cargoes ordered whether we run the planers or not.

The witness further dealt with the labour aspect of the question as follows:

I would rather take white labour and pay them twenty-five cents a day more and take my chances of competition with the other side. If I could get white men to come with their families and stay here I would rather have them than any Chinese or Japanese.

Q. Would it be possible to get white labour in the east to supply your demands?—A. I am not familiar with the labour market in eastern Canada, but in Wisconsin and Michigan our Company are operating quite a number of mills. In the summer time the men work in the mills and in the winter time they work in the woods, and they stay

there with our companies year in and year out. They live there because they have steady work and they are generally men with families, but here the white labour who operate the mill, at least at Chemainus, are a floating population. They have run away from ships or have been unsuccessful in mining, and they come here to make a little start again. As soon as the fishing opens on the Fraser they will leave to go and catch salmon. They expect to make more money, whether they do it or not. They leave us with very little warning. I would not take a contract and depend upon them.

Swedes and Norwegians are employed in a number of mills on the other side. You cannot bring them over here, at least I do not think they would come. If the Chinese were not allowed to come in any more I would take chances of getting steady and satisfactory white labour. We are an export mill and largely dependent on our shipping facilities. One ship will make a passage in 21 days and another will take 90 days for the same passage, and there are times when we are out of ships and we have to close down. Whenever we had to close down the white men would leave us. In January something like \$4.411 was expended simply in holding my skilled labour together. I do not think there would be any difficulty in getting married men to come here if there were no Chinese or Japanese here. I think it is the proper way to solve the problem. I think that bringing white men and their families here would finally lead to the exclusion of the Chinese and Japanese. I do not claim that Chinese is cheap labour. We have no great advantage in having the Chinese.

The remedy I suggest is stop the Chinese coming in and offer some inducements for the surplus good white labour of the east to come out here. If I had my choice I would have Norwegians and Swedes with large families. We cannot pay more than \$2 a day and compete with the mills on the other side. We would be better able to compete if we could sell all the lumber we produce, short and long. If we could get them to stay for a little while and get married and get to raising vegetables for themselves, they would soon stay with us.

If we could not get cheap labour we would have to close down, but I do not think that is likely to occur. I think we could get white labour to supply the demand.

If it were generally known throughout the east that this was not a Province devoted exclusively to Chinese cheap labour, if it was understood there was a prohibition on Chinese labour coming into this country, I am almost certain enough of white labour would come in. I do not know positively that it would come in, but if there was a call for labour the railroads would offer cheap rates, and white people would then come to the coast. It is a serious problem. There are quite enough Chinese here. I can get all I want without any difficulty. I apprehend no danger at all from there not being enough Chinamen.

The wage has got to be regulated by the price of the manufactured product. Everything is more prosperous when you are paying big wages and getting more for your product. If they have a good market in the United States they are not likely to compete with us over here. I employ Mongolian labour from interest. Chinese and Japanese will never take the place of white men in cutting timber. They are no good in the woods.

If you want to improve the stock in a country you import good stock from the east or from other countries. If you are figuring to settle up a community and open up the country Japanese are no good. In the east eighty per cent of the men are married and have their families with them.

We will say for instance we want to employ thirty on the wharf. I have got to have thirty men for the work before I can go on at all. No white man will work with Chinese. We have got to put in all Chinese or all white men. If we had a class of labour coming in here who would not consider it a degradation to work at menial work there would be no difficulty. At the present time the demand for white labour is far in excess of the supply. We do not want a servile class here. There is a dignity in all kinds of honest labour.

The American lumber trade has not been injured as a result of the exclusion of the Chinese. They seem to be able to compete with us right along, although we have the benefit of low-priced Chinese and Japanese labour. White immigration from the east



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has come in and taken the place of Chinese and Japanese labour over there. At the time they had trouble with the Chinese, the export of lumber did not amount to more than fifteen million feet, and to-day that has increased to two hundred million feet. Exclusion certainly would do no harm here. I think it would be of great benefit. I am in favour of total exclusion. I think we have enough of the Chinese here now.

Richard H. Alexander, manager of the Hastings mill owned by the British Columbia Mills, Timber and Trading Co., says: We employ all together in and around the mill and in connection with it, 257 hands, and in connection with the camps, 255, total 512; in the mill 164 whites, no Chinese, 93 Japanese. The whites' duties are in connection with the operation of the machines and marking. The Japanese are employed in and about the mill trucking lumber and piling it. Japanese are paid from ninety cents to \$1.25 a day. White men run from \$40 to \$45 a month. Five sawyers from \$4 to \$5 a day; and files, there are five of them, paid \$7 a day. Some other men are paid from \$3.25 to \$3.50. Of the men in camp 245 are whites, the rest are Chinese cooks, ten altogether; no Japanese. Average wage for white \$2.25 to \$2.50 per day; overseers a good deal more; Chinese cooks possibly \$40 or \$45 a month.

I may say in connection with the mill there is another matter that can be fairly included; when we have three vessels at the wharf we generally employ about fifty stevedores. They do not figure on our pay rolls because we do not employ them directly, although they are as much a part of the business as the others. They are one-third or one-fourth Indians; the others are whites.

The Japanese are all in inferior positions with the exception of the lath mill, at which there are six or seven of them at the cut-off saws and trimmers. We first engaged them twelve years ago. We have always had in the mill a certain proportion of cheap labour. In the early days we had Indians. They gradually got off from working in the mills and we replaced them by Chinese. On account of the strong feeling against the Chinese we discontinued them, and we have since been using the Japanese, but we have always had a proportion of inferior or cheap labour in and about the mill. The Indians were not crowded out by either the Chinese or Japanese. They worked for less but they got their board, and that would make their wages equal to \$1 a day. At that time we had an Indian ranch close to the mill, and the Indians all found work in the mill. That ranch was removed and they went and lived on the other side of the Inlet. Another reason may have been that during the construction of the railway they could get more profitable work with the contractors. There is this difficulty about the Indians, you cannot have them steadily; you cannot get them to work steady.

Japanese are steadier than the Indians and they are stronger in some cases. A Chinaman will go along like a machine and do the same work every morning until night at the same rate, steady as a machine, but the Japanese has got more spirit, and if he sees the machine crowding him he will put on a spurt and keep the machine clear. The Chinaman will let the machine block up and will want another man to help him. The Japanese is better for the work than the Chinese in the way I mention.

I have resided in the country 40 years, over 31 years here. In 1862 there were Chinese in the country, most of them had come from California. They worked in laundries, market gardens and in domestic service. A great many of them were engaged in placer mining up the river.

Q. Speaking of the Chinese exclusively, do you think there are sufficient in the country now to meet the requirements, or to meet the demands? A. I do not desire to say anything about them. My desire is to confine myself to my own business, what I know.

Q. Are you in favour of further immigration of the Chinese?—A. I think that information should come from some person who employs them.

The question is that we have always had a certain amount of cheap labour in connection with the operation of the lumber industry. It is quite possible that white labour would be generally profitable if we could get it under the same conditions, but as I understand the question of restriction, the object is to replace oriental labour with white labour.

As it is at present the white men cannot work at the rate of wages that the Japanese do. Now if the Japanese were replaced by white labour at a higher rate of wages, on the industry there can be but one result; we would either have to raise the price of the article produced or shut down the manufacture altogether. In our case the article manufactured has to be exported. It has to meet competition in the markets of the world with the same commodities of other places; and not only that, but in the operation of your trade there must be sufficient remuneration to pay interest on the capital invested. We find we have not even our own domestic market to ourselves. We find owing to the present state of the industry that we are subjected to the competition of lumber coming in from the United States, which comes into Canada free of duty. In the United States they manufacture lumber under conditions which are better than ours. We have to pay duties on our supplies, on all that we use; machinery and tools, whilst they do not pay any duty, and we have to come into competition with lumber produced there under cheaper labour. We may have a little cheap labour here, such as the Japanese give, but against that we have to put the cost of transportation and other advantages we do not possess. It is not in our power to increase the price of lumber. We cannot obtain the white labour at such a low rate of wages as would enable us to compete. We have to look very carefully for the white labour we want. The Japanese supply the want of the proportion of cheap labour that is necessary to compete in the markets of the world. The point is this: we have always had a certain proportion of cheap labour, and in order to compete successfully we must have it, and having that cheap labour we are enabled to employ white men in the higher branches of the industry.

Allow me to impress on the Commission again that if the Japanese are replaced at a higher rate of wages in the manufacturing of lumber there can be no other result but one: we would have to raise the price of the article produced, or go out of the business.

Of the total number of men employed, 512, there are in round figures eighty per cent. of whites as against 20 per cent. orientals, and if you include the fifty men I have spoken of in the loading of ships, the proportion of whites will be still greater. Of the percentage stated the whites received eighty-eight per cent. of the wages and the orientals not twelve per cent. The proportion, you will see, is about one Japanese to four white men and the four men get seven-eighths of the wages.

In connection with our business at the Hastings mill, the total wages paid last year was \$277,376.15, out of which the whites received \$245,369.35 and the orientals \$31,806.80, and, as I have already said, if you include the men working in the ships it will be still more for the whites. Every ship will average more than a million feet, and at that average the wages paid will be more than \$1,000 on every ship. It seems to me it is for you gentlemen to judge whether it be advisable by doing away with this factor of cheap labour to risk the stoppage of the industry, and not only hazard the large amount of money there is invested, but hazard the employment of the white people. Whether for the sake of excluding one Chinese or one Japanese you would run the risk of throwing out of employment four white men with all the families dependent on them, and they pay more money away for supplies. It is with no feeling of hostility at all to the white men that I state this. I do not think the subject has ever been fairly placed before the intelligent workmen of this province. It is all very well for those who do not know anything about the industry to say there will be no injury to any trade or calling by the exclusion of the Japanese, and that no industry would be inconvenienced if the Japanese were replaced by white people, and that the industry should be allowed to go rather than that Japanese should be employed in it, but I do not think they understand what they are saying, with all due candour.

You may ask me if there is not sufficient margin to allow high wages to be paid. I will just give you an example of that from a letter that only came to me yesterday. I got a letter dated April 19 from a prominent lumber purchaser, who writes saying that his firm is about buying a cargo at \$8.50 on the American side, less two and a half and two and a half, or about \$8.09 net: that is the cost they tell me on the American side. The vessel we should use, should we secure the contract, for carrying the lumber would have to get one shilling and threepence extra for coming to this port, coming to

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our mill, so the writer of the letter sets forth; deducting this, say 30 cents from \$8.09, leaves \$7.79 that the lumber can be purchased for on the American side. The writer of the letter says: 'If you will sell us this cargo at the same price, say \$7.79 per thousand, we will give you the preference.' Now there is the true position of the lumber industry at the present time.

Now, the logs to-day at the different camps are held at \$5 a thousand; the towage will be 75 cents a thousand. I may say that is low. The Government get a royalty of 50 cents a thousand; throw that all together and it makes \$6.25; taking that from \$7.80 it leaves \$1.55. Now, then, that gives you an answer to the question whether the industry is able to pay more, is able to increase the cost of manufacture. Now, if you take the 93 Japanese that we at present use in the Hastings mill and replace them with white labour, it would necessitate an increase in the cost of production of \$93 a day; if you divide that by the amount produced per day it will raise the cost of production on the average 70 cents per thousand feet. Now, there is no mill in British Columbia that under present conditions could afford to increase the cost of production 70 cents per thousand feet and operate successfully financially.

Q. You have not given us the cost of the management of the mill!—A. Well, I am not going to give away our business to the public.

Q. What kind of lumber was that!—A. It is an ordinary merchantable cargo of lumber.

I am not at liberty to state the name and authority of that letter. It is a private letter. The writer cannot be obtained to give evidence; he is not in the country. I will show it to the Commissioners and convince you that it is a *bona fide* letter. It is from a perfectly well-known man, from a real purchaser, and the quality of timber is the ordinary timber sold in the market, not a low quality, not at all. We cut a higher grade as well. We cut the lower grade also. It is piled up in our yards and we cannot get rid of it.

(The letter referred to was shown to the Commissioners.)

We ship lumber as far east as Nova Scotia, and we can only ship the better class, the higher grades, as it is the only lumber that we can afford to pay freight on for the east. There one of the great competitors that we have is the pitch pine that comes from the Southern States, which is manufactured by the aid of cheap labour of the negroes in Georgia and Carolina. We have to pay \$20 a thousand between here and the eastern provinces, and we have got to compete with that lumber produced in the east by labour secured at very low wages. If we send to South Africa or Australia we are brought into competition with lumber from the Baltic, manufactured under much more favourable conditions as to cost than we can possibly command. In Sweden or Norway they pay a sawyer 4 kroner a day, equal to \$1.05, the ordinary labour 54 cents. These figures I got from a Norwegian captain. A man with a family can live very comfortably there on from 40 to 54 cents a day. Then, again, I see in the mercantile reports that from the Baltic to Melbourne a vessel will get 65 shillings per thousand feet. In South Africa we will be on something like equal terms.

I think we exported out of the province last year about thirty million feet, including what went east, and exported out of the country twenty-four million feet. It may be a coincidence and nothing more, but you will find that the mills employing the largest number of orientals did the biggest export trade. We had to refuse business continually last year because the price offered was too low for us to sell our lumber. I do not think the oriental question is a matter of sentiment at all, it is a matter of interest. In order to employ a large number of whites we have to employ a large proportion of cheap labour wherever it comes from, whether white, black or yellow. Our principal foreign markets are Europe, Australia, China, Chili, Peru and Africa. For the last year there has been very little business done with Africa. There is a very weak demand in the foreign markets at the present time. The producing capacity of the oldest lumber mills to-day is largely in excess of the demand.

Principally rough lumber is shipped to China. The trade is increasing with Japan. The Japanese are going into ship-building and they are importing sizes of lumber that they cannot get anywhere else but on this coast. Their trade is well worth cultivating



There is less competition in China and Japan than in any of the other countries. The only competition we have there is with our friends on Puget Sound. They ship more than we do. The things that enter into the cost of production of lumber to-day we pay higher for here. We pay higher for all mill supplies. All our supplies to our camps we pay more for. We have railroads with regular locomotives on regular standard track, and we use what are called donkeys for hauling out timber by a wire rope on a drum, using for that purpose steam power. At one camp we had four and a half miles of railroad, at another we had three miles. These rails are being lifted up and put into other places as the camp is worked out. We have all the modern means at our command, both for getting out logs and for manufacturing lumber at the mill. Our waste of lumber is not greater than on the other side. They get their supplies cheaper and they have a market for all they produce, which we have not, which makes a very material difference.

I do not think there is a mill in British Columbia as advantageously situated as ours: at the present time we have access to the sea, and we have good railway communication. The railway runs into the yard.

I do not agree with Mr. Palmer's statement that he would be able to continue business even if they had to employ white labour exclusively.

The question of freight rates is an intricate one. A very important matter that is taken into consideration by vessels coming from the Baltic, is, that if there is a possibility of securing a return cargo to Europe they will take a very low rate to bring lumber.

The head offices for vessels are in San Francisco and they work it up as against British Columbia. If a man wants to load a vessel in British Columbia he would want one shilling and threepence to two shillings and sixpence more than he would want on the other side. The only remedy that I can see for that is by the government facilitating the building of vessels on our own side. There is a subsidy paid by the United States, a bonus for their vessels. I think it is one and a half per ton for the first 1,500 miles, and one per ton for each additional 100 miles; that is on the registered tonnage.

You say how did we compete with the Americans in the years gone by. There is this difference in the freight and the duty and other things that act against us that we cannot get the same prices for the lumber. The mills over there have come to some arrangement between themselves as to prices.

Q. Does the Canadian Pacific Railway give as low rates to the east as those given by the American railroads to the mills on the Sound?—A. I think they do to given points.

We are barely living now, barely making a profit. When there was excitement in Vancouver about the Chinese and the men objected to them, we got white cooks in the camp at English Bay, and in a few days the men ran them out.

If it did not increase the cost of production we would rather have white men. I do not approve of these people coming in here as citizens. I would prefer to see our country peopled by our own race, from a national standpoint.

If you want to know my opinion from a political aspect I say personally I should rather prefer to have white men as citizens. I would not like to see the Chinese and Japanese obtain the franchise. I would not like to see our country governed by them. I should not like to see any further immigration of them to enter into competition with white men. They could not adapt themselves to our political economy. From the standpoint of sentiment I would prefer our people to the orientals.

Q. Do you think there would be an increase of wages if there was practical exclusion,—increase of wages to the Chinese and Japanese themselves?—A. I do not think immediately, but I think it would have that result before very long. I do not think it would be brought about immediately, but as the number gradually decreased and there were no more coming in, those here would ask for more wages.

I have objection to the Chinese and Japanese becoming citizens. I would prefer if it were possible to have all the work done by white labour, by our own people. I should not like to see the Chinese assimilate. That would not apply possibly with equal force to the Japanese.



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I really think the mill men in British Columbia would be perfectly willing to compete with United States if our lumber was permitted to go in there as their lumber is permitted to come in here.

There has always been an objection from the earliest time in British Columbia to the Chinese. People do not like them; that is the amount of it. The Japanese do assimilate to a greater extent than the Chinese.

I produce a statement of shipments of lumber from British Columbia and Puget Sound to the various points mentioned in it. It is made up from the figures in the *Trades Journal*, which I think will be found to be correct. I may say the markets in Sandwich Islands are not included in that, and the California market shipments, which would increase it a great deal more.

John G. Woods, superintendent of the Moodyville Sawmill Company, Vancouver, says: We employ 110 men, 60 whites and about 10 Chinese and 40 Japanese. We pay whites \$30, \$40 or \$50 and up to \$140 for foremen per month; Japanese 90 cents a day and their board, and from that up to \$1.25 a day. Their board by the year costs 33 cents per day per man.

Five or six of the Chinese are engaged as cooks and in gardening, the other five Chinese are at contract work, doing the lathwork and the pickets. They work the machine just as well as whites. We have a Japanese edger man, and the Japanese run the trimmers; formerly that work was done by white men. When Japanese leave we put on white men. There is no absolute rule about having whites or Japanese to do the work. I think that is all. Japanese will do as much work as whites at less wages.

I see no reason why the Japanese will not be able to do any work a white man can do where cleverness is required.

I would very much prefer white men if the conditions were equal. Sometimes the Japanese leave us; during the fishing season they will pull out and leave us short-handed.

I have not gone into the question of immigration sufficiently to give you an opinion worth anything. To my mind there is no fear of the Japanese encroaching on the industry and getting the work from the white men. I think their proportion is about right now. I do not think there is any fear whatever of the lumber industry going into the hands of the Japanese. We would shut the mill down before that came about. The Japanese are only engaged in the lower class of labour, just the cheap labour. There are not many white men hunting for work who want to work. If we had not Chinese I guess we could fill all the positions in the mill with white men, we could get them here.

Q. Why not get them now!—A. Because we could not run the mill, unless we could do it and lose money. For positions filled by Japanese at \$1.25 a day we would have to pay a white man perhaps \$15 a month more.

I think if we had to pay \$750 a month more than now, the mill would be shut down, or the white men would have to scale down their wages.

The price of logs eight or nine years ago was just about the same as they are now.

For the last five years the Moodyville Mill has just about held level without the owners getting one cent of interest. Previous to that the mill lost largely. It is not in as good a position for the foreign trade as the Hastings Mill, because they have local trade as well as foreign trade. We work for the foreign trade. There are about forty cargo mills on the coast.

It may be here noted that the three witnesses above referred to represent eighty-one and a half millions of the total export of eighty-four millions. The further evidence bearing upon this branch of the trade is very short. The evidence of the witnesses here quoted will be given at greater length when we come to deal with the local and eastern trade.

Robert Jardine, local manager of the Royal City Planing Mills, New Westminster, says: There are a great many export mills on the Sound. The lumber from those mills, not suitable for the foreign market, is disposed of in California, Hawaii and Alaska. From the reports from there I understand they are making money; making good profit all along the line. We could produce as cheaply in this country if there was

no tariff entering into the cost of production. Our timber is as easily gotten out as it is on the other side. I would prefer to see the Americans throw down their tariff wall; that would be more important than the difference in the cost of production.

Q. If that condition prevailed would you be able to dispense with oriental labour; that is if you were put on the same footing as American lumbermen?—A. If we had white people here to fill their places, no doubt it would have a tendency in that direction.

As to the export business, we have shipped a few cargoes from here. At the present time we employ 266 men in the mill, shingle mill, factory, steamboats and logging camps, and in the machine shop and sash and door factory, 180 white, 57 Chinese and 29 Japanese. We find white men more adapted for the work in the woods. Chinese and Japanese have never been employed in the mills in what you call skilled labour, except as shingle sawyers and packers. We employ Chinese in packing shingles exclusively.

Henry Depencier, manager of the Northern Pacific Lumber Company, situated at Barnet, nine miles up the Inlet from Vancouver, says: We employ 91 men at present, of whom 45 are white and 46 Japanese. We do not employ Chinese; we never employed them. I think two good white men will do as much work in a day as three Japanese will do. I prefer the white men. I have been engaged in business 34 years, formerly in the Ottawa Valley.

We have shipped two vessel loads to Australia, and we have shipped some lumber to Ontario and some to Quebec; they come to us for lumber they cannot get there. I am manager for the MacLaren Ross Lumber Company on the Fraser River. It has a capacity of 150,000 feet a day. It only ran for a few months and put out a few cargoes. It was shut down because the market was not good, and they thought they could not run it profitably.

Q. Not even with Chinese or Japanese labour?—A. I don't think they could at all.

Q. It was not the labour question at all?—A. Not at all.

J. A. Sayward, of the Sayward Lumber Mills, Victoria, says: Our market is principally local. We have exported lumber to Australia, China, Japan, Great Britain and Scandinavia. We are in competition with the United States in all the places I have mentioned. We have not continued shipping, because we have enough trade at home.

Andrew Haslam, Mill owner of Nanaimo, says: If no more Chinese or Japanese were permitted to come in I do not think it would cause any injury to my own business individually; as I am situated now it would not cause me any injury I think. If I had to go into the foreign trade and had to compete with the low wages of other countries it might hamper me. I think we have enough of Chinese here now. As far as my knowledge goes as to other industries in the province, I think they could get all the labour they required for any length of time, but they will be better able to speak for themselves; but the largest exporter of lumber I find is not in favour of allowing any more of the Chinese to come in. There is enough here to supply all demands for some time to come. I think I am in touch with the other lumbermen in the country. I think I know the conditions under which they do their business. I do not think it can be considered a profitable business at the present time; there is no particular reason but the dullness of trade. I have tried to make clear what reasons I have; the increased cost of everything that comes into the production of lumber, and apart from that is the excessively high freights. Freights from British Columbia to any foreign port are very high, and in addition to the general high freights there is a specific charge made on lumber from every part of British Columbia of sixty cents per thousand feet of lumber, giving the Puget Sound men an advantage to that extent. The ship owners contend that the harbour dues and the pilotage and customs dues are higher in British Columbia than they are on Puget Sound, and that it is worth sixty cents per thousand to make the freights equal to the ship owners. They have a large field of their own for lumber; they have a large number of vessels of their own, and a great many of the charters are made through San Francisco people, and I have understood and I believe it is a fact that our dues are higher, and to start with, we must pay sixty cents more per

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thousand in order to get a vessel at all. Apparently the shippers on Puget Sound control the shipping at present. There is an attempt to blame the people of British Columbia that the charges are higher than on Puget Sound. There is a great deal of lumber at the present time cannot be shipped at all, owing to the excessive freight rates.

If all the mills employed exclusively white labour at the present rate of wages I do not believe there would be a cargo shipped out of British Columbia profitably in a year. With a foreign trade, where you are competing with the lumber and the cheap competition of other countries, of course you are governed by the cost in those countries. If we are allowed an open market to purchase our supplies it would be even more effective than a duty upon American lumber. If they allowed me to have the articles in free of duty I will guarantee to employ nobody but white men about my mill and in my camp.

John V. Cook says: I was tally man and inspector in the Hastings Mill, of which Mr. Alexander is manager, up to last Saturday. Have been thirty years in the lumber business, eleven years in this country and prior thereto in the province of Quebec. I have worked seven years at the Hastings Mill. The Japanese have increased at the Hastings Mill. The Chinese and Japanese take the place of white labour. There would be sufficient white labour to replace the Japanese and Chinese. I judge this from the amount of white labour I see applying at the Hastings Mill and refused. I have seen as many as ten or fifteen a day apply, and some days only one or two for common labour, more especially during the last eighteen months, but more or less all the time I was there. The last two or three days before I left they applied to the mill foreman. There are a great many white labourers unemployed.

I favour further restriction of the Chinese and Japanese. My idea is the Japanese are more dangerous to the white man than Chinese in the lumber business. I don't think the \$100 prevents the Chinese from coming in very much. I would exclude more coming in of the working class, because I think we have enough white labour to do the work they are doing. If we had not enough I would still exclude them. I would try to get white labour from other countries. I don't think they are a benefit to the country. I would not like to see the Japanese and Chinese mix with the whites. As far as I can see it is not true that mills cannot run without cheap labour. I think the mills can run altogether with white people. You can employ Japanese at \$1 and whites at \$1.50 a day. I think sufficient whites at \$1.50 could be employed and the difference in work would compensate a great deal. Two whites will do as much as three Japanese, or perhaps four, in handling lumber. I have heard it said that if they did not employ Japanese, and they left the country, the whites would get saucy and go on strike, or something of that kind; that is what some of the mill men told me. I had nothing to do with engaging the men. They came to me first; I was tally man and handy to men coming into the mill, and I sent them on to the foreman. There seems to be a good many idle men. For two months in the summer not so many come for a job.

I was in the mill business on my own account in the province of Quebec. I had a large experience. I paid from \$1 to \$1.10 a day.

From what I can figure out, from their own admissions, they must have considerable of a profit: I refer to the statement of Mr. Alexander. I read the account that Mr. Alexander gave us to the cost of logs got out for the Hastings Mill: that amounted to \$6.25 a thousand. Then Mr. Alexander went on to show, to figure up the cost of production, and the whole amounted to something like \$7.80 a thousand. He figured that the margin between \$6.25 and that was very small, but he forgot to say he would get 25 cents a thousand from the government rebate. I know that up to the first of the year they got a rebate of 25 cents a thousand from the government. Some say they get it now, and some say they do not. That is what I understand. I simply take Mr. Alexander's figures, what he is reported to have said, and draw my conclusions from that. At the same time, when he read from a letter to the Commission something about \$7.80 being offered by some firm on the other side for a cargo of lumber, he forgot to tell you that that was for the cheapest kind of lumber in the cargo, and at the same time there would be a large quantity shipped in that cargo that would bring over \$20 a thousand. They would be well paid for sawing, that is, with a rebate. He figured that the logs cost him \$6.25, now you can figure it out for yourself; it is a very



easy calculation. That would leave a margin of \$1.80 on that particular class of lumber, which is the lowest class of merchantable lumber. Now, the selected lumber he would get a much higher price for, and there is a quality of lumber that is superior to what is called 'selected lumber,' and he would get a still higher price for that. I am figuring on what you would get for the lowest class of lumber; the margin on that would be as I say, \$1.80. As to the cost of cutting the log into lumber, I would say it costs about \$1.10 from the time you take the logs into the mill and have it cut into lumber and put on board the ship; that would leave a margin of profit on the lowest class of lumber of 70 cents a thousand feet; that would be the profit on the lowest class of lumber put out by the Hastings mill. In vessels loading at the Mills I understand the captain makes a bargain with the stevedores for loading and he pays for the loading. The lumber is supposed to be taken on the wharf; it goes right out of the mill on to the wharf. If there is no vessel there to load, the lumber is piled on the wharf. They ship merchantable, select, and clear lumber—three classes of lumber. Merchantable is sound rough lumber, sound knots; in merchantable lumber some few knots are allowed and perhaps a little sap and a little waney. In select lumber but very few knots are allowed, and no sap is allowed and no waney. Clear lumber is lumber that has no knots and is not affected by sap in any way. They ship lumber from 16 to 40 feet in length, sometimes under. They would not ship as short as 6 feet. They would not ship much short lumber in a year, that is for the foreign trade. There might be a hundred thousand feet of lumber shipped, in lengths of from 6 to 8 feet, and then there would be quite a quantity shipped in lengths of from 12 to 15 feet; most ships take a good deal of that. The most of the lumber shipped would be merchantable lumber, the next would be select lumber, and the smallest quantity would be clear lumber, and the prices would go up accordingly. I should say there would be \$8 a thousand difference between merchantable and select lumber. I have allowed quite enough in \$1.10 for labour and cutting; I did not figure on the cost of machinery separately. The proportion for repairs would be so small I did not figure on that. There is a proportion to be charged for wear and tear of the machinery, and so on, but in the working of a large mill like the Hastings Mill that proportion is very small.

As to interest on the money invested, the \$1.10 ought to cover all that, and there is the cost of office work and management so-called, all that has to be taken into account to get at the cost of production of the lumber ready for shipment. The Company get their logs as cheap as any other Company, they run camps of their own, they run their own stores, have their own tow boats, and everything else. I made out the price of the outside prices given by Mr. Alexander. I think they can be taken as very outside figures at that; that is, they are working figures, no mistake about that. There is towage to be added perhaps. They have insurance. I think 70 cents is too much to cover incidentals in what we call rough lumber. He figures, if he did not employ Japanese, on an increase in the sawing of his lumber of 70 cents, I cannot see how he can possibly make that out. He admits he employs 93 Japanese at an average of \$1. Another mill man has admitted that two white men do as much as three Japanese on an average. We will replace those 93 Japanese with 70 white men at \$1.50 a day, the amount would be \$105. The difference between 93 Japanese at \$1 and the 70 white men at \$1.50 a day would be \$12. The mill turns out 140,000 feet a day, so my figuring out is, if he employs white men he would only raise the cost at the outside, 10 cents a thousand feet. There should be no off days. That would include accidents that are not paid for by the insurance. The mill was idle by reason of fire once for nine months.

As to the lowest grade of lumber, I know what the others are sold for, I know of another cargo of lumber where the average price was \$8.50 for 16 to 24 feet lengths of rough lumber. I do not wish to give you anything but what you can rely on. From 16 to 32 feet, \$8.75, from 33 to 40 feet \$9.25, that was all merchantable lumber. Select lumber in that cargo was \$12. There was no clear lumber in that. That was in the month of March last month. That is not hearsay, I saw the figures. That was the Moodyville Sawmill Company, I tallied the ship. It was for the foreign market and was shipped on board the vessel. The price of lumber does not vary very much in the local market, it may vary a good deal in the foreign market. I have not seen the prices of



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any other cargo. I tallied the ship in the month of March. I cannot give you the name of the ship just now. I expect to work at some of the mills again, and perhaps if I get too particular I will not get a job.

Q. What was the name of the ship?—A. The *Tregethoff* I think. The cargo was for South America.

I did not quit the mill of my own accord. I had some misunderstanding with the mill foreman, not with regard to wages or with regard to this matter.

Q. Although you tallied the quantities of lumber put on the ship, how did you know the prices?—A. I saw the prices after I tallied the ship. I made up a statement in the book. The prices are put down in the book, and the quantities multiplied by the prices, the whole was carried out in the book. I have that book in my possession all the time. The bookkeeper puts the prices in these.

I worked myself in the Royal City Mill eleven years ago, trucking around the yard, piling lumber, trimming, and all kinds of roustabout work, and I got \$47 a month.

Q. The prices you gave for the cargo shipped on the *Tregethoff*, was that free on board?—A. I do not know anything about that. I gave you the prices as I got them from the bookkeeper. I do not know whether the mill had to pay for the loading or not. The cost of loading comes out of the freight; as a rule the loading comes out of the freight.

Q. What percentage is culled?—A. We do not send culls to the yard, but we make fire wood out of the culls.

Q. What percentage out of the 140,000 feet would be culls?—A. Very small; we are not supposed to put culls in that. Were we to put in the culls it would make a great difference. The log measurement or the measurement as it comes from the saw would tally about 160,000 feet; 140,000 feet of that would be what we could sell as sawn lumber of different grades and qualities; sometimes there would be 20,000 feet to go to the wood pile and sometimes less. I cannot very well say the percentage. Five per cent of the 140,000 would be 7,000; well, perhaps that would be a fair estimate. The price of culls is from \$3 to \$4 a thousand. They cut the culls into firewood and sell the firewood at \$1 a cord. I do not think the mill men are speaking by the truth.

*To Mr. Cassidy:*

Q. And so you do not believe Mr. Alexander's evidence?—A. I think he gave it in his own favour. I do not say Mr. Alexander lied by any means.

CHAIRMAN—Mr. Alexander did not favour us with any information as to what he sold at.

A. Mr. Alexander puts it in the best light that he possibly could for the lumber interest; he said they were not able to get along without employing a certain amount of cheap labour in the mill—oriental labour. My idea is that we can do very well without the oriental labour, and make a good profit at the same time.

Mr. CASSIDY—Your idea was Mr. Alexander was wrong?—A. Yes.

Q. And that he did not know his own business, and that he was coming here and was telling us something that was not so?—A. Will you please be good enough not to put words into my mouth; my idea is we can get along very well without oriental labour.

Q. Would you like to put it, he came here and was disingenuous and did not know his own business?—A. What I say is, you have the figures, and figuring in the way I have done, which is plain I think to you, we could do without oriental labour.

I have never tried running a mill of my own in this country; I had nothing to do with the management of the business at the Hastings Mill.

Q. Do you mean to say you made a calculation of the whole cargo?—A. That was a very easy thing to do; there were so many thousand feet of 16 to 24 at such a price, so many thousand at 26 to 32 at such another price, and so many thousand feet at 33 to 40 at such a higher price.

Q. And you made a calculation as to what was the whole amount?—A. I simply put the figures in the book as I was instructed to do. I did not do any more than I was obliged to.

Q. You did not actually calculate what the price of the whole cargo was?—A. No.

Q. The price of different kinds of lumber vary a good deal, and the value of the cargo will vary a good deal according to the kind of lumber that it is composed of?—A. Certainly; part of the cargo generally sells a little higher than the merchantable lumber. If it is cut to particular sizes it will sell a little higher than a general cargo would.

I had a copy of the order; the bookkeeper gave me a copy of the order; the prices were not on it; the prices were put on by the bookkeeper, and I had to make up a statement that the different qualities of lumber were taken into the ship. There were certain sizes in the specifications; when I would fill a certain size I put it into the book until the whole shipment was completed.

I do not know whether there was any discount; I should judge there would be. If I read Mr. Alexander's evidence aright, in the \$7.80 there would be a discount of  $2\frac{1}{2}$  per cent and  $2\frac{1}{2}$  per cent. So I suppose the same thing would be carried out over there.

In the Hastings Mill the Japanese run the wood-saws. In the old mill there was not a Japanese upstairs outside the stampers, unless a shortage of white men. In the new mill a certain number of Japanese are employed. There used to be five white markers, now there are three Japanese markers. The Japanese can with experience run the big saw. I think in time they will employ them in higher positions. The Japanese instead of boys, being employes, our young men have not got the chance to learn. In the east boys are taken into the mill; they start in as boys and become engineers, foremen, sawyers and the like. In father's mills the boys started at wheeling sawdust and worked up. The Japanese tend to prevent that class of labour from coming in to the coast. I have advised them not to come. I have written to at least a dozen in the last two years not to come, because Chinese and Japanese are here.

There is no lull in the industry except that they could not get ships. I think they make a profit. They may sell a little cheaper than local mills. I think the additional trade, if whites were employed, would compensate for all loss. There is no benefit to me by my evidence rather the contrary. I will take my chances. These people do not compete with me. I have eleven children, seven boys. I think the outlook is gloomy for my boys. I have no ill-feeling against these companies. I suppose you may say I was dismissed last Monday.

I think they can do without Japanese labour. I am in a position to judge. I don't merely think; I am sure I can replace 93 Japanese with 70 white men. If he gives me two days I will put up security that I will get 70 white men at \$1.50 a day to do the work of 93 Japanese. I tally; I see that the orders are filled, and that it is properly graded. Mr. Alexander's offer that he mentioned was a very cheap offer.

The Japanese have not families. They rent a house, and a whole lot of them live together.

I think the logs do not cost any more today on account of using a different scale than when they paid less for the logs. The price of lumber to-day is higher than formerly in the local market. I have seen rough lumber sold at \$6 and \$6.50, now it is \$9 per thousand. Dressed lumber sells for all prices, the cheapest is \$10 to \$12 up to \$20 and \$22.50. Forty per cent goes to the ship, sixty per cent goes to the yard. Sixty per cent of the sixty per cent goes to the interior. The whole of this is finished lumber that goes to the interior. The remaining forty per cent of the sixty is not finished.

It was a private dispute between the foreman and myself that caused my dismissal.

Robert James Skinner, Timber Inspector for the province of British Columbia, says: I think the occasion of the depression that took place in the lumber industry in 1891 was the first thing that reduced the rates of wages for the production of bolts and things of that sort; not so much the depression in the country, as the fact that the foreign market for our products dropped away to a very low rate.

Q. Does the foreign market control the prices in the local market?—A. In a way, yes. When the foreign market is good the effect is to raise the value of the logs in the hands of the different logging companies. It creates a demand for them, and therefore

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the prices raise. The mills here then have to pay for the logs. Of course, increased demand creates better prices, and as the lumber put on board ship represents a great deal of labour, it is spreading a great deal more money through the industry generally. With foreign competition lumber has to be put on board the ship at a low rate.

I do not know of a single mill that is making money. They cannot compete I think with Puget Sound Mills and Baltic Mills with that cheap labour. The shipping of Baltic timber affects the market in Australia, South Africa and Europe. I think the labour conditions in the Baltic have something to do with it, and freight rates also.

The chief market for British Columbia lumber is Great Britain I think, and Australia comes next. Probably from one-sixth to one-fifth of our total export is to China. It has not improved lately. It was improving up to the time of the present disturbance over there. The Japanese trade is not much yet. I think the possibilities for the lumber trade in China would be very favourable as soon as peace is declared. To China I think the proportion of planed lumber is small.

I do not think the mills with their present business can exist, can live, if they are put to any further expense in the cost of manufacture. I am in favour of the exclusion of Chinese and Japanese personally. From an individual point of view I am of opinion that it would be the best thing for the country, and now is the best time I think to introduce it; I mean total prohibition, for both Chinese and Japanese. I am not prepared to say that is the best move for the general prosperity of the country, but that is my opinion. At the same time I want to say there are people of our own race in the country to do that work, the work the Chinese and Japanese do, and there are people from European countries who would do that work, who will ultimately become British subjects and good citizens of our country. The contingency of the industries closing down by being compelled to employ white labour is too remote to be considered here. To exclude the Japanese and Chinese altogether I judge would be the best thing for the province. Matters would soon adjust themselves to the new condition of things. I think it would be a great pity to go so far as to close the industries down; it would be a dangerous risk, but as I say, that contingency is a very remote one. There are two sides to the question. The whole question resolves itself I think as to the difference between employer and employee as to the rate of wages to be paid. It is largely a wage question.

I do not see how in doing the lumber business the price of wages, or rather the price of work is going up, unless at the same time you can induce people in other parts of the world to pay you more for your lumber. There has been a great change in the market abroad within the last eight or ten years. You will remember there was a great financial panic in Australia, and that business to the extent of something like one hundred and twenty million pounds sterling failed. That acted on our industries here very severely and we have not yet recovered from that. Logs are higher than they were in 1891 and 1892; the facilities for putting the logs in the water are not so many as they were then. I think the difference between the price of logs and the price of lumber is narrower now than it was then.

Ever since March, 1888, rebates on the royalty have been allowed. Last session the rebates were removed; that is the condition of affairs now; rebates are not payable on exported lumber since the 1st of January, this year. The rebate was one-half of the royalty paid, providing the timber had been shipped beyond the limits of the province. It was intended to encourage the export trade, granted by the legislature in Victoria.

## AMERICAN EVIDENCE.

W. Sherman, of the Bellingham Bay Improvement Company, Washington, stated: We employ about 350 men: no Chinese or Japanese. We export lumber to South America, Australia, Hong Kong and Japan, and also ship to San Francisco, and east of the Rockies. The average wage paid to unskilled labour is from \$1.75 to \$3 per day, and to skilled labour up to \$4 a day; average \$2.50 to \$3.75. There is no difficulty in getting labour. We buy our logs. There are no Chinese or Japanese employed on the Bellingham Bay and British Columbia Railway.



A. S. Martin, secretary of the Puget Sound Sawmill and Shingle Company, Fairhaven, Washington, says: Our principal product is dressed lumber; our market the middle states; none sold in Canada. We employ 265 hands. We get out our own logs. We have 110 employed in logging camps. We never employed Chinese or Japanese. Chinese and Japanese are not generally employed on Puget Sound, only at one mill, at Port Blakeley.

Minimum wages for unskilled labour is \$1.50 per diem; there are only about ten men working here for that wage. At present \$2 is our minimum. Wages run up to \$5 and \$6; average \$3.33 $\frac{1}{3}$  per diem. The lumber mills at Puget Sound exporting are: the St. Paul and Tacoma Lumber Company, of Tacoma; the Port Blakeley Mill Company; Pope & Talbot, of Port Gamble; Bellingham Bay Company; the Tacoma Mill Company, of Tacoma. These mills practically do all the export business. They export principally rough lumber.

The sentiment here is opposed to both Chinese and Japanese. If the matter were put to a popular vote, not a Chinaman or Japanese would be allowed in town. There are no Japanese here. There are not fifty Chinese in the county outside the canneries.

Mr. Stetson, a partner in the Stetson and Post Mill Company of Seattle, who is engaged in the lumber business in that city, says: We employ altogether 125 men; we get all the men we want; we employ no Chinese or Japanese, and have not employed them within the last 15 years.

The average wage paid is \$2 a day for unskilled labour; it ranges from \$1.75 to \$2.25 and \$2.50. Sawyers are paid from \$3.50 to \$4 a day.

The question of the abrogation of the Exclusion Law never comes up. The question is settled. We were in business here when the Exclusion Law came into force. No industry has ceased because of it that I know, but I can hardly answer the question off-hand, because the law has been in force, and its action has passed out of recollection. I do not remember it having any effect. I know of no desire on the part of business men or on the part of men having capital invested in different industries to abrogate the law so far as regards the Chinese. Our chief market is at home; we do not export a great deal of lumber to foreign markets.

The Port Blakeley Company, I understand, employ a great number of Japanese in and about their mill. I have a natural preference for our own people. We buy all our machinery here in the city.

William H. Perry, assistant general manager of Moran Brothers, Seattle, said: We operate a sawmill in connection with our plant, and employ about one hundred men in our lumbering department. We do not now and never have employed either Chinese or Japanese. Our trade is principally local.

We pay a minimum wage of \$2 a day. Men who operate the planers are to a certain degree skilled labour; we pay them \$2.25, \$2.50 and \$2.75 a day. Neither Chinese nor Japanese labour is employed in the lumber mills in the city of Seattle or in the neighbourhood to my knowledge. We find we have to compete, however, with mills where they do employ Chinese and Japanese labour, at Port Blakely, twelve miles across the Sound—the largest mill on the west coast.

Q. Is there any desire among what may be called the capitalistic interest to abrogate the Exclusion Law?—A. I think they are satisfied with it and desire it to continue.

The employing class in this district are in favour of Chinese exclusion as a rule, although there are some small sections where they might favour the Chinese, where they think they require low-priced labour, some men who think they might get along better with low-priced labour, but I think the number is very small.

The feeling in the city and in the state is overwhelmingly in favour of the exclusion of the Chinese. They are not considered a desirable element in the community, for the reason that they do not and will not assimilate with us, and I do not think it would be desirable if they would assimilate. They do not take any interest whatever in our laws or institutions.

If you had to choose between an immigration of the one or the other, I would prefer the Chinese, that is if it was immigration of the better class of Chinese; but



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taking the class of the two races that come here, I would prefer the Japanese; we find them inclined to follow our methods and customs, and become good citizens, and take an interest in our affairs, and as a rule they are law-abiding. We find that the Japanese whom we have here, try to build up trade relations between this country and their own. The same objection applies to the labouring class of the Japanese that applies to the labouring class of the Chinese. We have not had many Japanese labourers in the city, and I do not know much about them. The Exclusion Act was in 1894; the high tax was in 1884; the last Act became law in 1894. I do not believe it was felt. I do not believe it was noticed. I do not believe that one per cent of our business community knew when it became effective. Of course there had been years of preparation for it—a high head tax. The suggestion was then made that total exclusion would come in time.

Theodore Ludgate, lumberman, of Seattle, says: I have been engaged in the lumbering business here about a year. I came from Peterborough, Ontario. I employ 140 men in my mill, exclusive of teamsters; in all from 150 to 155. I buy my logs in the open market. I do not employ either Chinese or Japanese. The lowest wage we pay is \$1.75 a day to roustabouts, men who are here to day and are to be found some place else next week. We pay \$2 a day to a great many; \$1.75 a day is our cheapest labour, and it runs from that up to \$5 a day. The filers get \$5 a day, the planer foremen get \$3.50 a day, and planer feeders \$2.50 a day.

Q. Do any of the mills with whom you come into competition employ either Chinese or Japanese labour?—A. Not in the city or its neighbourhood; the only mill employing Japanese is the Port Blakely Mill, nine or ten miles across the Sound from here. Their trade is very largely, if not almost entirely, foreign. We export very little. Our trade is chiefly local.

It was my intention at one time to locate on the Canadian side and to employ white labour exclusively. In fact, in order to get at work up there, and get the position we wanted for our lumbering, we offered to give a bond that we would not employ either Chinese or Japanese, either in the mill or outside the mill, in our business. I was quite willing to go into competition with the lumber mills already established there and employ white labour altogether. I inquired into the condition of the lumbering industry there, spent a good deal of time looking it over, and I was satisfied I could carry on lumbering there without employing either Chinese or Japanese. As I said, I spent a good deal of time in inquiring into the condition of trade, as to the procuring of logs, as to the price of machinery and the cost of labour, and I came to the conclusion I could carry on the lumber business there profitably, employing exclusively white labour. If I were building a mill there to-day I would not be afraid to employ all white men and come into competition with the mills where they employ Japanese and Chinese. That is how I regard white labour; that it is the best, and in the end comes the cheapest.

The Chinese and Japanese are not desired here at all. I think if the conditions here were as extreme as they are on the Pacific coast of British Columbia to-day, there would soon be a remedy applied, and these people would be shut out, and white people as citizens of the country would have the protection that they ought to have. Public sentiment only requires to be awakened up to have this thing rectified. There is everything in favour of the lumbering industry being carried on in British Columbia profitably without the aid of Chinese or Japanese.

I do not want to go into much conflict with the people engaged in the lumbering industry up there. Of course, not having carried on operations there, it is possible there might be some obstacle that would be experienced that to a man who had no experience in active operations on the ground would not at first be apparent, but apart from that I am perfectly satisfied if I had a good mill up there to-morrow, I would not be afraid to compete with those already in the business in British Columbia. Lots of mills are being run to-day by labour of the Chinese and Japanese, which is supposed to be cheap labour—and I question if it is cheap labour—that should be run by steam. Some of the mills have been equipped with machinery in years past and modern machinery has got ahead of them. I would not be afraid to go there and equip a mill

with up-to-date machinery and make a profit, and a good profit, out of lumbering operations, and in operating employ only white labour, and pay them good wages. I am a British subject.

I have seen all the mills up there; I have been through most of them. The Hastings Mill was in process of construction last time I saw it. The Brunette sawmill in New Westminster is a fairly good mill. Prior to the fire in the Hastings Mill I thought the Chemainus the best mill in British Columbia.

Q. Most of the mills up there are in pretty fair shape to do work?—A. I do not think they are.

We have done a little export business right along; as soon as we get rightly into shape we can do a good deal more. We find it very good. I am speaking of the export business to Hong Kong and Japan. Vessels are coming here all the time, and another steamship company are going to build docks just outside of here. They are calling for tenders for construction just now.

We pay from \$4 to \$7 a thousand feet for logs; \$6 would be a fair average for a good run of logs per thousand. Spruce costs from \$6 to \$6.50.

The mill owners in the city are associated together for mutual protection and benefit; that is for the local trade. Rough lumber is sold at an extremely low price, to compete with mills outside, who only manufacture rough lumber. We sell our rough lumber along with our better class lumber, and thus we are able to even up in the local trade. We would not sell rough lumber at association price unless the buyer agreed to take something else with it. We are engaged in the shingle business in a small way for local trade. Our capacity is forty millions. We are now making about fifteen millions. The shingle market is in good shape. Our market is Seattle and its neighbourhood; we do not ship into Canada. I do not know of other mills who do. They are busy enough endeavouring to supply local trade the same as ourselves. We do not fear competition with British Columbia because of the duty. It may be lumber can be manufactured cheaper here to-day than in British Columbia, for the simple reason that living is cheaper over here, and I think that first-class mill machinery is a little cheaper here than in British Columbia. The cost of labour is a little less. A man can get logs cheaper at the mills here. The loggers here are more continually occupied than in British Columbia: they go into it more extensively.

The Government here does not collect stumpage dues as in British Columbia. The Government here sell the land, timber and all. I think the stumpage tax is higher in Canada than the land tax is here.

We have an extensive market here. There is a great amount of rough lumber sent east. The market is improving in Japan for good lumber, but not much to speak of. \* \* Neither Chinese or Japanese cooks are employed in the lumber camps, nor in getting out logs or shingle bolts, or about the shingle mills. They cannot work with those fellows at all. Wages are not controlled by the union; they are controlled by the demand. I have found white labour reliable and I have always found all the labour I wanted.

The fact that this is the starting point for the North-west keeps labour well supplied here, but the men do not settle here; they are generally looking for something better.

In Seattle there is generally a good demand for labour, but we have generally been able to get all the white labour we want without difficulty. There is very little agitation against the Japanese here, because they are not employed in the mills, except in one case that I know of.

Q. Can you compare the difference in the cost of machinery here and in British Columbia?—A. American machinery of course would cost more laid down there, than if it was laid down on this side.

Q. Is the Canadian machinery suitable for the lumbering here, the machinery manufactured in the east?—A. Yes, I do not see why a man could not use Canadian machinery for manufacturing lumber. I have not compared the cost, but I think that a good deal of the machinery there would compare favourably in cost with the machinery here.

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Q. Do you know the difference in the price of machinery such as you have in the mill here, and the same machinery on the other side?—A. Well, I was greatly interested and made careful inquiries there a couple of years ago, so as to ascertain the difference, if any, in the cost of machinery for a mill between the Canadian manufacturer and the United States manufacturer, and I came to the conclusion that it was practically nothing. For heavy boilers and engines and heavy machinery for working in the mill I think the difference is practically nothing between the Canadian manufacturer and the American manufacturer. At the same time, I think there is a large amount of American machinery going into British Columbia, but that may be accounted for by the fact that the manufacturers here are turning out a large quantity of mill and other machinery, and that certain parts of mill machinery are manufactured almost exclusively by certain firms, and the workmen get more expert, and the machinery turned out by these firms is supposed to be better than that to be obtained in the open market. There are large factories making one thing, making one machine, and their energy is being directed to the improvement of that. They turn out a better machine than the manufacturer who is engaged in general machinery work. Then they have a large market and they can afford to sell their products much cheaper.

I should say that common white labour is higher in British Columbia than here; a labouring man can buy more for a dollar here than he can in British Columbia. All I do know is, that when I tried to go to work there I could get all the men we wanted at \$2 a day; here we pay \$1.75 a day. We were then in good shape to get all the men we wanted for \$2 a day.

Q. What is the price of lumber in Hong Kong?—A. We sell it f.o.b. here or delivered at the vessel's side.

Q. Are you at liberty to state what it is worth here?—A. Nine dollars and fifty cents for ordinary common lumber and for flooring \$16 or \$17 a thousand; that is for green dressed flooring \$16 or \$17 a thousand.

From the report of the Chamber of Commerce of Seattle for the year 1901 it is stated that the cargo shipments of lumber from the State of Washington in the year 1901 aggregated 492,765,000 feet and rail shipments 284,280,000 feet.

The lumber cut of the State of Oregon is over 500,000,000 feet.

## SUMMARY.

The export of lumber last year from British Columbia to foreign countries was over 84,000,000 feet; of this, three mills—the Chemainus, Hastings and Port Moody—exported about 97 per cent.

The Chemainus, which exported 38,000,000 feet, employ 186 whites, 74 Chinamen and 86 Japanese. The Chinese have only been employed, except as cooks, within the last eighteen months. The manager says: We have doubled the capacity of our mill. I would prefer to pay double the price for white men. We use no Chinese or Japanese in the woods, except for grading and carrying wood and water. If I had my way I would have Norwegians and Swedes with big families. I am in favour of an exclusion act. We have enough of them here.

The Hastings Mill exported 24,000,000 feet. They employ 512 men, of whom 93 are Japanese and 10 Chinese. The Chinese are employed exclusively as cooks. The general manager of this large concern thought harassing enactments a mistake, and as to the Japanese the arrangement should be by treaty, and added: I don't approve of them as citizens. There is no chance of their becoming citizens. This applies to both Japanese and Chinese. If they were excluded, wages would not increase immediately. It might have that effect.

The Moodyville Mill export about 20,000,000 feet and employ 110 men, of whom only 10 are Chinese and 40 Japanese. Of the Chinese, five are employed as cooks and five on contract work at so much a thousand, running a machine for pickets and staves. So that none at this mill are employed in the export trade.

The North Pacific Lumber Company employ 91 men, of whom 45 are whites and 46 Japanese. No Chinese are employed.

So that the only exporting mill that employs Chinese, except as cooks, is opposed to their immigration: the others do not employ them except in the limited way above mentioned, and are, therefore, not deeply concerned in the question so far as their exporting trade is concerned.

The largest exporter stated that the lack of white labour here will only be remedied by the exclusion of the Chinese, when the change will take place gradually; white people will then move in with their families until we would soon have sufficient white labour in the country to answer all demands. We agree with this view.

The wages in British Columbia for unskilled white labour varies from \$35 to \$45 a month. On the American side for the same class of labour, white labour commands from \$1.75 to \$2 per day. In most cases, so far as our inquiry went, \$2 was the regular wage for permanent hands. This applies exclusively to unskilled labour; so that our investigation would seem to show that so far as this particular element entering into the cost of production is concerned, the advantage seems to be with the Canadian mills. Upon the other hand there is undoubtedly a better supply of white labour on the American side.

The cost of logs seems to be about the same. Most mills on the American side buy their logs. The large exporting mills on the Canadian side have lumber camps and get out their own logs. The cost of logs on the Canadian side we find to be \$6.25 a thousand at the mill. On the American side the average was stated to be from \$6 to \$6.50 per thousand.

The mill owners stated that pilotage and freight rates are slightly higher on the Canadian side; that most of the ships carrying lumber are owned on the American side, and charters are more difficult to obtain, and that they suffered under the further disadvantage that their machinery costs more, and that they are not protected in their home market; and that upon the whole the cost of all mill supplies, which in any case is limited in comparison with the wide American market, is greater than on the American side: and that under present conditions, cheap labour of some kind is necessary in order to enable them to carry on their business at a profit.

Chinese are not employed on the American side in any of the lumber mills, and Japanese are only employed in one mill, having been taken on about a year ago during the gold excitement at Nome, when a number of their men left.

It is clear from the evidence that so far as this branch of the industry is concerned it does not depend to any considerable extent even now upon this class of labour, and the exclusion of further Chinese immigration would not appreciably affect it.

(The question as to how far this industry is dependent on Japanese labour will be dealt with when treating of Japanese immigration.)



## CHAPTER XIII THE LUMBER INDUSTRY.

## LOCAL AND EASTERN TRADE.

The following list shows the principal mills engaged in the local and eastern trade, and the number of whites, Chinese and Japanese employed therein respectively :

Name of Mill.	Whites.	Chinese.	Japanese.
Sayward Mills, Victoria.....	60-70	30-40	0
Munsie Mills " ".....	10	17	0
" " in camp.....	25	0	0
Haslam Mills, Nanaimo.....	39	13	9
" " in camp.....	125	0	0
North Pacific, near Port Moody.....	45	0	46
Robertson & Hackett, Vancouver.....	80	0	20
Royal City, Vancouver.....	79	11	60
Brunette Mills, New Westminster.....	168	10	78
Royal City ".....	180	57	29
Shield's Mills, Kamloops.....	30	3	9
Yale-Columbia Mill Company (mills at Robson, Nacusp, Cascade, Roche Creek, Deadwood).....	200	+ 3-4	0
Hillyer's Mill, Nelson.....	40	0	0
Buchanan's Mills Kaslo.....	‡ 10-50	0	0

† As cooked. ‡ According to season.

The export mills already referred to produce a large amount of lumber, which comes in competition with the mills that supply the local and eastern trade, and there are a number of other mills throughout the province not included in the above list, but the above are sufficiently representative to fairly represent this trade.

Joseph A. Sayward, engaged in the lumbering business in Victoria, says : I employ from thirty to forty Chinese and from sixty to seventy white men. The Chinese are employed in carrying and piling lumber, and in the mill, as well as attending some of the machines. They are all ordinary labourers except one. I pay the Chinese from \$1 to \$1.50 a day ; white men \$2 up to \$4.50. I have employed Chinese for fifteen years. My father operated there for forty years before that, but we never employed Chinese up to that time. The reason for introducing Chinese was that it was impossible to get other labour. We formerly employed a good many natives, Indians, here, whom we paid from \$1.25 to \$1.50 a day. The Chinese took the place of the Indians, and in some cases the place of the white men. I prefer Indians to Chinese. The Indians go to the canneries. The difference in wages was not the cause of the change. The Chinese are good workers and reliable. I am in favour of restriction. I do not believe we should have any more Chinese coming into the country. I think what we have here is sufficient. I think the gradual change would cause no serious inconvenience. Speaking of my own trade, I would favour restriction. It would be to the general interests of the country. I think the Chinese are detrimental in every way, in their mode of living, and in keeping whites from coming in here. White labour could not exist under the same conditions. If we were paying \$2 a day to labourers we would be obliged to raise the price of lumber. Cheap labour is necessary at the present time ; if we had to employ white labour it would mean the closing of the mills. I would restrict this class of labour, because I think the business would naturally seek its own level. We would get the same labour as the Americans get to-day, which we are not getting at the present time, I mean Swedes. I do not know any reason why

we could not introduce such labour now. I think if I could get Swedes as they have on the other side I would be perfectly willing to allow the Chinese to step down and out. I would expect to pay them something more, because I could get a good deal more work out of them. I think I could get along with fewer men. As I said before, the Chinese are here and we have never been placed in a position to ask for that class of labour,—the Swedes. We naturally employed the Chinese and never asked for any other labour.

Q. Now, if they, the Americans, can get Swedes there, why isn't it possible for you to get the same class of labour here?—A. Owing to the fact that the Chinese are here.

Q. And the Swedes would not be disposed to come here under these conditions?—A. That is the idea. Labour has had a tendency to decline a little compared with ten years ago. I think the Swede would do half as much more, and in some cases twice as much, as the Chinaman. He is stronger and better adapted to the work. The Chinese would be employed moving timber about the yard. I think we would be able to pay the Swede from \$1.75 to \$2 a day. A white man with a family of three would be able to live respectably on \$1.75 a day. I rent cottages at \$4 a month at Spring Ridge; one at \$2.50 a month, that is a four roomed house. I should think from \$8 to \$10 a month a fair thing for a workingman's house. I think there are sufficient Swedes and Norwegians on the American side now to come in and take these positions. I think French Canadians would come here and work at \$1.75 a day.

William Munsie, of Victoria, lumberman, and engaged in the sealing business, says: I employ fourteen Chinese in the mill at from \$1.25 to \$1.75 a day, and three in the yard at from \$1 to \$1.25 a day. The cook gets \$30 or \$35 a month. I employ 10 white men in the mill and 25 in the camp. I pay the white men in camp from \$30 to \$125 a month with board; \$30 a month for ordinary labourers, and \$125 a month for foremen: intermediate wages \$40, \$50 and \$65 a month.

If no further Chinese were permitted to come in I do not think it would make any difference in our mill; I think it would naturally find its own level. It might be a temporary inconvenience. I prefer to exclude any further immigration. I do not like our country to be invaded with foreigners of the type of Chinese and Japanese. The white man with the present cost of living here could not live on the same wages that a Chinaman can. I would not like to see white men brought down to that level. There are different classes of labour we could get if no more Chinese came in,—Swedes, Norwegians and French Canadians. It would take some little time to get that class of labour; it would gradually find its level. I do not think there would be any difficulty. The change would take place gradually and matters would settle themselves, equalise themselves.

The class of white labour we have now is skilled. I would be willing at any time to exclude the Chinese and take our chances of getting white labour; it would right itself in time. It might inconvenience us a little temporarily, but in time it would regulate itself.

Q. Has there been a scarcity of labour in general for the last three or four years?—A. I do not think so. We have always been able to find labour. We should first of all protect our own people, give the labour to our own people, and when it comes to a time that there are not sufficient of our own people to meet the demands, then it is time to bring in foreign labour. I wish to restrict further immigration. As the country goes along and progresses there will be sufficient coming in here of our own people to meet all demands. I would consider the French Canadians coming here with their families much more desirable than the Japanese.

Andrew Haslam, lumberman, of Nanaimo, says: I employ 26 white men in my mill at an average rate of wages of from \$1.85 to \$4 per day, and 13 boys ranging from 62½c. to \$1.45 a day, averaging \$1; 13 Chinese from \$1 to \$1.25 a day, averaging \$1.04; 9 Japanese from \$1 to \$1.15, average \$1.02; that is at the mill and factory. In the logging camp I employ 125 men at from \$2.25 to \$4 a day, average \$2.78; one white boy at \$1.85 per day, and a Chinese cook and Chinese helper at \$1.75 and \$1.40 a day.

The total wages per month \$3,845 for white men, \$363 to Chinese and \$140 to Japanese. The men pay for board at the camp \$5 a week.

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I do not employ Chinese in the woods, they do not understand the work. I pay the white men more because they are worth more. I think the difference in wages indicates the difference in value; that is of course altogether depending on the work they are at.

I ran my mill for seventeen years with white labour exclusively, until nearly two years ago. The profits got so small we could not afford to pay white men on this outside work, that is work outside the machines. There is an increased expense in getting timber out of the woods, and an increased expense in everything that enters into the production of lumber. The price is somewhat less than four years ago. Everything entering into the production of lumber, machinery, food supplies, tools, everything that has entered into the production of the lumber has raised in price. Owing to the fact that American lumber comes in here free of duty, we can only raise our lumber to such a price as they cannot sell at. Our principal market is local, Nanaimo and the immediate vicinity. The Americans do not bring lumber into this town. They compete with other mills and those mills drop into a trade I would probably get if they were not here. If we were allowed an open market to purchase our supplies it would be even more effective than the duty on lumber. I have a list here showing the difference between us and Puget Sound. Horses 20 per cent higher in British Columbia than Puget Sound, wire rope 25 per cent higher, logging engines without additional freight 25 per cent, axes 25 per cent, saws 30 per cent, mattocks 50 per cent, shovels 35 per cent, cant-dogs 50 per cent, steel rails 30 per cent, additional freight \$2 a ton, locomotives 25 per cent, potatoes 30 per cent, butter 25 per cent, beef 35 per cent, pork, 35 per cent, flour 13 per cent, eggs 25 per cent, mill saws 32 per cent, planers with the duty and freight costs 30 per cent more, saws with freight and duty added costs 32 per cent more, these are mill saws. The first saws I mentioned were the saws for the woods. Then the general machinery used in the mill on an average I would say costs about 30 per cent over the price on Puget Sound. There is only one article we have as cheap here as there, that is the bull chain with which we haul the logs into the mill. We buy that in England; it is a heavy shop chain and it comes in here at 5 per cent duty.

Q. Is it the duty that makes the difference?—A. Well, I think there is the freight; of course that goes in the same direction. In the first place the wants of British Columbia are not large enough to justify the Canadian manufacturer building machinery especially for the timber that grows here. The general class of machinery that they make is not suited for the timber here.

Q. What is the remedy you propose?—A. Admitting those articles free of duty, or putting it on the lumber, but I think it would be the better remedy—the mills would be better satisfied—to have the articles come in free. If there was duty on American lumber it would not act so effectively I think as letting the articles I mentioned in free.

There is as much profit to the mill owner on Puget Sound at \$7 per thousand feet as we have here at \$10. The cost to the manufacturer of lumber over there, according to my own exact figures, is 27 per cent less than the manufacture here.

Q. Would that enable you to employ white men?—A. Yes; if they allowed me to have the articles in free of duty I will guarantee to employ nobody but white men about my mills or in my camp. I am certainly in favour of employing white men. My own idea leads me to that. I do not wish to employ either Chinese or Japanese if I can do without them. There is this in favour of the Chinese and Japanese, they are very reliable and they have done their work well; but on the other hand, when I employ white men the money they earn—the money I pay them—is spent in the country, and my business would be benefitted by more white people being here; the more white people, the more demand for labour; more money would be kept in circulation in the country as well.

From a higher standpoint I certainly consider it is in the interests of the country that it should be peopled with white people. The Orientals do not assume our customs or habits, nor the rights of citizenship, nor anything of that nature that I know of, not to any extent. If no more Chinese or Japanese of the coolie class were permitted to



come in, I do not think it would cause any injury to my own business individually. As I understand it now, it would not cause me any injury I think. I think there ought to be a restriction placed on them. Confining my opinion exclusively to my own trade, I think we have enough Chinese here now.

Q. What is your view as to any more coming in?—A. From my own individual requirements there are enough of the Chinese here now, and as far as my knowledge goes as to other industries in the province, I think they could get all the labour they required for any length of time, but they will be better able to speak for themselves; but the largest exporter of lumber I find is not in favour of allowing any more of the Chinese to come in. I say there is enough here now.

I should say thirty per cent of the lumber I manufacture is dressed lumber.

Henry Depencier, manager of the North Pacific Lumber Company, near Port Moody, says: We employ 91 men at present: of these 45 are white and 46 Japanese. We have only been started a few months. We do not employ Chinese. We never employed them at all. I am a Canadian, born in Ontario.

As to restriction, I prefer not to answer. The French Canadians who come here are much better men than the Japanese. We could afford to pay them fifty per cent more. They are not worth fifty per cent more at machine work, but at the ordinary work around the mill they are worth that much more than the Japanese.

James W. Hackett, of the firm of Robertson & Hackett, who employ eighty white men and twenty Japanese, and are engaged in the sash and door factory business, says: The whites are our customers. We sell very little to Japanese or Chinese. We tried to run our mill without Japanese. We found it was necessary to have a certain amount of cheap labour. We had to compete with others who had cheap labour, besides cheap white labour is very unsteady. You can get labour for \$1.50 a day, but they won't stay with you. If others had employed exclusively white, we would. We don't employ Chinese. They are not required for our business. I think there are more Chinamen in the country now than can be profitably employed. I observe a number who are not at work. I don't think the \$100 will keep the Chinese out if there is profitable employment for them. I have tried to keep clear of them. We had a white man wheeling saw-dust, and the rest of the men called out, 'That is a job for a Chinaman.' I don't want Chinese here. I have not a Chinese cook in the camp. We have a white man, and he is satisfactory. We pay him \$2 a day and his board. Our men are a very sober class of men.

(See further evidence of this witness in part relating to Japanese.)

Robert Charles Ferguson, manager of the Royal City Lumber Planing Mills, Vancouver, who employ 150 men, of whom 60 are Japanese and 11 Chinese, says: If no more Chinese and Japanese were admitted I would be satisfied for the present time, but I don't think we could do in the future. . . . I do not know whether I would favour restriction or not. It may be well to restrict for a time, but a man has to be governed by the wants of his business. The French Canadians who come here are all good and steady when they come out here. If we had them here they would be better than either the Chinese or the Japanese.

(See further evidence of this witness under part of the report relating to Japanese; and under chapter relating to shingle business, where the eleven Chinese above mentioned are exclusively employed.)

A. Lewis, manager of the Brunette Sawmill Company, New Westminster, that employs 168 white men, seventy-eight Japanese and 10 Chinese, says:

Q. Are you in favour of any restriction on the Chinese coming in?—A. I do not want to give an opinion on that because it does not concern me. I think I could get along without the Chinese. I am speaking from a mill standpoint. Of course, some Chinese are as important to other mills as the Japanese are to us.

(See further evidence of this witness relating to Japanese.)

Robert Jardine, the local manager of the Royal City Planing Mills at New Westminster, said: We turn out all kinds of lumber and shingles. Employ 266 men, of whom 180 are white men, 57 Chinese and 29 Japanese. Pay out \$160,000 in wages, of which 87 $\frac{3}{4}$  per cent is paid for white labour and 12 $\frac{1}{4}$  per cent to orientals. Chinese are



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paid from 85 to \$1.35, average \$1; Japanese, 85 cents to \$1.40 per day. White men are paid from \$35 to \$125 per month. Other wages are as follows:—

Filer, \$3.40 a day; sawyer, \$3.00; re-sawyer, \$3.50; edgerman, \$1.75; gang-saw, \$1.75; boom men, \$1.75 to \$2.00; machinists, \$3.50; apprentices, \$1.00; blacksmiths, \$2.50; helper, \$1.35; carpenters, \$3.00 to \$3.25.

The number of men above mentioned include those employed not only in the saw-mill and shingle mill factory, but also on the steamboats and in the logging camp. The number employed in and about the mill is 197, of which 109 are whites, 2 negroes, 57 Chinese, and 29 Japanese. The Japanese came in in 1897. Prior to that Chinese were used. In 1897 we had a number of white men employed that filled the positions now held by Japanese, and they left and went fishing, and we were compelled to get whatever labour we could; probably eight or ten left, and more gradually left. It is not the difference in wages, but the difficulty in getting men that we employ Japanese. We require cheap labour and the Chinese is the kind we have. We have to have cheap labour, or shut our business down, because two thirds of our cut is shipped east, to the North-west Territories, Manitoba, Ontario, Quebec and as far east as Halifax. If we had to employ all white labour at from \$35 to \$40 a month, it would amount to \$1,000 a month or over. We would have to pay 60 per cent more. We don't feel the competition so much in the local trade. We have a price list between the different owners. It is not always adhered to. I don't imagine that the Chinese that are here would die off so suddenly as to affect us very materially. The Chinese are very steady. If we get a good man we keep him. I see no reason to think we would not keep those still. I cannot say if further Chinese did not come, whether it would or would not affect our trade. We have got to have a certain amount of cheap labour; it does not matter what it is, whether Chinese or Japanese, under existing conditions. We only use 29 Japanese. I prefer whites. The Chinese do not adopt our mode of living. They learn some of the bad habits of white men. I don't think they are as beneficial to the country as white men. I suppose the employment of Chinese and Japanese, and that white labour has to compete with them, does keep white labour out to a certain extent. Possibly that class of labour could be induced to come from the east if orientals were left out. They have not been coming, and I don't expect they will while there is abundance of oriental labour.

Q. For a moment disassociate yourself from your business; do you see any means of inducing a large settlement of white people except by the exclusion of the orientals? —A. Well, I do not know. When the lumber business is quiet, you would be compelled either to shut down entirely or run half time, and of course we only pay our men for the hours they work. Under such a condition it would be very difficult for a white man to live working only half time.

Q. Does that arise from over-production?—A. It is the case of supply and demand. I have seen it here three or four years ago when lumber was selling for actual cost. I have seen lumber sold here at \$6.50 a thousand; that was at a loss.

Q. No cheap labour could save you from that condition of things?—A. No, but if we had all white labour the loss would have been much heavier. We would have been compelled to shut down entirely.

Our cannery business runs from \$30,000 to \$60,000 a year. Last year our total output was \$240,000.

We can't compete with any of the mills east in any lumber they can manufacture. We ship lumber they cannot get there. It is practically an order which cannot be filled in the east.

Logs are about the same price in the state of Washington as here, but all supplies used in the mills and the logging camps and provisions are very much cheaper over there; machinery, belting and everything in connection with the running of a sawmill is cheaper over there.

Q. Would it make much difference to you if everything that enters into the cost of production of lumber were admitted free?—A. I would prefer to see the Americans throw down their tariff wall, then we would like to sell to them over there. That would be more important than the difference in the cost of production.

(See further evidence of this witness referred to in shingle business.)

Alexander Shields, manager of the Kamloops sawmill, said they employed 42 men, of whom 30 were whites, 3 Chinese and 9 Japanese. Have employed Chinese and Japanese nine months; they work outside the mill. Prior to that they employed all whites. The average wages to whites is \$2.60, including office staff, Chinese \$1.12, Japanese \$1.10; excluding the office staff the average wages would be \$2.30. He says: We had some difficulty in keeping whites. We shut down for a while, and the men were then discharged, and when we started we brought in Japanese. The whites were not invited to come back.

The management is in favour of further restriction. I would restrict it so no more would come in. I think there are enough here.

In the logging camps we employ about one hundred men, all white. We prefer them. We would not have Japanese or Chinese. I think the Japanese are more desirable as a class than the Chinamen. I don't think any serious loss would result if no more came in. In the sawmill business it is necessary to have cheap labour. Our market is in the North-west and local. We come into competition with the coast mills. Our management would favour no more coming in.

John C. Billings, secretary of the Yale-Columbia Company, that have mills at Robson, Nakusp, Cascade, Roche Creek and Deadwood, and have places of business at Rossland, at the different mills, Greenwood and Phoenix, says: We employ two hundred men; all are white men except three or four Chinese as cooks in the camps and at the mills. The market is local, the C. P. R. principally, and the mines. The company don't desire any more orientals to come in. None of the other mills in this district employ Chinese. We have to compete with American lumber. Competition is very keen. I have no use whatever for the Chinamen. I think the Japanese are better men. The average wage of labourers is \$40 a month and board in camp, and piling lumber, or \$2.25 a day and board themselves. There is no trouble in getting men—fairly well supplied.

Charles Hillyer, of Nelson, employs forty men in and around the mill and sash and door factory. He says: All are white men—every man. I pay unskilled labour \$2.25 and \$2.50; skilled labour \$3, \$3.50 and \$4 a day. My market is local in shipping to the mines. I compete with the coast, Vancouver, Tacoma, Portland and Spokane. Competition is keen. The Chinese question affects me in this way: I have to pay men here—working men can't live here less than \$1.50 or \$2 a day, and with family \$2 to \$2.50. The unions are strong here, whereas my strongest competitor (mills at the coast) can get labour for two-thirds of what I am paying in the city of Nelson at the present time. I have one of my strongest competitors close to me, the Sayward Company of Victoria. They have a branch here. They do not employ Chinese or Japanese here. They bring lumber from the coast, sashes and doors. We buy most of our logs from loggers, and most from the American side. Not one Chinese or Japanese is employed in the camps by loggers from whom we buy. Have resided in the province seventeen years. I favour further restriction. I am talking as a manufacturer. I would exclude them entirely. If any restriction can be put on it ought to be done. In fifteen years there will be very few white men working in the sawmills. If I compete with the coast mills I'll have to put my white men out and put in Chinese. I could not do business here if I did so, because the white men will not trade. This is the most strongly union section of the whole Dominion. If Chinese and Japanese came in freely for twenty-five years, the white man would be the slave and the Chinese would be boss. I mean the Chinese and Japanese would supersede the whites in the labour market. White labour will have to seek some other kind of employment. I will have to put in Chinese and Japanese within two years. The Chinese have increased about four hundred since I have been here. There are about six hundred Chinese here now. All are British subjects in my mill. You can put a Chinese in any position a white man is in, and he will do anything a white man can do. Inside of twenty years some of the Chinese will be presidents and managers of the mills.

More rough lumber and sashes and doors are shipped in here from the American side than from the mills of the coast of British Columbia.

George O. Buchanan, proprietor of the saw mill at Kaslo, says:—I employ from ten to fifty men according to the season. The logging camps are in the winter when the

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mill is not running. I employ no Chinese or Japanese except occasionally as cooks. I don't think the Chinese are affecting us in Kaslo to any extent. I am not in favour of putting restriction upon anybody as far as I am concerned. I do not know that the tax paid when coming in is altogether unjustifiable. We are all liable to pay taxes, and there may be nothing wrong in the Chinese paying a tax when coming in. I think it is probably enough as it is. The Chinese are human beings, and I do not believe in the oppression of any race of men, even an inferior race. I don't think they should be admitted to the franchise. I do not think they could assimilate or take part in our laws or institutions. I think all kinds of men should be free to come and go and make their homes anywhere it suits them. I don't think them a desirable class to come into the country. 'God made of one blood all the nations of the earth.'

Stephen Jarrett, superintendent of the Vancouver Sash and Door Company, who employ thirty men, all whites, says: We employ only skilled labour—only three or four unskilled workmen. We pay unskilled, \$1.50 to \$2; skilled workmen, \$2.75. We start young lads, two every year at \$1 a day, and they advance 50 cents every six or eight months. I have been here twelve years. I never found any difficulty in getting men. If I want two men I have twenty applicants, both skilled and unskilled. I don't think there is sufficient whites to supply all the demand. I would be in favour of a heavy head tax, say \$500 each. I think if no more came in, no inconvenience would result to the industry here. I wanted five skilled men this week; already I have fifteen applicants.

We cannot ship our product into the Kootenay country in competition with the mills of Tacoma. The freight rates are cheaper from Tacoma. Our duties on doors and windows, I think, is 30 per cent. Our machinery is about 20 per cent higher than on the other side.

William C. Dickson, book-keeper and yard-foreman at the Royal City Mills, Vancouver, said: The great objection is to work side by side with a Chinaman. I have seen white men turn away rather than do it. There is not much sentiment in it. There is a principle involved. This should be a white man's country. (See further evidence of this witness in the part relating to Japanese Immigration.)

Truman S. Baxter, has resided in Vancouver since 1890, says: I am studying law at present. I am president of the Vancouver Liberal Association and ex-alderman of the city. When I came here I commenced working in a sawmill. I got \$26 a month and board. Wages were paid in the city a year ago last winter at \$17 a month and board. In 1890 all of the labour around the sawmills was white, except a Chinaman or two taking care of slabs. To-day the Japanese and Chinese handle all the lumber in the yards, and in the mill, running saws. It has been stated before the Commission that the wages here are higher than on the American side. Last year I had occasion to go to Seattle to find out the condition of labourers there, and the figures I give are taken from the Seattle Lumber Company, and I saw the cheques, so that I know the figures were paid. The foreman was paid \$6.00 a day; sawyer, \$5.00 a day; filer, \$5.00 a day; yard foreman, \$100 a month; planing mill foreman, \$3.50 a day and men on carriage, \$2.50 a day. The lowest wage paid anywhere around this mill was \$1.75 to two or three new men. Two dollars is the ordinary wage for unskilled workmen. Our mills here pay the 20th of the month, for the previous month. There the men are paid every Monday night, receiving wages up to the previous Saturday night. There are no Chinese or Japanese at all. I also went to Ballard. At Stinson's Mill five hundred men are employed—not a Chinaman or a Japanese among them. The lowest wage was \$1.75 and the highest wage was \$2.50 a month. At this mill there were eighteen edgers or knot sawyers at \$2.50 each. That work is all done here by Chinamen. Ballard is three or four miles from Seattle. At Kellogg's Mill I found conditions the same; it is also at Ballard. The Seattle Cedar Lumber Company employ 125 men, 14 knot sawyers there, getting \$2.50 a day. All these mills make shingles except the first. I also visited Carey's Mill at Seattle, Stinson and Post's and Morran Bros. wages being the same, and not a Chinese or Japanese employed anywhere in connection with them. I asked one of the Morran Bros. where the Japanese were, and he said if there were any there he would throw them over the wall. As a proof that lumbering can be done here without



Chinese or Japanese labour. I refer to the offer of Mr. Ludgate, to erect a mill and employ no Japanese or Chinese. There was no bonus. He offered to put up \$10,000 as forfeit if he employed Japanese or Chinese.

I favour the exclusion of Chinese. I was deprived of my job by a Chinaman and left the business. The lumbermen took up great lumber limits, and this keeps them poor. The mill men are interested parties. For instance, one of the chief witnesses refused to state what the head men get. I believe if this had been given it would have shown they could employ whites. In Seattle the managers are there on the ground. The managers here don't do that way. The same cry was raised in the United States when they tried to shut them out. I believe in the exclusion of Chinese and Japanese alike. I think by treaty or by enactment they can greatly restrict or prohibit altogether both the Japanese and the Chinese. Do it by diplomatic action if possible, if not do it anyway. I'd bar them out anyway. I am not associated with any labour organization. I was representing Mr. Macdonnell, and he is acting for the Trades and Labour Council. I went over to ascertain the facts, as alderman, in regard to a certain by-law. I put myself forward as the champion of what I believe is in the interests of British Columbia and Canada.

If you go into the bank after the canning seasons, you will see the number of Chinese and Japanese asking for drafts. I think it would be suicidal to give them the franchise. I suggest the most unobjectionable law would be the Natal Act.

#### SUMMARY.

The market in this line of business is largely local and eastern. Chinese are not employed in the interior of British Columbia, either in the mills or in the camps. Japanese have recently been introduced in one mill at Kamloops, but with that exception only white men are employed in the lumber industry in the interior. On the coast, Chinese are not employed to any large extent, but Japanese, constituting an equivalent, are largely employed.

#### THE RELATIVE RATE OF WAGES.

The rate of wages in the Hastings Mill for unskilled labour is from \$40 to \$45 a month; in the Royal City Mills and Brunette Mills at New Westminster \$35 a month, averaging about \$1.50 for common labour and running up to \$1.75 and \$2 a day for semi-skilled labour, such as edgermen, gang saw and boom men. The Chinese and Japanese are paid for common labour 85, 90 cents and up to \$1, and for semi-skilled labour as high as \$1.25, and in one or two instances \$1.50, the average being about \$1 a day. The Japanese and Chinese pile the lumber, take care of the refuse, cut it up into wood, pile it, &c., and the more skilled generally run the cut-off saws, the lath and picket saw, and in many cases are engaged as assistants on planers. Very few white men are employed on this class of labour.

On the American side the wage paid to unskilled labour is higher. At Whatcom the lowest wage paid to unskilled labour is \$1.75 a day; at Fairhaven from \$1.50 to \$2 a day. In Seattle the Stetson and Post Company pay from \$1.75 to \$2.50 for unskilled labour, the average being \$2 a day. Morran Brothers pay a minimum wage of \$2 a day. The lowest wage paid by Mr. Ludgate is \$1.75 a day to 'roustabouts'; \$1.75 is their cheapest labour.

#### SKILLED LABOUR.

Semi-skilled labour in the British Columbia mills ranges from \$1.75 to \$2 a day, and skilled labour from \$2.25 to \$3.50 a day. In the export mills higher wages are paid in a few instances—five sawyers in the Hastings Mill being paid from \$4 to \$5 a day, and filers as high as \$7 a day. The average wage for white labour in this mill is from \$2.25 to \$2.50 a day. In the smaller mills, however, the earlier statement more nearly represents the average wage. Take the Royal City Planing Mills of New West-



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minster, under the same control as the Hastings Mill, and engaged both in the export, local and eastern trade, their schedule of prices would approximately represent the average wage on the coast in British Columbia for semi-skilled and skilled labour. It is as follows: edger men \$1.75, gang saw \$1.75, boom men \$1.75 to \$2, sawyers \$3, resawyers \$3.50, filers \$3.40.

The average wage at Fairhaven, Washington, for white men was \$3.33 $\frac{1}{3}$  per day, wages running up to \$5 and \$6 a day; at Whatcom for skilled labour up to \$4 a day, averaging from \$2.50 to \$3.75. At Seattle sawyers are paid from \$3.50 to \$4 a day. At another mill planers are paid from \$2.25 to \$2.50 and \$2.75 a day, planer foremen \$3.50 and filers \$5 a day.

The rate of wages for unskilled white labour in this industry is higher in Washington State than in British Columbia, and for skilled labour it is about the same, except possibly in one or two instances in the two larger export mills. Some mill owners claim that the American mills have the advantage in a larger local and practically unlimited home market, and in the fact that there is a duty on Canadian lumber entering the United States, while certain classes of American lumber enter Canada free of duty; and one witness stated that the cost of machinery, food supplies, tools and other lumbering supplies are from twenty to thirty per cent higher on the Canadian side than on the American side, and added that 'If we were allowed an open market to purchase our supplies it would be even more effective than a duty on lumber.' The evidence of a witness who has a mill at Seattle, and made inquiry with a view of ascertaining the cost of supplies in British Columbia did not sustain this view, but we think there is no doubt that certain lines of machinery and certain of the other supplies are higher on the Canadian side.

Some of the employers took the view that there was no advantage or saving in wages by employing Chinese or Japanese instead of white men, having regard to the amount of labour done by each, but that white labour could not be obtained under present conditions. The majority of the employers who gave evidence were emphatic in their opinion, that no more Chinese or Japanese should be admitted; that the supply for the present and for a long time to come was adequate, and that if no more Chinese or Japanese came in white labour would gradually take its place, without loss or inconvenience to the industry, and with great benefit to the country. All were agreed that this class of immigrants are undesirable as citizens, and all that were willing to express an opinion favoured higher restriction or exclusion.

On the American side Chinese labour is not employed in this industry, and American employers are in favour of their present exclusion laws.

It is quite clear that the Chinese are employed but to a limited extent in this branch of the trade and are not essential to its prosperity.

(The regulation of Japanese labour to this industry will be dealt with under that heading.)

## CHAPTER XIV.—SHINGLE BUSINESS.

The shingle business rests upon a somewhat different footing from the lumber business, and as it has become a very important industry, it deserves separate treatment. A few quotations from the evidence will indicate the scope and condition of the business.

The following list shows a large proportion of the shingle mills of the Province:

Mill.	Whites.	Chinese.	Japanese.
Pacific Coast Co., (nine mills) . .	210	105	300 (in camp)
Spicer . . . . .	20	30	5
McNair . . . . .	159	27	42
Heaps . . . . .	56	21	27
	445	183	364

James C. Scott, the mayor of New Westminster, and the manager of the Pacific Coast Lumber Company, and who handles the output of eight or nine other mills, namely, one at Port Moody, two at Hastings, one at Cloverdale, one at Ruskin, and the rest at Vancouver, says: The shingle business began when I came here. There are two shingle mills here, and one at Harrison, not included in the arrangement. There was a large over-production. There was considerably more than twice the capacity that the market called for, and the consolidation of the several mills was the way taken to control it. We organized in November last year. The heaviest consuming market is, first, Ontario; second, Manitoba; and third the Territories. We have no home market just now at all. We don't sell in the States, the duty keeps us out. The home market would not take more than 5,000,000, and one mill would produce that in a month. There is a certain small trade with the States of eighteen inch shingles, the usual size being sixteen inch.

The Chinese are used for pulling bolts from the water surface to the mill, cutting them up in sixteen inch lengths, and piling them on tables convenient to the sawyers. The sawyers are white men. The packers are usually Chinese. The packing is done by contract. When I came here first I had a prejudice against them, and I used white labour till July or August 1893. I felt that I had to employ Chinese. My cost was greater than others. I made it a hobby to try and get white boys to do the packing the same as we used to do in Ontario. I succeeded in getting two separate white contractors to undertake it, and they both confessed failure. The boys said they did not want that job, it was Chinaman's work. We had no trouble in Simcoe County, Ontario, in getting boys at 75 cents to \$1 a day to do the work. We pay here more than we did there. We paid 5 cents a thousand there and 6 and 6½ cents per thousand here. It appeared they regarded it as degrading because it was Chinese work. It is true that boys and men and girls do not like work where Chinese are habitually employed. It is unfavourable to the community. Chinese have taken the place usually given to boys and they have got into indolent habits. No Japanese are employed in the shingle factories.

If no more Chinese came in it might bother us for a time. It would regulate itself in time. If they were not here at all we could get some labour to take their place. If they were cut off at once we could get boys or others in their places. I cannot answer the question in any other way than that it is unfortunate for the country that they are here at all. They are not assimilative. I do not think it would be desirable if they did assimilate. It is apparent to me it would be difficult to clear land, but if they were not here other labour would come. I certainly think their presence has a tendency to keep that labour out. It is not desirable that labour should be kept out. It is a difficult problem to think out. The difficulty will increase with the numbers. They build a few houses near the mill and herd together. There is no home life. Very few have wives here. Although this might be a temporary inconvenience—this is too nice a country to live in to have Chinese as the labourers of this country. I say this against my own interest. I do not think the \$100 will have any material effect whatever on the numbers coming in. If as much as \$500 were put on it might have some effect. It might cripple us for a time. I would be willing to take my chance with the rest of us rather than have this thing go on. It is quite possible that we over-estimate the trouble, and that it might not be as bad as we fear. I have engaged a few Japanese. The Japanese are more ready to pick up work and adapt themselves quicker to work. I regard the Japanese less undesirable. I do not think I class them in the same category. They are decidedly more desirable than the Chinese.

The business is fairly profitable for the last two years. The cost of production would not vary to the extent of five cents (i.e. if oriental labour not employed). There is no duty on shingles coming in. We experience competition at Sarnia, Goderich, Windsor, Chatham, etc., also from Washington State.

I consider there is material right here in the boys in this town to do all the work. If we got men instead of boys we would have to pay one-third more, or a difference of \$3 a day with that crew. They produce 100,000 in ten hours, that is \$3 on 100,000, or three cents per thousand. The Chinese or Japanese are employed in making bolts.

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They get \$1 a cord. They work most of the year except in the canning season. We produce from 150,000,000 to 200,000,000 per year. It is a Canadian industry depending on the Canadian market. I think it desirable to run the industries employing oriental labour rather than to stop them. In the interests of the country a \$300 tax is more desirable. I have never experienced a scarcity of Chinese or Japanese. The city employs exclusively whites. The general sentiment is against Chinese and against the immigration of orientals. A white man cannot live on what a Chinese or Japanese lives on. The Japanese, from the standpoint of the labourer is as dangerous as the Chinamen.

A man looks to see what labour is available, and he finds a mixture of Chinese and white labour employed, and an unsettled condition of affairs indicated by the present Commission, and that unsettled state of affairs leads him to wait to see the result. I would agree with Mr. Palmer, of Chemainus, that while we could not get on now without Oriental labour, yet if no more came in it would not seriously affect my interests, and I would take the chances.

H. H. Spicer, manager of the Spicer Shingle Mill Company, of Vancouver, says: All shingle mills employ Chinese labour more or less. We pay in wages about \$2,000 a month—65 per cent to white, 35 per cent to Chinese. We used to get \$2.00, \$2.25 and \$2.50 per thousand; now there is no fixed price. They sell to local trade at \$1.40. There is competition. The tendency would be to get a better price if American shingles did not interfere. The market is ridiculously small for the number of mills here. We make the price and we don't cut till we have to. The total market in Canada is 225,000,000; 165,000 is a car load. We ship considerable to the United States; no success in shipping to Australia or Africa. It would be bad for the shingle business if we could not get Chinese. I do not know, but I am inclined to think that an exclusion law, if it resulted in no more Chinese coming in, would act very strongly in shutting our mill down in the future. They seem better adapted than Japanese. We ship into the United States as a dumping ground for the surplus. The duty is 30 cents per thousand. Mongolians work the same number of hours as other men. American shingle mills are chiefly run by white labour. We could not pay as much to white men unless we had that cheap labour. If Canada had a population of 30,000,000 we might not have to employ Chinese at all, but our market is limited.

James A. McNair said: I am engaged in the shingle and lumber trade. We employ a total of 228 men about the mills and logging camps—159 whites, 42 Japanese and 27 Chinese. The average pay of whites per day is \$410, Japanese \$46, and Chinese \$45.

We tried white labour instead of Chinese three years ago. We gave instructions to the contractor to use white men and to test the matter we gave him the contract, and in three months' time he had Chinamen. It was the same price to white men and Chinamen. He could not get sufficient white labour at the price. I have three shingle mills on the other side. I employ 138 men there; all are white men. We pay there for packing eight cents per thousand for five butts to two inches, and 7 cents per thousand for six butts to two inches. White labour is generally employed over there. Some of the shingle mills there have Japanese, one at Sumas, one at Lake Whatcom, and one at Carroll Siding. Our market there is the middle and eastern states. Our market here is British Columbia, North-west Territories, Manitoba and Ontario. We have no difficulty in getting men, except in the fishing season. We would have to have cheap labour or shut down. The Chinaman never changes. I should prefer to employ whites, and we do as much as we can.

The only way we can ship into the United States is by shipping in larger shingles. We got part of our machinery from the United States, and paid duty,—on boiler and engine 25 per cent. We did a little better than their price plus the duty—just a trifle. We produce shingles a little cheaper on the other side—just a shade. We have not built extra mills here, and we have built two over there. The total capacity of the shingle mills in British Columbia is something like 650,000,000 to 700,000,000 per annum. We can go there and ship into the United States or Canada as we choose. There are 360 shingle mills in Washington and Oregon. They ship some thousands of cars a day. Some mills have a capacity of half a million a day. Of the 31,132,000



sold in Canada from the United States, British Columbia took 11,360,000; Manitoba, 12,721,000; New Brunswick, \$60,000; Quebec, 141,000, and Ontario, 5,846,000, the North-west Territories, 135,000; Yukon, 69,000. Business won't stand higher wages all round. Take the extra cost of machinery and everything, you would have to reduce the higher wages if you had all white. We get a little better prices in the United States than here for our product.

The bolts cost 50 cents more a cord here, a difference of 8 or 10 cents a thousand between price of shingles here and there. We have got to pay more for material and for all provisions, horse feed and all that sort of things.

The duty is a much larger consideration with us than the exclusion of Asiatics would be. If we had the market here covered by a duty it would help us a great deal in doing without Japanese. If we had our own market then we are not more crowded than they. It is partially true that in our business what we save from the cheap labour we give to the white labour. It is a toss up as to who can save more—our men or the white men on the other side. If orientals were taken out we would have to scale down the white labour.

E. H. Heaps, manager of the Heaps Company, Vancouver, says: We paid wages for March, 1900—to whites, \$1,681.30, Japanese \$711.70, Chinese \$540. We run night and day, two shifts of three men each. An ordinary sawyer earns \$2.75 a day. He can earn \$3.50 if exceptionally good. We have three machines idle for want of a sawyer. There is a scarcity of skilled labour. We employ in the camps on contract about eighty men in getting out bolts. We let the contracts to Japanese, Chinese and whites. The Japanese contractors employ Japanese; the Chinese contractors employ Chinese; the white contractors employ Japanese and Chinese. Ninety per cent of the bolts are got out by Japanese and Chinese. You can depend on them for this work. We pay \$5,000 a month for say eight months, \$40,000, besides the factory wages. The division of wages would be the following:—

Japanese and Chinese for bolts .....	\$ 36,000
“ “ in the mill .....	8,000
Total. ....	<u>\$ 44,000</u>
Whites in the mill .....	\$ 10,000
“ for bolts .....	4,000
Total to whites .....	<u>\$ 14,000</u>

It is not cheaper to employ Japanese and Chinese for bolts. I think if we have protection all through, the men ought to be protected, too. I think the restriction on Chinese is quite sufficient. At present we have enough Chinese. The work they are engaged in seems to suit them. It is under cover; it requires quickness of hand and eye, and it is not hard work, and they earn high wages. As a rule they are steady and reliable, and you can depend upon their being there. The oriental labour is a necessity for our business. In the shingle mill we have more whites than when we first started. Boys can learn to run the saws. We make a special point to try and get white sawyers and boys to learn the trade, and when they learn they go to the Sound.

Cedar is getting scarcer; it has to be hauled longer distances to the water. Horses are dearer, wages are higher, and machinery is higher now.

C. Uchida, Japanese contractor, says: I contract to get out shingle bolts. I get \$2.05 per cord delivered on the scow. I pay \$2 per cord and get 5 cents and what I make on supplies. I take out about 3,000 cords. We employ all Japanese. We send in rice, flour, salt meat, vegetables, sugar, and fresh meat once a month. It costs them \$10 or \$11 a month for board. They hire a cook—two cooks for 36 men. I have wife and children at home. There is only one family out there. I buy groceries at the wholesale stores. I keep a store, and buy \$2,000 a month; \$360 a month goes into camp. I supply them with overalls and working clothes. I buy some from white men



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and some from Chinese. The white men do not get out shingle bolts. The 36 men in the camp are not naturalized. I am not a British subject.

Arthur C. Gordon, contractor for cutting shingles, says: The work is done for me by Chinese. The Chinese do the packing, jointing and cut-off. They make about \$1.25 a day. I have known white men do it. They do it faster. A good white packer would pack 40,000, while a Chinese packs only 20,000 or 25,000. I pay seven cents a 1,000. This work has always been done by Chinese for twelve years. There are more mills now. In Washington a white man averages 40,000 a day. I never had a white man, a packer or jointer, apply for work. A white man could make \$2.80 a day. I let all the work to one Chinaman, and he hires his own men. I employ eleven Chinese and two whites—no Japanese. I don't know one white packer here. I favour restriction. I think we have enough Chinese now. I favour exclusion. I think as whites increase they should decrease. We have four Chinese packers. Two white men could do the work of the four Chinese packers. There are no white packers offering. I would like to see white men in the country. I am just making wages. I might as well work by the day. I took two white sawyers this spring and broke them in myself. The Chinese have always been working around getting skilled.

Stephen Ramage, says: I am a saw-filer in Heaps' Shingle Mill, Vancouver. Have resided here since the fire. There are many more Chinese in the mills than formerly. They are increasing steadily. That applies to all the mills. The Japanese are on a greater increase than Chinamen. I think it would be a benefit if more restrictions were put on. It would tend to stop the immigration. There are sufficient here now to supply the demand for some years to come. The Japanese are a greater menace to whites than Chinese. They are abler-bodied men. They adopt our mode of living more readily. The Japanese and Chinese deter men from coming here. Very few of the Japanese and Chinese have a family. My principal reason would be to save the country for my own race. I would not object to Europeans. I object to Asiatics. I hope they will not assimilate with our people. I think not. The shingle mills are working on shifts—double time just now, since the spring trade has opened up. To jump from one to the other, it might be difficult to carry on the business with white labour. There is white labour that don't get employed on account of the Japanese being employed. I think white people are kept out of employment. I was foreman of a saw-mill for local trade. The price of lumber has gone up. In the depression lumber was lower two or three years ago. There was keener competition four years ago than now. There is a better agreement now as to price—not so much cutting. Wages are no better. The price of logs is a little higher now. I would rather keep out the Japanese and let the Chinese come in with a head-tax as at the present time. The Japanese are more of a menace. They are more capable men and do their work as cheap as Chinese. They dress like a white man, but don't eat like a white man. They live in aggregations as much as Chinese. Their diet is principally rice. They would not be as great a menace as the Chinamen if they lived up to our standard,—that is the average Canadian doing their class of labour.

The Heaps mill started with three shingle machines. There is now a factory a saw-mill and a machine shop all attached to it. McNair Brothers went into business ten years ago. They started cutting shingle bolts. Kirkpatrick started by renting power. He now owns two plants. The mills here have not as modern machinery as the Americans. The tariff might benefit some people. They would not dismiss the Mongolians on that account. I think the present time is as good as any for change.

The Japanese can learn to run the saws, and they will be employed at this higher work. No European nation is as objectionable as the Japanese and Chinese.

Some of the plants are as modern as the Americans, and some are not. The large export mills average well with the American mills. We can manufacture shingles as cheaply as the Americans can. Eighty per cent of the machinery is Canadian. I think we could do without more at all. They do without Japanese and Chinese on the other side. If a change was made at once it would take some few days to get white men. The mills on the other side run without Asiatic labour. I don't think it is true that when labourers come in they go off to something better, not more so in this country

than in any other. The general wage is about \$1.50 a day. I was in the Royal City mill for five years. I daresay Cook could get enough white men to run the Hastings mill in two days. The average Japanese gets \$1 a day. Wages are worse to-day than they were some years ago. There is just as much trouble with the Chinese and Japanese going fishing as the whites. I would tell unskilled labour not to come here. We have Chinese packing and Japanese cutting bolts. There is no way of getting in white labour to learn the saw—it is the Japanese and Chinese. The Japanese are apt to learn. Filers get \$4 a day; band saw filers get \$6 to \$7 a day. Wherever the Japanese enters he cuts wages in two.

## SUMMARY.

This important industry employs over one thousand men, of whom less than half are white workmen. The following probably does not include all, but fairly gives the proportion:—

Whites.....	445
Chinese.....	183
Japanese.....	364

The Chinese are employed principally in bringing the bolts from the water surface to the mill, cutting them up into sixteen inch lengths ready for sawyers (and recently as sawyers themselves in some mills) and in packing, for which they are exclusively employed by Chinese contractors. They have become expert packers, and are deemed specially suited for that work. Although white packers in Washington and Oregon, where no Chinese are employed, are found to do the work much more rapidly and on the whole as cheaply. The white men and boys have not been trained to the business and cannot now compete at the same price, and refuse to work at it because 'it is Chinese work.' No Japanese are employed in the factories.

The output of nine mills are now controlled through one company. Large quantities are sent east. The manager of this large concern says that 'if no more Chinese came in it might bother for a little while; it would regulate itself in time. If they were not here at all we could get some labour to take their place. If they were cut off at once we could get boys or others in their places. I cannot answer the question in any other way than that it is unfortunate for the country that they are here at all. The business is fairly profitable for the last two years.'

This witness makes a further most important statement:

'I consider there is material right here in the boys in this town to do all the work.' He then shows that if white men were employed it might increase the cost of production by three cents per thousand.

'I agree with Mr. Palmer, of Chemainus, that while we could not get on now without oriental labour, yet if no more came in it would not seriously affect my interests. I would take the chances. The general sentiment is against Chinese and against emigration of orientals.'

The representative of another company that employs 228 men in their lumber and shingle business, of whom 159 are whites, 42 Japanese and 27 Chinese, stated that their average wage per day to whites was \$4.10; to Japanese, \$4.6; to Chinese, \$4.5. This included the lumber business as well as the shingle business. This company tried white labour instead of Chinese, but in three months' time found that they could not get white labour at the same price paid to Chinese. The company have three shingle mills in Washington State, where they employ 138 men in the shingle business alone, all whites. White labour is generally employed there.

There are 360 shingle mills in Washington and Oregon that ship thousands of cars a day, some of the mills having a capacity of half a million a day. Of the thirty-one millions sold in Canada from the United States last year British Columbia took over eleven millions, Manitoba nearly thirteen millions and Ontario nearly six millions. They get a little better price in the United States than here for the product. He stated further: 'If we had our own markets then we are not more crowded than they.'

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It is partially true, he states, that what they save from cheap labour they give to white labour. 'If orientals were taken out we would have to scale down the white labour.'

Another employer stated that he paid out to whites for March, 1900, \$1,681; to Japanese \$711, and to Chinese \$540; that he employs about 80 men in getting out bolts, and lets contracts to Japanese, Chinese and whites. Japanese contractors employ Japanese; Chinese employ Chinese, and white contractors employ Japanese and Chinese. Ninety per cent would be Japanese and Chinese. In eight months they paid out for bolts \$40,000 besides the factory wages, as follows:—

Japanese and Chinese for bolts.....	\$ 36,000
To whites for bolts.....	4,000
Japanese and Chinese in the mill.....	8,000
To whites in the mill.....	14,000

This witness thought restriction quite sufficient and stated that at present they have enough Chinese. He found them steady and reliable. He declared oriental labour a necessity for their business.

A white contractor who employs Chinese for packing, jointing and cutting off, stated that a good white packer would pack forty thousand, while a Chinaman packs only from twenty to twenty-five thousand. He pays seven cents a thousand. He states that in Washington white men average forty thousand a day, and this was confirmed by evidence on the American side. Chinese have always been employed in packing. He had never had a white man apply for work. A white man could make \$2.80 a day. This contractor lets all the work to one Chinaman and he hires his own men. He employs eleven Chinamen and two whites. He did not know of a single white packer. This witness favours exclusion. He thinks as whites increase Chinese should decrease. He declared that two white men could do the work of four Chinese packers. He took two white sawyers on this spring and taught them himself.

Why is it, then, if white men can do so much more than Chinese, and therefore working by contract can earn \$2.80 a day, they do not eagerly seek employment? The answer, we think, is simple. Chinese have always been employed in this business. They have become expert. The white man at first is unskilled. He would earn very low wages at first. The work is done by contract. The skilled Chinese are there ready to do the work. It is more convenient to sub-let the contract to a boss Chinese contractor who will employ Chinese on his own terms, than for the white contractor or the owner of the mill to train a staff competent to do the work, even although when trained, the work could be done as cheaply and the white man earn good wages.

In the east this work is largely done by boys who are trained to the business from an early age. There is no reason in the nature of things why this might not and ought not to be the case in British Columbia, except the presence of the Chinese and Japanese. While they are there in such numbers they will be employed to the exclusion of white labour, because if not cheaper, it is more convenient.

In the mills in Washington and Oregon no Chinese are employed and yet the work is done very nearly, if not quite, as cheaply. There is only a shade of difference, according to the witness, who thought he could not get on without this cheap labour. According to one calculation, even if men were employed instead of boys, it would only make a difference of three cents a thousand. If it is further taken into account that neither white men nor boys will work if they can avoid it at what is called a Chinaman's job, a satisfactory explanation is given as to why it is. The Chinese practically control this branch of the industry.

The conclusion reached is that neither Chinese nor Japanese are essential to the success of this business, but being available and conveniently employed by contract, they have become a part of the machinery of production which would for a time be thrown out of gear if they were discharged. They are at present more convenient, but not essential. There is a supply for many years to come, and if no more came in no permanent injury would result. The stability of the business does not depend upon them.

CHAPTER XV.—THE CANNING INDUSTRY.

The salmon canning industry of the world is practically confined to the North Pacific Coast of America.

The number of Japanese and Chinese engaged in it greatly exceeds the number of them employed in any other industry. For some years past the total pack of the Pacific Coast has been in the neighbourhood of three million cases, but for the season of 1901 the enormous pack of over five million cases of 48 one-pound tins is reported. Of this number over 1,200,000 were produced in British Columbia; 950,000 of which were packed on the Fraser River, and 1,400,000 cases or over, were packed on Puget Sound, chiefly of Fraser River salmon.

This industry in British Columbia ranks in importance with that of the mines and lumbering industry. The following tables will indicate its growth.

Total number of licenses in British Columbia :—

Year.	Total.	To Japanese.	Canners.	Others.
1896 .....	3,533	452	1,063	2,018
1897 .....	4,500	787	1,203	2,510
1898 .....	4,435	768	1,204	2,463
1899 .....	4,197	930	175	3,092
1900 .....	4,892	1,892	542	2,458
1901 .....	4,722	1,958	548	2,216

Year.	No. of Employees.	Value of Plant.
		§
1896 .....	14,227	2,197,248
1897 .....	19,850	2,350,260
1898 .....	20,695	2,480,245
1899 .....	20,037	2,145,173
1900 .....	20,262	2,839,904

Value of Salmon Pack by District.

District.	1896.	1897.	1898.	1899.	1900.
	§	§	§	§	§
Fraser River .....	1,801,654	4,219,751	1,268,278	2,531,500	1,590,532
Rivers Inlet.....	529,588	211,644	434,042	401,414	439,617
Skeena River.....	559,631	330,747	505,737	589,934	702,144
Nass River.....	70,315	96,000	96,000	93,321	96,960
Vancouver Island.....	24,216	66,276	60,187	58,320	82,089
	2,985,305	4,927,418	2,364,245	3,674,491	2,911,344

This is based upon a uniform price of 10 cents per pound.



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The exports of dry salted dog salmon to Japan are :—

1898.....	\$ 160,000
1899.....	120,000
1900.....	228,000

These were valued at three and four cents per pound.

The total output for British Columbia :—

1894.....	494,371 cases
1895.....	566,395 “
1896.....	601,570 “
1897.....	1,015,477 “
1898.....	484,161 “
1899.....	732,437 “
1900.....	585,413 “
1901.....	1,205,037 “

Of the twenty thousand employes engaged in the Fisheries it is estimated that ten thousand are employed in and about the canneries, and of these about six thousand are Chinese. Of the 74 canneries in British Columbia, 49 are on the Fraser. The process of canning (making cans, filling, cooking, soldering, and boxing) is almost exclusively done by contract. The contracts are made with boss Chinamen who hire their own help in their own way.

This method of doing business adopted by the canners has its special advantages and probably accounts for the fact that Chinese are preferred for this department of the business. Certain Chinamen have become experts and are sought after, both by the employer and the Chinese contractor. They command from \$35 to \$45 per month. The contractor makes an advance of from \$30 to \$40 to each Chinaman at the opening of the season to induce him to come. The contractor furnishes the provisions, where chiefly his profits are made. At the end of each month what he has supplied is made up and charged *pro rata* to the men in his employ. At the end of the season, if the run is short, the contractor may lose money on his contract which, however, is partly covered by his profits on the provisions. If the provisions furnished to the Chinamen and the advances made to them exceed the amount of their wages at the end of the season the loss falls on the contractor and not on his employer.

The advantages to the canners are : First, the contractor takes the responsibility of employing sufficient hands to do the work, thereby saving all the inconvenience and trouble which would otherwise fall upon the employer ; second, the work is done by experts who have been trained to the business ; third, the canner knows exactly what ‘the processin’ will cost per case ; fourth, any loss falls upon the contractor ; fifth, he avoids the trouble of furnishing supplies, and the expenses of providing accommodation suitable for white men ; sixth, the Chinese boss is able to get more work out of the men and to have it done more satisfactorily than when they work by the day for the cannery employer.

It is manifest that this method of conducting the business, places it practically in the hands of the Chinese, prevents white workmen from being trained to this part of the business, and partly accounts for the fact why cannerymen agree that Chinese are required for this industry.

Alexander Ewen, of New Westminster, said : I have resided in British Columbia thirty-six or thirty-seven years. There were a good many Chinese here then. There were not many people in the country at that time. The canning industry started about 1870. I did not employ them the first two or three years. I was among the first to develop this business. I employ from 150 to 200 men now in the canneries. Of these the average would be about twenty whites. I employ Chinese and Japanese, but pay wages individually and not by contract. The Chinese come from all over the Province. There has been difficulty in getting Chinese for the last four years at least.

Last year it was difficult to get them, and after we got them it was unfortunate that we had little or nothing for them to do. Latterly I have had to employ Chinese through a boss, because labour is getting so scarce that skilled Chinese are hard to get. The Chinese we get do various kinds of work, such as farming and clearing of land.

I make the cans at my own cannery. I have a certain amount of machinery to lessen the cost. I do not get them at the Automatic Cannery. When I started in business the tins were boiled in kettles over a large fire; afterwards we used steam to heat the water. Retorts were introduced in 1881, also soldering machines which save considerable labour. The soldering machine did not work well for four or five years after it was introduced. Soldering machines and retorts were first developed in this country. The cans are wiped and capped by machinery. One washing or wiping machine, with three people at the outside, will do up to two thousand cases every day. Before that we had to have twenty or thirty hand washers. Two hands with a capping machine will do 1,500 to 2,000 cases a day. By hand there would be twenty putting covers on. The fish cutting machine saves the labour of five men on 1,500 cases a day. We have an automatic cooking process and tester as well, and an automatic washing machine, which saves the labour of from fifteen to twenty men, or more. There has not been much improvement in washing and cleaning fish. Canneries make cans as cheap as they can buy them, probably cheaper.

Most of the machinery has been invented and manufactured in British Columbia. I do not know of any improvements in the process for catching the fish. The nets are, of course, heavier and better, and the boats are larger and more sea-worthy. These are more expensive now. It costs more now to catch fish than it did ten or twelve years ago. We are fishing with drift nets, as we have always done. The improvement has been in taking care of the fish after they are caught.

I can make as cheap cans as the Automatic Cannery. Machinery has reduced labour in the cannery one half or a little more, exclusive of the question as to whether or not the factory can produce cans any cheaper than I can. Where I used to have to employ three or four hundred men nine years ago, now I can do the same work with the same class of labour with a hundred and twenty men. The fishing is overdone. The river in my opinion is over-crowded. There is just a certain amount of work to do, and they cannot get the same quantity. It is dividing up the catch on the river among too many. If there were a fewer number of fishermen they would get more fish no doubt, but that is like everything else. The business will level itself; I do not see how that can be legislated down. The business is overdone. The canneries were built on a large scale when there were fewer of them; now there are a great many of them, and it is almost impossible to get a full day's work. Three or four days in the season you will have all you can do, get more than you can handle, but immediately after it drops down to only half a day's work.

The canneries are not all alike. The plant alone will run ten to fifteen thousand dollars, for from 1,500 to 2,000 cases a day, and some will be a good deal higher. The trouble is to get the fish, and the people to do the work; that is the great difficulty. It is only work for a short season. You have to invest that large amount, and make all preparations for a large run, for you can never tell what is before you. The bulk of the work has to be done in eight or nine days; the principal portion of your catch has to be taken care of in that time.

If we had as many fish as in 1897, or we had any guarantee of what it would be, it would be easier to do the fishing with a thousand boats or less, than with 3,000 boats. If the Japanese had not come in the industry would have been out of existence. With the number of canneries in existence now you could not get along unless there were more boats. The number of canneries has doubled within twelve years.

A great many white men within the last three years have become not so anxious to fish as they were. They will not leave work at which they are earning \$5 a day to go fishing, and a great many of them have dropped out. It was not from the number of boats but from the number of fish in the river. I say judging from the capital invested and the preparations made to take care of the fish, there are not enough boats to keep the canneries going. They have got to go away into the ocean to get the quantity

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required by the canneries. If you double the number of boats they would have to cover more ground. As far as the industry is concerned to-day, if you follow the facts all the way through, the number of fish caught and put on the market is not decreasing much, but the cost of getting them is increasing, and the number caught by each fisherman has decreased. The fishermen have now to go out as far as Point Roberts, Point Grey and Howe Sound and bring their fish to the Fraser, whereas before fish were only caught in the river. The number put up has not increased, the number has decreased individually to the fishermen. The fisherman is likely to catch more in the Fraser if there are fewer nets.

The close season was for the purpose of preserving the fish. The nets have to be placed 250 yards apart, and you must not obstruct two-thirds of the river. They have tried to enforce the law. It seems to me it is impossible to carry it out. I cannot say that there is one too many canneries. I said it was overdone. Any person who goes into the business will find it is not profitable. It will soon find its own level.

As to restriction on Chinese immigration, I do not interfere with matters of that kind at all. Politics is not my business. The Chinese do not hurt me. I have no view to express on further restriction, because I cannot tell whether it would be good or bad. I fully believe that if we had exclusion here that in five or seven years there would be very few Chinese in British Columbia. They would all be in the United States. They are going there in great numbers, this year especially. The opportunities for them are better there. If the number of Chinese were limited to any extent the canning industry would suffer I think. It is suffering now. It was impossible to get the number of men we thought we wanted last year. You can compare the largest number that was working in July and August with any of the years previous, and I tried to get all the men I could, 85 in August and 63 in July of last year; the year before 146 in August and 122 in July; the year before that 116 in August and 116 in July, and the year before that 159 in August and 155 in July. The capacity of the cannery did not vary those years, but the fish varied, and the reason for the large number of men in 1897 was, that was the largest run of fish that has been on the Fraser River, and the run continued so long.

The 250 yard regulation was to prevent fishermen interfering one with the other. In some of the provinces they use fixed nets. Trouble has been caused by one man crowding another. If you put two nets in the river 250 yards apart before they drift half-a-mile they will be both together. The water does not run the same. It is impossible to carry out the regulation.

The United States is our only competitor in the markets for canned salmon. It is supposed that the fish that are caught on Puget Sound are all heading for the Fraser River because that is their spawning ground. That is the sock-eyes. They catch them at a much less price over there when there is an average run of fish, but last year I believe their fish cost them as much as they cost us here. They have an advantage in canning fish when they are caught in traps over the Fraser River canners with gill-net fishing. If they get too many fish they can keep them in the traps three or four days without any expense. The heavy run will last only three or four days, and when the run slows down they can work along with the fish that are in the traps. If they get more than they can use they can open the traps and let the fish go. It is better in that way; they can get fish fresh all the time. I know of my knowledge that they are increasing their capacity to a great extent over there, more than doubling it. They use filling machines that we do not use at all, but the fish are cheaper, and their output is sold cheaper than ours in the market. Machine filled fish have to be sold cheaper; they do not turn out so well as the fish that are filled into cans by hand. There was a limit to the number of licenses on the Fraser River at one time; I think it was five hundred boats. Then there were ten or twelve canneries. The license was \$20 then. I think it went as high as \$50 one year. They were allowed forty licenses to a cannery at one time, and five hundred to the river, so that the canneries did not have a monopoly of it. They could limit the number of licenses, but they could not limit the number of canneries. Licenses could only be granted to a British subject. Something has been done by the canning industry here to prevent the depletion of the salmon. Something



has been proposed about limiting the number of traps on the other side. If something is not done soon they will catch at least three-fourths of the salmon that ought to come to the Fraser River; that is my opinion upon it, unless there is some restriction put upon the number of traps there will be depletion of the salmon. I do not think there are so many here just now trying to build new canneries, although there are some of them at it yet. Machinery for canning purposes is in use for an average of two months I expect. The earning power of the machinery in any branch of the business must be taken out of it in two months.

Japanese are about the same as whites in the way of catching fish.

I expect the cost of production now compared with ten years ago is about double what it was then. The cost of catching fish is more expensive, because the fishermen have to have more expensive boats to go to sea after the fish. In the river they use cheaper nets.

I do not say there are not enough Chinese here, but I do not say there are enough. There was a time a few years ago when I was not able to take care of the fish for five or six days, when I expected to put up nearly one-half of the pack.

Four years ago salmon fishing on the Sound was only new. The Americans have more effective appliances and fish all the time. The fish are afforded some protection here. We can only touch the fish in the river within the tidal waters.

The demand for fishermen has been unlimited for the last four years, but the question is the putting up of the price of fish. This last fall, the market in Great Britain came down, showing that the fish are not going so rapidly into consumption. The price went up in a panic and then it came down all at once. It is impossible for me to say whether there are too many fishermen on the river or not. I do not know whether there should be any restriction on Chinese and Japanese coming here. I do not think they are pouring in in increased numbers. Last year a great many came in, but that stopped. They found that it was not so pleasant as they thought.

Over-crowding will cure itself. It is a case of the survival of the fittest. It is so in all other industries. But for cheap labour I do not think there would be so many canneries in existence. Unless you had a population of five or six millions in British Columbia it would be impossible at that particular season of the year to draw the men from the ordinary labour of the country to supply the canneries. You cannot get white men to come here and run chances of getting work after the fishing season is over, when there are abundant opportunities for them getting steady work elsewhere all the year round. Take the 150 men in the cannery and increase their wages by one-half, and you would stop the industry altogether. More than three-quarters of the inside work is done by Chinese. The cost of their labour is less than the other quarter of whites. If canneries cease operations the country will feel it. Japanese take the place of Norwegians and Swedes, who now fish on the Sound. Canneries have made no money since 1897. The cost of production increases every year. The Sound fishing increases all the time. The canneries here made more money before the Japanese came than they have done since.

In a big run there is a limit put to each boat. When a thing is looked upon as prosperous, people rush into it, and it is overdone; then with cheap labour it is overdone. The continuance of cheap labour cannot make it worse. They have stopped coming now, and they are getting out of here as fast as they can, a great many of them going where they can do better. If the cost of production becomes greater, then a great many canneries must go out of existence. It does not matter whether it is from the scarcity, or the cost of labour, or anything else.

Hand filled cans sell higher than those filled by machinery. I think there are too many canneries, and I consider there are too many fishermen. The number of canneries necessitates a large number of fishermen, and if there were any serious reduction of fishermen, those canneries would have a greater shortage of fish than they have now. The question really is one of competition. The price of fish has steadily increased each year. You require to have enough salmon go to the spawning grounds in order to keep up your supply of fish. The fish that have their home on the Fraser river are just as



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plentiful as heretofore, and the fish caught on the Puget Sound are undoubtedly salmon making for the Fraser River. Fishing is more or less of a gambling transaction.

Q. Do you think there is any method to be secured by legislation limiting the number of fishermen on one side and of canners on the other? A. It would be very unsatisfactory. It is business and business should not be controlled by legislation, but by the profit that may be in it. I do not agree with limitation of the number of fishermen or the limitation of the number of canneries.

A great many of the fishermen are dead broke all the time. Some of them have saved a good deal of money on the Fraser river. There was never a time in this Province when white people were available for doing the labour inside the canneries. By the introduction of machinery we have had to employ more high class labour. It turns out the low class of oriental labour and brings in a high class of white labour to look after the machines. Supposing the canneries went out of existence for some reason or other, the country in general would suffer, and the canneries would have a lot of plant and machinery that would be useless, but the whole country would suffer in consequence of arresting the flow of money. Under existing circumstances the canneries could not be carried on without oriental labour. Within the last three or four years they could not exist without Japanese fishermen. Most of the Norwegian and Swede fishermen on the other side have their homes there.

Every one does not get the same price. The run was so short last year that the price of fish rose in the English market about \$2 a case. Last year was not a remunerative one. The year before in a majority of cases it simply held its own. For some years past some have held their own, others have gone behind, very few have made one per cent. Even 1897 was not a profitable year. The price fell considerably. There was an immense catch in 1897. There was a large waste of fish then.

The ultimate result in my private opinion will be to deplete the fish coming to the river if the fishing continues the same way on the Sound. Four years ago the fishing there was very limited, but now with increased facilities there, the tendency is towards depleting the river of fish.

Before the Japanese came here we had a great number of fishermen from the State of Washington. I said the industry was overdone. I cannot have said there were too many fishermen. While there are so many canneries they want more fishermen. The fishermen do not come from the Sound now as they did before, but they would come I have no doubt if they could get work. If the number of canneries were reduced there would not be so many fishermen wanted unless the canneries were to double their capacity. If the number of fishermen were reduced by one half, leaving the canneries as they are, the effect would be that the canneries to run properly and get a reasonable interest on the money invested would have to reduce the price of fish.

The canneries would pay as much for fish if the markets would allow them. I was pretty successful for many years. We had no Japanese then. I would like to see that return. I was then putting up fish that cost me \$12 a case to put them up, and I was perfectly satisfied if I got \$16 or \$20 for them. The price of fish then was about one-half a cent a fish. The market price for our product was much higher then.

If restriction were enforced I would have to stand it. I would submit to it gracefully.

2 EDWARD VII., A. 1902

## Exhibit 52.

MEMORANDUM *re* Wages paid by Ewen & Co., New Westminster, to Employees, 1897 to 1900, inclusive :—

## CHINESE.

Month.	No. of men.	Average time per man per month.	Average monthly earn- ings per man.	Total wages paid for month.	Average for Season.
			§      cts.	§      cts.	
1897.					
April .....	45	16 days.....	23 38	1,052 10	} Per day of 10 hours, \$1.48. Per month of 26 days, \$38.54.
May.....	45	13 " .....	18 93	851 85	
June.....	45	22½ " .....	31 71	1,426 75	
July.....	155	16 " .....	24 27	3,761 85	
August.....	159	23¼ " .....	35 77	5,687 43	
September....	53	20 " .....	30 12	1,596 36	
				14,376 54	
1898.					
April .....	9	1½ " .....	2 75	24 75	} Per day of 10 hours, \$1.44. Per month of 26 days, \$37.58.
May.....	38	24 " .....	33 06	1,256 28	
June.....	38	24 " .....	34 12	1,296 56	
July.....	116	6 " .....	8 67	1,005 72	
August.....	116	13 " .....	19 70	2,285 20	
				5,868 51	
1899.					
May.....	4	6 " .....	7 14	28 56	} Per day of 10 hours, \$1.51. Per month of 26 days, \$39.39.
June.....	35	6 " .....	9 50	332 50	
July.....	122	7 " .....	10 96	1,337 12	
August.....	146	14½ " .....	22 00	3,212 00	
September....	44	16 " .....	25 40	1,117 60	
				6,027 78	
1900.					
April .....	12	2 " .....	3 33	39 96	} Per day of 10 hours, \$1.54. Per month of 26 days, \$40.15.
May.....	30	21½ " .....	33 09	992 70	
June.....	30	9½ " .....	16 26	487 80	
July.....	63	6 " .....	9 56	602 28	
August.....	85	16 " .....	22 69	1,928 65	
				4,051 39	

## WHITE MEN.

Year.	No. of men.	Average time per man for season.	Total wages paid for season.	Average per man for month of 26 days.
			§      cts.	§      cts.
1897 .....	19	5½ months ..	8,316 23	79 58
1898.....	21	5 " .....	7,950 51	75 71
1899.....	20	5 " .....	7,720 95	77 21
1900. ....	20	5 " .....	8,091 71	80 91

NOTE.—White men are paid from \$40 to \$100 per month and board—above figures include board at \$12 per month. Chinese are paid for actual time worked only, and in all cases board themselves. Their wages vary from \$35 to \$75 per month.

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## MEMO. RE COST OF PACKING.

	Pack.	Chinese labour per case.	White labour per case.	Steamers cost per case.	Total.
	Cases.				\$ cts.
1897 . . . . .	39,131	36 cents. . .	21½ cents. .	6½ cents. .	63½
1898 . . . . .	10,005	58½ " . .	79 " . .	25 " . .	1 62½
1899 . . . . .	18,789	32 " . .	41 " . .	13 " . .	86
1900 . . . . .	6,105	66 " . .	\$1 32½ " . .	41 " . .	2 39½

NOTE.—Salmon packs for 1897, 1898 and 1899 were all cases of 48 one-pound cans.

Pack for 1900 consisted of 3,210 cases, containing 48 one-pound cans and 2,895 cases containing 96 one-half pound cans, the latter of which entail nearly double the amount of labour necessary to pack one-pound cans.

EXPENDITURE for boxes, lumber and Machinery from 1897 to 1900 by Ewen &amp; Co., New Westminster, B.C. :—

1897—Sawmills . . . . .	\$6,295 53	
Machine shops. . . . .	940 56	
	<u>\$ 7,236 09</u>	
1898—Sawmills . . . . .	2,539 38	
Machine shops. . . . .	1,274 68	
	<u>3,814 06</u>	
1899—Sawmills . . . . .	2,767 29	
Machine shops. . . . .	799 27	
	<u>3,566 56</u>	
1900—Sawmills . . . . .	1,949 04	
Machine shops. . . . .	2,442 51	
	<u>4,391 55</u>	
	<u>\$19,008 24</u>	

Two steamers, employing seven to eight men, are run in connection with our cannery at a cost of \$2,500 each season, wages of whom are not included in amount paid to white men.

Mar Chan, Chinese contractor, of Victoria, says: I am a cannery contractor,—contract by the case. I employ my men by the month and pay from \$50 to \$60 a month for can-makers. In one cannery probably thirty are employed making cans. I contract with three canneries on the Fraser and three on the Skeena River. Last year I employed 180 men in the three canneries on the Fraser. I also employ Indians to help as well. I employed eighty men for can-making. The cans are made at the cannery before the season opens. The tin is owned by the canneryman and brought there. Everything in the way of machinery and material is owned by the canneryman. When the fish commence to run we try to employ all the Indians we can get for cleaning the fish and for miscellaneous work around there, such as carrying the cans from the can loft to the fish fillers. The lowest wage paid is \$37.50. I lost money last year. It was a bad year. I employ no whites. Out of a total of 180 Chinese employed I cannot remember now how many are married. There may be a few.

Q. Would you venture to swear there are five out of the lot?—A. Yes.

Q. How do you know: who are they?—A. Mar Sue is one—I cannot remember the others.

The contract price per case has decreased. The price now is cheaper than formerly. They have more machinery now used in the canneries than formerly. In the ordinary work the machine has taken the place of the ordinary work and the men employed in these places are experts in their lines. There is a competition among the cannery contractors to get the experts, which has a tendency to raise the wages. I furnish the men with provisions. The workmen in the canneries of course get their provisions from my firm. The wages paid to Chinese ten years ago in the cannery business was much less than now. Wages have been getting higher every year. A great many have gone away from here, going to other places. A great many have gone to the American side. There is more work and better pay over there. There they have a longer period of work than they have here. The wages are probably about the same, but the length of labour would be longer there than here. Over there they put up every kind of fish that comes along and they have no close season.

The men get an advance before they go to the canneries. In the first lot of them—that is the men who go to make the cans—they get from \$40 to \$50 advanced before they go to the cannery. The second lot of men that go got an advance of from \$30 to \$40 last year. If they do not get it they won't go. That is the custom of the men going. If the fish do not come they cannot make any money unless I pay that money. I do not get it back. It is not marked a debt; it only holds for that season. I get men to work in the canneries from the labouring class—men who work in the gardens—anybody I can get.

Q. Is it because these men refuse to leave their places of employment and take the chances of the canning business, you have to make this advance?—A. Yes, they have to be paid in advance before they quit their employment to go to the cannery.

The contract price for canning salmon is about five cents cheaper per case on the American side than on this side. They fill fish by machinery.

Q. How much do the Chinese get on the American side where they have filling machines?—A. Those who have filling machines are one cent or two cents cheaper per case.

Q. Outside of the filling machines what would be the difference?—A. They have got machines for cutting the fish and chopping the fish different from what they have here.

Q. Haven't they a machine for that purpose on the Fraser river?—A. The machine over there is quite different from that they have here.

Q. How much is the difference in labour on the case?—A. It is a difference of two cents on the case.

NOTE.—It was explained by the canners, that filling machines were not generally used on the Fraser because it could not be done by machinery as nicely and well as by hand, and the hand-filled cans commanded a higher price in the market.

Q. Have you to guarantee a certain amount of money?—A. The first lot of them some have to be guaranteed four months' work and some in the second lot had to be guaranteed two months' work.

Q. Does the cannery proprietor advance you this money to pay the advance to the men?—A. Yes, they pay part of the advance; they pay certain sums for that purpose, but it is not a sum that will cover the total advance.

Q. If you should advance more than the men can pay back who is the loser, you or the cannery proprietor?—A. I would lose the money.

Q. If there were not many fish would you lose the money or the cannery proprietor?—A. The canners would lose and the contractor would lose. The canners would come back on me for the advance they had made me.

Q. Do you mean to say you guarantee so much work for the men and have all the margin of money between what you pay the men and the money you get from the canner?—A. We generally figure to make a margin of profit out of the provisions we sell to them.

Q. I suppose then the chance of losing on the advance is made up by the price on the provisions?—A. And also the prospect of a good run of fish, and making a big pack. That gives me some profit.



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The way it is done is this: all the provisions sent to the cannery are ordered by the foreman and then at the end of the month it is averaged and all pay pro rata. It is the same in the canneries where they employ their own help directly. At Bell-Irving's cannery they pay their men in the same way. They work it on the same principle in other canneries like Bell-Irving's, where they get paid directly. It is all thrown in together and at the end of each week they average to each man.

Q. Do they deduct that amount from the men's wages?—A. When the pay roll is made out the boarding house bill is deducted from the wages. The wages are then paid to each individual.

Henry O. Bell-Irving, of Vancouver, said: I represent the Anglo-British Columbia Packing Company. We have six canneries on the Fraser River, one on the Rivers Inlet, two on the Skeena River, and then we have two in Alaska and one on Puget Sound.

On the Fraser River last year we employed from seven to eight hundred men inside the canneries, and up to a thousand, possibly twelve hundred. That would be a fair average during the busiest season. The number varies with the season.

Of the twelve hundred, about one hundred and eighty are whites, probably three hundred are Indian women, and the rest are Chinese. The capacity of our canneries is from 140,000 to 150,000 cases per season. 1897 was probably the nearest approach to our full capacity, when I think our pack was 120,000 cases.

At two of the canneries on the Fraser River inside work is done by day labour. It is done by contract in the others. The Chinese contractors hire their help in their own way; we do not generally inquire how. Approximately their wages vary from \$35 to \$40 a month. They board themselves. Indian women are paid by piece work, as a rule, for filling cans. They earn from a dollar to a dollar and a quarter a day, sometimes more. They are hired by the Chinese contractor. Scarcely any Japanese and Indians are employed inside the canneries. The proportion of whites to Japanese and Indians employed in and about the canneries is about the same. We employ fewer Chinese on the Skeena, and there is a larger number of Indians and Indian women inside the canneries. We employ there about seventy-five Chinamen in each cannery, about fifteen white men and seventy-five Indians, male and female.

At Rivers Inlet we employ ninety Chinamen and about the same number of Indians, male and female, inside the cannery.

The wages at these places for inside work is about the same as at Fraser River, only we have to pay their fares up there.

In Alaska last year we employed one hundred and twenty Chinese, one hundred and sixty Indians and about twenty whites, inside the factory proper. In our Puget Sound cannery we have from one hundred and eighty to two hundred Chinese inside the cannery, and in the busy season we have probably fifty whites and say one hundred Indians additional. The work is done by contract, about twenty per cent lower than in British Columbia. This is accounted for by the full pack being so large and the season longer. Wages to whites there is about the same as in British Columbia, but the season being longer, and the pack larger, the cost per case is very much less. We hire white men there by the season.

Everything here is done with a rush, and costs more than in the United States. Frequently the cost over there is a little more than one-half what it is in British Columbia. Materials are cheaper also.

We had not enough labour to take care of all the fish in 1897. We had all the plant and appliances on hand that was necessary, everything excepting labour. The demand for it that year was abnormal owing to the heavy run. In ordinary years labour is getting more difficult to obtain. It has necessitated more machinery being employed, though we pay about practically the same for labour per case and we make advances in cash before any work is done. The advances practically fall upon us because none of the men are very responsible. We have one contractor for each cannery. The principals reside in Victoria. The contracts are usually drawn up in the names of a working partner and a sleeping partner. The first has no means as a rule, and the other is supposed to have, although it is often found that he has not got any. It occurs

frequently that they do not get the labour we require. Our season is so short that if we miss a day or two out of the run it is a great loss to us, and we have to keep a large number of men on hand so as to cope with an emergency. The sharp demand for men does not begin until the beginning of July. We employ fewer Chinese now than seven years ago, but we have been compelled to employ more machinery and pay the Chinese the same per case for doing the work.

The ease with which labour would be obtained may have had to do with the rapid increase in the number of canneries. Labour was certainly more easily obtained in former years than now. There were larger profits made a few years ago than now or ever likely to be made again. If there are too many canneries it will mean the survival of the fittest. A considerable portion of the pack is represented by certain fixed charges which go on whether the run is good or bad, managers' salaries, steamboat services, insurance and other charges that amount up in an alarming way.

Our white labour bill in 1900, independent of managers' salaries, amounted to 92 cents a case; added to this is 16 cents per case for the messhouse bill, whereas the Chinese labour bill was \$1.01 a case. In other words, out of the \$7.16 a case at that cannery, the Chinese labour bill was \$1.01 or one-seventh of the whole, and probably 25 per cent of the amount was paid by the Chinese contractor to the labour he employed, such as Indians, both men and women. At another cannery the white labour bill was \$1.20 per case as against  $88\frac{4}{10}$  cents for Chinese labour. Of course last year's figures were quite exceptional. In 1897 the white labour bill was  $33\frac{8}{10}$  cents as against Chinese labour 83 cents. These figures cover an exceptionally good run and a poor one. The percentage of the cost of labour paid to the Chinese varies a little to the total cost of the pack. It varies from  $13\frac{1}{2}$  in 1900,  $15\frac{1}{4}$  in 1899 and  $17\frac{1}{3}$  in 1896. A great deal depends on the run of fish, but the fixed charges go on.

Take the pack for the big year, that is for 1897, 1,015,477 cases, the approximate cost of which is \$3,572,800. Out of that I figure that \$964,656 represents material manufactured elsewhere than in British Columbia. Seventeen per cent represents the amount paid to the Chinese labour contractor, and I think 5 per cent of the 17 per cent represents the payment by the Chinese to their Indian employees, leaving 12 per cent actually earned by the Chinese themselves. That represents earnings by the Chinese of \$428,736, and the earnings of the employees of the Chinese \$178,640. The balance, 50 per cent, of the total cost of production was \$2,000,768. That represents the sum of money practically distributed in British Columbia for all sorts of material, labour, machinery, steamboat service, insurance, lumber and everything in fact produced in British Columbia.

Other things being equal, we would prefer to employ whites. I do not think it is a good thing to increase the restriction tax on Chinese from \$50 to \$100, or to have any restriction put upon the labour of the country. We must have cheap labour for production, where we have to compete in foreign markets, or to be forced out of the markets entirely. Being in a position to employ cheap labour enables us to give good pay to a large number of good men, high class men. If there were no Chinese to be had the industry would lie idle to a large extent. They receive a very small portion of the cost of production, and yet they are an important factor in the industry. The cost of production fluctuates more than his wages amount to. I think the industry has reached very nearly its maximum in British Columbia. We are suffering from competition among the canners, and we are suffering from a scarcity of Chinese labour.

The pack would be restricted enormously if we were to employ all white labour, or we would have to close up entirely. Supposing further restrictions were introduced, as long as we had the present supply of cheap labour we could get along. I believe white labour in British Columbia would be greatly benefitted by a large number of Chinese in the country. The conditions of life would be very much easier in the development of our resources if white men and their families had servants like the Chinese to do the dirty work for them. I think it is the destiny of the white men to be worked for by the inferior races.

The canneries do not supply a place for a labourer with a family to start in this province, but there is other work in the country. My view is that for the time being it

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would be better to have the places requiring unskilled labour filled with Chinese, than to have them filled with white people, and reserve the higher places for the whites. I think it better that they should be employed rather than that we should not have the industries established. A great many of the white men go to the mines, and then cheap labour comes in in the form of the Chinaman. The white labour does not come in, so the difficulty goes on increasing. The presence of the Chinese cheap labour here enables industries to go on that would otherwise be impossible, and the country is benefitting in consequence.

No cannery on the coast has ever successfully employed exclusively white labour. The Chinese are steady in their habits, reliable in their work and reliable to make contracts with. They won't strike while you have a big pile of fish on your dock. They are less trouble and less expense than whites. They are content with rough accommodation at the canneries. If you employ white people you have to put up substantial buildings with every modern appliance, only to be occupied six weeks in the year. The canneries draw upon all other industries for their Chinese labour. Quite a few domestics come to work.

Exclusion would make the conditions very acute within the next few years. The Chinamen would go home and die off. I do not think there is any reason for exclusion just now. I know there is no reason for any extension of the canneries, and if the present number of Chinese would be preserved, I believe the industry could be maintained. I believe that if traps were employed fewer men would be necessary, and the white men would receive much better pay. We will employ Chinamen just the same inside the canneries.

I believe free trade in labour for some time to come would be the best policy. I would like to see all restrictions taken off the Chinese. I have resided in Canada since 1882. I would like to see the country settled by white people, but I do not think it possible just now. The Chinese will remain a race apart. They will never assimilate, and it is not desirable that they should. I look upon them as steam engines or any other machine, the introduction of which deprives men of some particular employment, but in the long run, it enormously increases the employment. The Chinese standard of living is not comparable at all with that of the white man. I know white men would not care to live as they do.

At Astoria, Oregon, where they have a population of eight or ten thousand white people, they employ almost entirely Chinese for the same work as we do. There are probably about six thousand Chinese in the canneries in British Columbia. The few weeks a white man would be employed in the cannery would not make it possible for a white man to start a family upon.

Prior to 1895 the salmon industry on Puget Sound was very limited indeed, but it grew very rapidly afterwards. The packs for three years were as follow :—

	1898.	1899.	1900.
Puget Sound.....	355,000	871,500	432,000
Fraser River.....	256,000	510,000	316,000

The pack on Puget Sound was divided amongst seventeen canneries as against forty-eight on Fraser River.

• Filling machines work more satisfactorily if the fish are fresh, as from trap fishing. No filling machines are used in this vicinity. Fraser River packers have found it to their advantage to keep up the quality of the pack by carefully hand-filling the cans. Machines are used in Alaska and some on Puget Sound, but if we used them we would have to take so much less for our fish, though by using them we could dispense with a great deal of labour.

The Automatic Can Company saves Chinese labour, but canners, to make sure of the advance to the Chinese and to keep them through the season, prefer to pay a premium to them in order to have them on hand during packing operations.  $12\frac{1}{2}$  cents are allowed to Chinese when the cans are made at the cannery. I think the cost for labour at the Automatic Can Company is about five cents a case. The capacity of our



canneries in British Columbia is about 13,600 cases a day. The cost of our plant to insure that production would not be less than \$360,000.

We find that day labour costs more than contracting inside the cannery. The Chinese boss can obtain better results than we can with the same men. Undoubtedly if there was an abundance of labour for the inside work of the canneries we could handle a great many more fish and pay better prices for them. In July and August I would place the number of people engaged directly in the business in British Columbia at from 20,000 to 25,000 full grown men and women. Harvesting happens about the same time. The summer months are the best in almost every line of business. A small proportion of the fishermen bring their families with them, excepting the Indians. White women would not care to camp out under the conditions that exist during the fishing season. Almost everybody in the province is either directly or indirectly interested in the canneries.

I think the Chinese are particularly adapted to the canning industry. I cannot well conceive conditions, that the canneries can bring about at the present time more favourable to the white men of the country without stifling the business itself. We are able to carry on the industry with the aid of the Chinese, which would not exist otherwise.

If it were not for the competition of the Alaska canneries with their cheaper fish, the canneries in British Columbia would be pretty well off. The canneries of British Columbia could easily put up two million cases if the fish were there.

I do not think the whites are being replaced by the Chinese. As a practical fact the canners have not found it possible to employ whites for that class of work. The Chinese make very good wages. I do not know what the views of other canners are in respect to immigration.

We put up an especially high grade of goods on the Fraser and spend a great deal of extra labour in doing so, to fill a special market in England.

The average number of fishermen connected with our canneries would be from nine hundred to a thousand men. About half of the fishermen are white men: the balance are Japanese and Indians; probably a little more of the balance are Japanese.

On the Skeena we employ about 150 fishermen: that is, net men and boat pullers, chiefly Indians. Of them, there are perhaps thirty white men at each place, and twenty-five Japanese all told. Indian labour is becoming scarce.

At Rivers Inlet we have about 220 net men and boat pullers. Of these, about 40 are white men, about 40 Japanese, and the rest are Indians. Last year was the first year we employed Japanese to any extent.

The fishing in Alaska is all done by seining, at which we employ about sixty or seventy men. We supply the gear, and the men are paid so much a fish. There is a larger quantity of fall fish packed there than altogether in British Columbia. Responsible men are paid high wages there, probably \$90 a month.

Fishing on Puget Sound is done principally by traps by all white labour, which is very well paid. We cannot really call them fishermen. They are cutting piles and driving them with steam pile drivers, running steamers, &c. Gill nets are used very little there. We employ no gill nets, whatever, although we buy a few fish from the gill net men. Trap fishing is licensed by the Fish Commissioner, for which we pay \$50 a trap. The traps are placed in navigable water. Any American individual or corporation, formed or established under the laws of the State of Washington is entitled to use three traps. Their size varies very much; some are 2,000 feet in length; 1,200 would be a fair average. There is no exact width.

It is a system of continuous fishing, and at the same time a sort of warehousing them, keeping them alive. I hardly think the work could be done by the Japanese. The piles are taken out every year. Some traps are very costly. The average first cost would be about \$3,000, and including the cost of operating it, and wear and tear, about \$4,000 for one season. The difference in cost is in getting a good or bad location. Much experimenting has to be done to get a place where traps lay down properly, and where the piles may be driven to advantage, and to provide against them being washed away by a heavy tide. Our total expenditure on seventeen traps last year, including the



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labour in connection with them was \$97,000; that included three traps on the British side at Boundary Bay, which we have operated for some time under a license. This will be our sixth year on Puget Sound.

Fishermen in Northern Alaska can catch 1,500 fish a day with one-third the netting we use on the Fraser River.

In 1896 the average cost of fish at four canneries was \$2.07 a case. The average cost on Puget Sound the same year was \$1.05 a case. In 1897 fish were the lowest I have ever known. On the Fraser River fish cost on an average at four canneries about 95 cents a case. On Puget Sound the cost was 84 cents, but owing to the very large number of fish we caught and could not use there, we had to liberate them. Labour was not obtainable. On the Fraser the price started at ten cents per fish, eight cents after a while, and I daresay some off lots at odd times for five or six cents. We calculate about twelve and a half fish to the case. The fish are smaller in big runs. In 1898 the difference in cost per case in favour of Puget Sound was 80 cents; in 1899 about 44 cents; in 1900 it was in favour of Fraser River by about \$1.13.

Alaska is a great factor. There must have been twelve or fifteen new canneries put up there this year in addition to additions put to others. In 1897, if there had been more Chinese we should have given employment to more white men outside in fishing. There were very few Japanese then. In a big year the cost of fish is a great factor.

The parties who interested themselves in Puget Sound in the first instance were British Columbia packers. The industry has been driven very largely across to Puget Sound because they are not hampered with so many restrictions there as to fishery regulations, &c. They saw a chance of getting more fish there and getting them cheaper by the use of traps. They have no close season there.

The crew for a trap consists of five or six men, who get \$50 or \$60 a month each and board. Two extensive traps might keep a cannery going, or it might take ten. In early days on the Fraser River forty boats would catch enough fish to supply a cannery. It has become necessary to employ one hundred boats now. Traps would alter the situation very much. Fewer men would be employed, and they would become more mechanics than fishermen. You can do better with traps. The fish can be kept alive for a few days before they are required. If, as has happened on several occasions, an enormous run of fish has come, and we cannot use them all, it is possible to open the trap and let the fish go. These are not destroyed; whereas catching fish with gill nets you cannot keep them long, and great care has to be exercised in the selection of fish brought in by gill net boats. If traps were used I think entirely white labour would be employed, as at present on Puget Sound. By them we could dispense with a great many fishermen, but to adopt them immediately would constitute a hardship and an injury to the fishermen. I look upon trap fishing as being the scientific method of catching salmon for the market.

I should think \$65 would be a fair figure to allow for the depreciation of the value of a boat and net for a season. We pay now about \$77 for a round bottom boat, whereas we used to buy flat-bottomed skiffs for from \$25 to \$35. Cannerymen frequently commence the season by paying a figure for fish which they know will result in a loss to them just to get the work started.

The average fisherman on the Skeena catches more fish than on the Fraser. The average number of fishermen on the Skeena is a little smaller per cannery, and the cannerymen there do not prepare such large packs. We pay 20 cents a fish on the Fraser, 10 cents a fish on the Skeena, and in Alaska from 1 cent to 8 cents a fish. We catch them in our own traps on Puget Sound.

Fish kept in traps begin to suffer after three days. Regulations for close time could be easier enforced with traps, and they would be better for the spawning grounds. That is clearly proved, I think, by the number of fish that go up the river on Monday morning. During a heavy run you are able to liberate the superfluous fish from the traps. Personally I believe it would be in the interests of both cannerymen and fishermen if an arrangement could be made to reduce the number of boats on the Fraser River. I have seen 15,000 fish taken out of a trap in forty minutes. The trap has as great an

advantage over net fishing as an express train over a wheel-barrow. I have known of one boat earning \$200 a day on the Fraser River.

We made heavy losses on Puget Sound last year. We lost money on the Fraser for the last three years. In the world's market we have to compete with a cheaper production in Alaska. There the fish cost very little. They can produce at \$2.25 to \$2.50 per case delivered in San Francisco. It is practically the same fish, but not as good as the Fraser River or Skeena fish. The Alaska fish finds a market in the United States chiefly. From 450,000 to 500,000 cases of Alaska fish go to the United Kingdom. They do not command as good a price as the Fraser River fish, because of our pack being of such a good class. The average difference in the market price would, I think, be from 1s. 6d. to 2s. 6d. a case in the English market. Alaska is our chief competitor, although Puget Sound is running it pretty close. Puget Sound can take a good place with Fraser River. The difference in cost on the Fraser River on an average over Puget Sound per case was, in 1896, 89 cents; in 1897, (that was a big run) the difference was 13 cents; in 1898, about \$1.26; in 1899, about \$1.90; in 1900, about 68 cents. The average market value of sock-eyes is a very difficult question to answer. After the shortage was known last year the price went away up, to 27s. 6d. from 22s.

Most people sold in advance last year and lost severely in consequence. As a rule they sell partly in advance and hold partly for the future. I do not think people can sell at all just now; there is no business offering. We sell British Columbia salmon in Canada, Australia and the United Kingdom. Our Alaska and Puget Sound output we sell in the United States and the United Kingdom. The cost of fish was less prior to 1897.

As an inducement for white labour to come here we cannot pay a trifle more; as we depend upon conditions we cannot control. The market does not depend on whether you employ Chinese or not.

British Columbia, under favourable circumstances, may furnish 1,000,000 cases out of a total pack for the coast of 3,500,000. The Canadian market takes from 80,000 to 100,000 cases.

Frank Burnett, of Vancouver, President of the United Cannery Company, Limited, said: I have been connected with the cannery business for four years. Production by our company last year about 50,000 cases. We employ from 200 to 600 Chinese. We do not employ any Chinese, except the cook, except by contract. We contract with one man to make the cans and fill them and prepare them for shipment. The contractor is a Chinaman. He employs Indian women by the month. I do not know what the Chinamen under him earn per day. We let the contract by bargain.

We contract that women altogether shall be employed for the cleaning of the fish. As a matter of fact we supply them and charge them to the contractor. We can get the women better than he can. They do the work of cleaning the fish better than Chinese. We have been able to get enough Indian women to do that work. We have three canneries, two two years old and one three years old. The Chinese make the cans, fill them, solder them, cook them, lacquer them and fill them into the cases. We have five white men in each cannery, perhaps eight or twelve in each. All canneries do not pay alike to the boss Chinaman. The work is done a little cheaper since we have used machinery. White men could do the work of the Chinese in the canneries. With a little experience I think he could do the work as well as the Chinaman. I do not think he could do it as cheaply. Chinese are very clever at it. If a Chinaman takes the contract he gets Chinese to do the work. The boss Chinaman has not had any difficulty that I know of so far in getting sufficient Chinamen.

The Chinese have nothing to do with catching the fish. We have never tried to get white men to do the work of Chinese. I do not think the white men are here in sufficient numbers to do the work, and be out of employment the rest of the time. I do not know where you could get employment for the immense number of men employed for the fishing season in the forty canneries on the Fraser River.

If no more Chinese came in we would have no difficulty in getting all we want. The Chinese who are here are the ones we want. If there was exclusion there would be no difficulty at the present time, but there would be in the future; that would depend

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upon the mortality of the Chinese here. Sentimentally I am in favour of restriction, but from a business point of view I would favour it to a certain extent. The increase of a tax from \$50 to \$100 I do not think amounts to anything. I think a higher poll tax would be advisable. I would not absolutely exclude the Chinese, but it would prevent such a large number coming in. I am inclined to think too many have come in. What to suggest is hard to say; \$300 I think would certainly tend to keep a large number from coming in, tend to decrease the number. I do not think it would keep them from coming in altogether. Exclusion would affect us very soon; some die, and some go back to China. Our contractor tells us he had difficulty in getting all the Chinese he wanted. It was not to his interest to say so. It might be his interest to say so while the Commission is sitting. My idea is that the equilibrium obtains now,—that there is enough here now, but I would restrict increase to a certain number coming in, so as to supply the demand. Sentimentally I prefer exclusion. I would certainly rather see the country developed by white labour. I think that would be desirable, because the Chinaman does not assimilate. He is a foreigner all the time. It is not desirable that they should assimilate. Those who pretend to assimilate and pretend to belong to churches are far worse than those who do not profess to be converted. Their profession of conversion in nearly every case is hypocrisy. They become tremendous rascals, when they pretend to become Christians. An unconverted Chinaman is generally honest, and can always be relied on to keep a contract. The more converted a Chinaman becomes the worse he becomes. As to the character of Chinese for honesty, with the exception of those who pretend to be converted, I have found no better people as regards honesty, for keeping their contracts. I think they are far ahead of the Japanese as regards the keeping their contracts. The Chinaman will keep a contract whether he wins or loses by it as far as possible.

The English market is our principal market. We do not control the trade by any means; our great competitor is Alaska in the English and Australian markets. I know that they can sell fish cheaper than we can. The price of fish in the English market varies very much. I think there are not enough white men and Indians to do the fishing on the river. I do not think there are too many nets on the river. In the heavy runs there were more fish caught than could be saved.

The position taken that if there were a fewer number of boats the fishermen would catch more to the boat, is theory. There has been no opportunity to prove that yet. The boss never complained of any scarcity of Chinese labour. On account of the strike last year the Chinese were idle half the time.

We cannot pay the same price for fish one year as another. If there is a pack of 600,000 cases on the Fraser river we are not going to get the same price in England as if there were only 200,000 cases put up. It is a case of supply and demand. The price went away up when it was found that the pack was a failure last year, and it would have gone down if the pack had been a great success. The price has gone down from 38s. to 28s. 6d. for half pound flats. During the strike it went up 8 shillings in a week or two weeks; that would mean an advance of 20 cents a fish; of course that was phenomenal. The extent of the run and the fluctuation of the market is one of the difficulties in respect of the trouble in fixing the price. You can no more make the price more continuous or more steady, than you can arrange for the price of wheat or any other commodity to be more steady. I have sold out almost completely. I have made no money in it. To-day I have practically no cannery stock at all, and I am glad, too. I think a great many I have met have been no more fortunate than I have been. There have been no failures, but many are in the hands of the banks and the banks have to carry them. There must certainly be a certain number of people to take care of the fish of the canneries, but not necessarily Chinese. The Chinese are necessary at the present time, because I do not think there is white labour enough available. There is a parallel case in Manitoba. When the wheat crop comes on they have to provide for the harvesting by bringing white labourers in from the east, and taking them back again when the harvest is over. The same conditions exist there. I was fifteen years in Manitoba and know how it was. It is a question whether the Canadian Pacific Railway could bring so many here, and take them back again to do the same here. The Chinese get well paid for the time they

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are working; it is not cheap labour by any means. Some of them would probably be employed for four months, and others for six or seven weeks: about two-thirds for only six or seven weeks.

I do not think there are too many canneries; I do not think there are too many fishermen. Every four years we have a good run. I believe in free trade. It is a case of the survival of the fittest.

If white fishermen were there we would rather deal with them. We pay fishermen the same price all round.

If you increase the cannery for a big year you lose so much more in other years, so it becomes purely a matter of dollars and cents. I think they have reached the limit now; that is the way I have got out of the business.

I think mostly from domestic service the Chinese are drawn, that work inside the canneries. I know of two canneries that have practically failed. The traps on the other side is one thing that has decreased the price of their fish.

James Anderson, whose cannery is in the city of New Westminster, said: I corroborate the evidence of Mr. Ewen as to the labour question, what it cost in machinery, and the like. I might differ with him a little about the number of canneries. We could do with fewer canneries, but the people who put their money into them, that is their concern.

We cannot carry on the industry without the Chinese under present conditions. I employ about 125 men all told. I start my white men on April 1, and last year I had them until November 1. I am not in favour of Chinamen coming in as freely as they please. My opinion is to get rid of Chinese and Japanese if the conditions will allow it. I think you can do better without the Japanese than without the Chinese. The Chinese do not fish, but if we got white men and their families we might get the Chinese out. That would take a number of years. That is, it would take some time. As conditions are, you cannot get white girls or boys to go to the canneries, because the Chinese are there, and they do not want to associate with them. They do not care to work alongside the Chinese. If no more Chinese came in, having regard to the numbers that are here, the change to white labour would come about gradually. It would cost white people a good deal to come to the coast. There would be work for them if there were no Chinese or Japanese.

I would like to see nothing but white labour in the country. I am speaking personally, not from a business standpoint. If there was further restriction on further immigration, there would be the difficulty of replacing the labour, that is our difficulty. The presence of Chinese and Japanese here may have a tendency to keep out white immigration, but personally I cannot say. It is a serious matter to have all the avenues of labour filled with Japanese and Chinese. We would build up the country much quicker with white labour. The Chinese supply a certain class of cheap labour that you cannot now fill with white men, but that would soon remedy itself. For removing that difficulty I say there is no time like the present. The remedy will have to come some time, and I suppose you may as well begin now. Of course, speaking for the canning industry, we are a little handicapped here now by the competition on the other side. If no more Chinese were allowed to come in, the change would be gradual. I think it would be a mistake to make any radical change. Many of the Chinese go to the United States, I believe, and I believe some of them are going to Toronto now as domestic servants. I would prefer to see the oriental going out, rather than our people.

Thomas R. Smith, of Robert Ward & Co., general agents, Victoria, said: Have been in the canning business as an employer three or four years. The industry was largely developed before I went into it. The industry is not dependent altogether on Japanese labour. The length of the fishing season is about two and a half months. It is not always the same. It depends on the run of fish. The supply of fish is intermittent. There may be a good supply one day and no supply the next day. These men have to wait there. Fishermen sell their fish by contract at a certain price. Of course labour is required inside the canneries to take care of the fish that are brought in by the fishermen. Fishermen are a class entirely distinct from the labourers inside the canneries. I do not think the labourers catching the fish and the labourers taking care of

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them inside, clash with each other. If there was nobody to put them in tins, the fish would not be of any value at all.

Last season was a very unprofitable one. We could not have paid any more for the fish and got a profit, or paid more for the labour inside the cannery. I cannot see where white labour could be obtained. It is a question of wages to get it. I don't know what they would do the rest of the year. It would not be desirable to have white men in the country, depending upon cannery work alone. I am not in favour of curtailing industries for want of Chinese and Japanese. I would always prefer a white man to a black, there is the sentimental point of view, but it comes down to a question of dollars and cents. Countries are built up of dollars and cents. Sentiment may cost too much; you can't bring the two points together, for what you want is not obtainable, and you have to get what you want the best way you can.

I do not agree with an organized importation of labour. Exclusion would not affect trade between Canada and China and Japan. If I made a restriction against Chinese, I would also against the Japanese. I do not think it possible to get white labour at any wages to do the work in the canneries. The first labour employed inside the canneries consisted largely of Chinese.

There is nothing technically difficult about the work in a cannery. The class of work could be done to a considerable extent by grown up boys and girls. The Chinaman is a machine. I would rather a white man think sometimes than be a machine.

It simply comes to this: men are not going to put money into a business unless there is a good prospect for them, and they are going to employ cheap labour if they can get it. I think the general policy should be to keep the Chinese out and gradually get white in, but the white men will have to be prepared to compete with the Chinese. It is simply a question of competition in business. I do not think it is possible for white men to be replaced entirely by the Chinese.

From 1885 to 1891 I was assistant commissioner with the Hudson's Bay Company.

I cannot suggest any other class of employment in this province which will permit of white men engaged in fishing industry to leave their employment and go out fishing for a couple of months in the year. The number of canneries considerably increased within the last few years. In the United States they catch fish with traps. The American fish that goes to the United Kingdom goes from Alaska. The fishermen's union are a powerful body, and have proved themselves capable of looking after themselves. If the Chinese and Japanese were excluded it might have some effect in increasing wages. If any change was made to make labour dearer, I should think the capitalist would take that into consideration before investing. Last year if the fishermen adhered to their prices, every cannery would have had to shut down, and the fisheries would have stopped.

Q. Do you think in the interests of the country that the immigration of further labour of that class should be further restricted, not to send out those who are here, but to restrict the further immigration?—A. It goes without saying that we do not want any more than we can help. It cannot be contended they are desirable citizens. From the standpoint of a citizen I should say further restriction is desirable, but when you narrow the thing down to a question of the canneries, the cost of labour is an important element, and the cannerymen have to obtain that labour at the lowest possible rates, and as long as the Chinese and Japanese are cheaper than white men he will get that labour. It is largely a question of production at a price, so as to be able to compete with the canners on the other side.

Q. You have large numbers here now of both Chinese and Japanese?—A. Yes.

Q. Large enough to meet all immediate requirements?—A. Yes.

Q. So if no more of that class came in, your industry would still be carried on?—A. Yes, it might be carried on if we had other cheap labour.

Q. More white labour?—A. Yes, sir. I am in favour of white labour in everything, but at present the Chinese are necessary over here, and we cannot do without them. If they were sent away I do not know what we would do. White labour is preferable.

Q. Having regard to the number that are in the country at present, do you think that industry is dependent upon any further admission of labour of that kind for its continuance?—A. No, I do not think so. Of course labour will have to be obtained. If it has to be obtained at a higher price so much the worse for the industry. I should say the Chinese are the least undesirable. I think they are preferable as a matter of comparison.

The Chinese will never assimilate. They are a distinct and alien race—alien in speech, habits and civilization—in every way.

Q. Do you think it in the interests of this country to further increase a race of that kind?—A. I do not think so. In the general interests of the country, I should say not.

It would be unwise for a white man with a family to come into the province, unless he has something in view before he comes, because he would have to enter into competition with the labour that is in the market here. It is just such a man as that who would go away greatly disgusted with British Columbia, and injure the province, because he could not live here and compete.

Q. Would you advise white men, white labouring men, to come to Victoria, under existing conditions?—A. No, I do not think so. Whether they would not be a far more desirable class of citizens is a different question.

Q. From your knowledge of the canning industry, do you believe the profits of the cannerymen are as good as the profits of the manufacturers throughout the country?—A. Yes, it is a very progressive industry of course.

Q. You think they would make fully as much profit as other industries?—A. Yes. Last year was a poor year, and it was not very good the year before that.

Q. Do you think it is wise that the Government should encourage the immigration of Chinese into the country?—A. No, I think the general policy should be to keep the Chinese out, and gradually to get white men in.

G. A. Kirk, of Victoria, said: We have three canneries and employ seventy Chinese in each cannery. We might have ten white men. We pay the Chinese contractors so much per case. We have introduced labour-saving machines in the canneries and where the work is done by them we charge the Chinamen for that. White men have never done the whole work. The white men cannot give us sufficient men to do the fishing. We employ all the white men that offer. We are only too glad to get hold of them. I know that but for the Japanese several canneries would have to shut down next year. I do not think there are too many Japanese fishermen. I think we pay better wages than on the other side of the line.

Charles F. Todd, wholesale grocer and salmon canner, said: I have resided in Victoria 37 or 38 years. There is no competition between Chinese and whites in the lines of labour I employ, that is canning, because they are not doing the same thing. The condition does not arise. We employ white men as superintendents. We contract at so much per case with the Chinese firm. It is one of the conditions that they shall not sublet their contract. The business could not be carried on without the Chinese. The labour could not be found. We have been in business since 1882. If they were not here the business would not have been developed. The Chinese are employed at the same work on the other side of the line at a cheaper rate, except in some places in Alaska where they may be able to get enough native workers. The fisheries on the coast depend on Chinese labour. I think there are between sixty and seventy canneries in the Province employing on an average I should think about 75 men each, probably from three to five thousand Chinese altogether. Up north they have some Indian help, but the work is not so much manual labour as it is expert labour, such as soldering. The packing season on the Fraser River is from four to eight weeks. A man would not get probably more than four weeks' work the season.

There may be enough Chinamen now to fill up all the requirements. I think so at the present time unless the labour were diverted so that it would not be available. Chinese are not as desirable as whites, but there are lots of whites no more to be desired than Chinese.

Q. If no further immigration of Chinese were allowed, do you think that trade would gradually adapt itself to the changed conditions, not to put out the Chinese that

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are here!—A. I do not know. It would depend on conditions not alone in British Columbia. The canning business is not confined to British Columbia, but is governed largely by outside conditions, so unless the conditions should change in Alaska and Puget Sound and elsewhere, white labour could not be available at a low enough wage; unless the wages were low enough there is only one thing would happen, it is simply a question of a fisherman taking less for the fish, or the white people to be paid more for putting them up, and if we had to pay more for putting the fish up the fishermen would have less for the fish they caught.

The price varies very much. In the United States the methods of catching salmon are different from ours. They get them cheaper. They have a large home market and they go to the English market as well. Generally they export more than we do.

I would not recommend the Chinese should be allowed to come in without restriction. It would be overdone. There are enough here. I should think, unless the flow becomes greater than at the present time \$100 is sufficient. There are a very few coming into the country now, that is as far as I know.

We have from 175 to 200 fishermen, all full grown men. All the Indian women who come to the cannery are employed. There is a great scarcity and competition for them. I have known them to be paid as high as \$3 a day. Indian boys are largely employed. Wages for women are 15 or 20 cents an hour. Boys, 10 to 15 years old, 10 to 15 cents an hour. They wash the fish apart from the Chinese. We sometimes employ them subject to the Chinese and deduct what we pay them from the Chinese contract. They board themselves; have cabins, tents and houses at the canneries for their accommodation. Have never employed white men and boys for the same purpose. You would have to have better accommodation for white people. The season is so short. For instance, over on Puget Sound the canneries are sometimes located in cities where they may employ a certain amount of white help who live at home, but in British Columbia the conditions are entirely different. I do not see how it is possible to employ white help at all. I would certainly not like to see it done. It is very degrading. White fishermen very seldom bring their families to the canneries. The fishermen are not inclined to work inside the canneries and do not bring labour with them to take care of the fish they catch. Of the 350 fishermen I think about 100 were Japanese. In the past a good many of them expected to get their living out of fishing only, but are wakening up to the necessity of finding some other employment as well. They find they cannot get a year's living out of one or two months' work now.

We have been engaged in the canning business in Puget Sound; employed Chinese and white people in the same capacity as here. Wages are less there than here; for the Chinese about 20 per cent less; whites about the same wages. Cost of living cheaper there; cost of machinery we found was 50 per cent cheaper than here. The necessities of life are cheaper too, cheaper over there; meat and farm produce are very much cheaper over there; 75 per cent of the fish over there, are caught by traps, probably ten men for one trap; with many traps together they probably would not average more than six men to a trap. The men were largely Swedes, Norwegians, Russians and Finns. Take an ordinary successful trap and the ordinary results on the Fraser River, I should think a liberal estimate would be four traps would give you the same results as 150 or 200 fishermen on the Fraser River. It would depend largely in the way traps were situated and worked. I have known one instance where one trap caught more fish than 175 fishermen did on the Fraser River, where there would not be over eight or ten men employed.

We paid on the average on the Fraser River the year before last 22 cents a fish, and on Puget Sound we estimated on a fair average the fish cost us about five cents, if the traps were favourably located; 17 cents a fish difference, or equal to \$2 a case is a fair average for the year 1899. Their season is longer over there; the foreign market takes only the best of fish, whereas their local market takes any kind of fish; therefore canneries can start on May 1 over on the other side and run until the end of November as they do in many cases. Over there men are employed much longer and make much more time than men do over here.



One of the advantages of the trap method of fishing is, that they are able to catch fish alive, therefore they can keep their fish on hand between the runs of the schools by using double pots holding the fish and keeping them alive until such time as they are able to use them. Whereas on the Fraser River the fish have to be used as soon after they are caught as possible. I believe the fish in traps have been held alive as long as two weeks on some occasions. It works to the advantage of the labourer in giving them a longer season to work and more constant work. In the canning industry, where there is great competition, it is necessary to have the same conditions as elsewhere in order to compete.

Q. Could you dispense with a large amount of that labour in our fishing if you used traps?—A. I should say so. You may make it up to a man in some way by giving him longer employment, and in one year employing 35 men for seven or eight months in the year, whereas you now employ 175 men for only six weeks. They work by the month. With the use of traps Japanese could be dispensed with very largely. A man cannot afford to catch fish at the same price as they can be caught in the traps.

All their sockeye salmon like ours emanate from the Fraser River. They depend almost altogether on salmon from the Fraser River. We employ ten white men in each cannery. The price of fish ran from 15 cents down to 6 cents four years ago. Of course at that time the American traps were catching fish at one cent a fish.

Two men will do as much work with a soldering machine to-day as 75 men working by hand would have done some years ago. We pay more for the fish now and the price in the market has not gone up. The contract price, even with the machinery being added every year, has not gone down. There are enough canneries here for the fish running. Traps could have restrictions put on them the same as any other methods of fishing. I look at it simply as a commercial man.

W. A. Munroe, of Steveston, said: I am manager of the Phenix and Britannic canneries, which belong to the Anglo-British Columbia Packing Company. In 1897 we had more white labour than usual. It was a large run and the Chinese were not obtainable. Our people in Vancouver set to work and sent as many white people over as they could gather up, I think 15 or 20, and about the same number came from the Westminster Automatic Can Factory. Most of those from the can factory were boys. Part of the cans were made in that factory. I myself stood outside the dyke and tried to get Indian men and women to do the work; labour was very scarce that year. We had quite a number of cans from the Automatic Can Factory in 1897. The Chinamen did not object to these cans that I am aware of. I never knew that any of our cans were punctured by anyone. They did not object to the capping machine that I am aware of. As far as puncturing cans or damaging the machine goes I do not know anything about that. We had a number of strangers who were sent from Vancouver, men not accustomed to work on machines, and because the machines would not work easily they might have thought that the Chinese had been monkeying with them. We had a little difficulty with the Chinese that year. I think it was because a number of them were opium-smokers, and we wanted to get all the work out of them we could. The whole trouble did not amount to much. The contract system did not prevent me from engaging all the white labour available for the cannery. I got all the labour I could get hold of; the contract provides for that. It is immaterial to us what labour the Chinaman brings. When fish are plentiful we are always willing to pay good prices for labour. The canning industry has not been profitable for some time. Some men went into the business and came out all right. The average man who goes into the business is very soon tied up; that is the man who goes in with a little capital.

William Campbell, manager of the Automatic Canning Company, New Westminster, said: The factory running to its full capacity will turn out about 200,000 cans a day. We employ from thirty to eighty, all whites, men, boys and girls. We make cans for some of the canneries. We do not make all the cans for the company of which Bell-Irving is manager. We are usually employed on cans for about four months in the year in the summer time. I believe we can make them more cheaply than the canneries can make by hand. I believe that the labour is about one-half between the factory and hand labour. We have been in existence four years. The labour costs about \$1 per thousand



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cans. The canners say they have to have Chinese help, and they employ them in making cans for some time before the fishing season so that they will have the men on hand when the fishing season comes on. We have an advantage over individual canners in buying our material in large blocks. If the canning industry depended absolutely on our product, there would be no trouble in having enough on hand for the whole of them. There has only been a stringency on one or two occasions by reason of tin not arriving in the country in time. I never heard of any of our cans having been punctured or made defective by the Chinese in order to have the cans made by themselves. We have had no trouble in getting white labour, and I would rather have it. Our trade grows in miscellaneous cans. I do not suppose we supply more than one-enth of the cans used on the Fraser River. We manufacture cans of all sizes and descriptions.

Lee Soon, of New Westminster, said: I have been in this country sixteen years. I have been in the canning business five years. I have got about \$30,000 of capital invested. I have ten partners, some are here and some of them are in China. I employ eighty to one hundred hands: 20 per cent of them are white men. I have an engineer, net boss, watchman, fish collector, and some young boys who carry fish to the cans. We have also steamboat men. Our steamer would be worth \$2,750. We have from fifty to sixty Chinese in the cannery, no Japanese. Last year I had five boats of Japanese. The rest of the fishermen were white men and Indians.

I would like to see our people come in very well. I would like to see the head tax remain as it is now, \$100, and not be increased any further. With a head tax like that the population would not increase any further. I am also in the merchandising business. Men in the cannery business lost a great deal last year. At first the fishermen were not satisfied, but after the strike they were satisfied, they told me so.

I own considerable land in this country. It is under cultivation. We employ fifteen to eighteen Indians inside the cannery beside the fishermen. I brought all the capital I invested here from China. I paid \$1,565 to white labour in the cannery last year, and \$600 for wages on the steamboat. I am called on for public subscriptions, and I always subscribe. We had about twenty boats of white fisherman last year and from twelve to eighteen boats with Indians. The fishermen say there are too many boats. I think not too many boats, but too many canneries. I pay the same for fish to all. White men and Indians work our cannery boats. White fishermen struck first last year. It was not easy to get fishermen to work for me last year. There was a lot of fish last year, but there was a strike on, and they did not go out and get them. I do not think there are enough Chinamen for all the canneries this year. We cannot take so much fish from the fishermen if we have not enough men to take care of them.

We hire the men at the first of July. There are just about as many men available now as last year.

Thomas Robinson, of New Westminster, assistant to the Inspector of fisheries, said: We have no means of ascertaining the value of a plant of the individual fisherman as distinct from the whole. The statement gives the value of plant. In 1896 there were 14,227 employees. The value of the plant then was \$2,197,248. In 1897 the number of employees was 19,850, the value of the plant \$2,350,260. In 1898 employees 20,695, plant \$2,480,245. In 1899 employees 20,037, plant \$2,145,173. In 1900 employees 20,262, plant \$2,839,904. These figures are from the Government return as far as published by the department, and beyond that from our own office records. The information is from the various canneries in answer to a form of questions that is submitted to them.

The price is based on ten cents a pound, so the figures will show the difference in bulk more than the market price. It will show the value of the production, rather than the market price. With regard to the plant, we have no means of ascertaining it apart from the plant which belongs to the individual fisherman. The statement includes everything in the industry. It is made up partly from the cannery returns, and partly based on the number of licenses issued.

As to the employment of Chinese in canneries, in my opinion the present conditions are unnatural. The Chinese were here, were brought here from the east and the canners have made use of them, but I think that with white help they could have done the

same work. We have depended on the Chinese till we think we need them, until we seemingly need them. Some people have worked themselves into the belief that they are necessary. We have created the necessity by our action in using them. I was at one time interested in the Fraser River Industrial Cannery. There were eighty or ninety interested in it as a co-operative association, nearly one-half were fishermen. The inside work was done by Chinamen. They had not very much to say about employing Chinese. They accepted the directions of their financial agent.

The Co-operative Cannery was sold by bankrupt sale. The difficulty I should say was in the first place lack of capital, and lack of harmony amongst the membership. It ran three or four seasons. I think we had one or two successful seasons. It had profit in 1896, but I think it went behind in 1897.

I have no knowledge personally to draw comparisons with labour conditions in lobster and vegetable canneries elsewhere, with salmon canning on the Fraser. I believe it was difficult to get some expert Chinamen one year. I think there were fish refused last year by the canners. The capacity of a cannery depends upon the labour and the plant within it. The canneries are very rarely worked to their full capacity, on account of the run of fish. It always seemed to me that when there were plenty of fish they were choked. I think there was a shortage of Chinamen in 1896. There was a scarcity of Chinese labour in 1897 when the run was on.

It would take some time for the white men to become expert in the canneries under present conditions, because the work is in the hands of the Chinese.

G. H. West, fisherman, of New Westminster, said: I think restriction of Chinese and Japanese is absolutely necessary, for the reason that we have been crowded out by them. The Chinese do not interfere with us in gill netting. The Chinese should be restricted. White men and Indians should have the opportunity of making the money and spending it in the country. I should like to see the tax made so high that no more Chinese could come in. In Australia they have a tax for fishing licenses, and they have to pay a poll tax as well. Chinamen and white fishermen are taxed the same here. Chinese fill so many places in lumber mills during the rest of the year that white men cannot get work and cannot make a living. We only require to encourage our own people to come, but if you wish European immigration it can easily be got if the Chinese were not here. If they were sure of work they would come. I would be in favour of the Government bringing them in.

The Chinese are increasing in the industry on the other side, but they have got a whole lot of white people working with them in the canneries there. A white man can earn more over there.

Hezekiah Stead, fisherman, of New Westminster, said: I have seen factories and canneries run in the east successfully without either Chinese or Japanese. The presence of Chinese tends to keep white settlers from coming in, and discourages those who are in. A white working man who may have saved a little before he came here is scared to invest anything in the country, and they go to a country where they have not competition such as the Chinese or Japanese.

I think the canners have nothing to do with the help. The contractor is supposed to supply all the help that is required. I think they hire one or two white persons, but if they hired more they would lose the contract I suppose. They would have to pay larger wages and would lose. I was inside the canneries in 1897. I think everybody could get work then inside the canneries that wanted to work. Not many fishermen worked inside. I think they would get work then there. I know there is a clause in the contract between Chinese contractor and the canner that the canner may put on anybody he likes to work in the cannery at certain wages, if there is not sufficient labour otherwise. I do not know of anyone doing it.

Speaking of canneries in the east, I refer to lobster, salmon fishing and other industries in Newfoundland. My sisters worked in an oil factory and a lobster factory at 40 cents a day. The white boys and girls did the work there much more satisfactorily than the Chinese do here. Just a few white people are employed around the canneries here when they could not get Chinese to take the places. The capacity of a lobster cannery in the east is from 500 to 3,000 cases in a season. I think the season is two months

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for the lobster fishing. We have machinery in some factories, some are on a small scale. They got white people there from the fishing villages and from the fishermen's families. There have been quite a number of people come here from Newfoundland, and they are moving home again because of the Chinese and Japanese. They do not come to stay here and compete. They think it is likely to be better there in the future, and they would not build houses here and settle.

I do not think the traps are going to hurt fishing at all on the river; the traps on the American side, I mean. It is my opinion that the fish will follow their own course up the river, and they will shun the traps; they will learn to shun the traps. It did not take long for the fish in Newfoundland to keep clear of the traps near shore.

John C. Kendall, fisherman, of New Westminster, said: If the Chinese and Japanese continue to come in here I will either have to leave or to starve. The Mongolians have cut me out of everything as well as they have done in the fishing. During the three years I have been here, I have only been able to secure work for four months outside of the fishing. I cannot get work outside of the city.

I do not believe that canners cannot get white labour here. I have met white men with tears in their eyes starving, and could not get work because of the Chinese and Japanese here.

George Mackie, fisherman, of New Westminster, said: No more Chinese or Japanese should be allowed here, because white immigration is more desirable. Enough white people have left here since I came to supply all the demands for labour, if the Chinese and Japanese had not been here. I know a great many people in the cities who would be glad to get employment that the Chinese and Japanese have to-day, more particularly the Chinese. There are enough white men and Indians in the province to do all the fishing. In the old country at the herring curing establishments they do the same work as the canneries here all with white labour. If no more Chinamen came in the canners would turn round and employ white boys and girls, and in one season would become as expert as any Chinaman. The Chinese only employ white boys and girls at the time of a big rush. The presence of the Mongolians not only prevents immigration of white people, but it drives many people who are here out of the country. Men who came from Scotland and Canada are returning to where they came from. A floating population that used to come here only come now in small numbers.

They employ Chinese in the canneries because it saves the management a great deal of bother. There would not be much trouble to get white labour.

Rev. John Perry Bowell, clergyman of the Methodist Church, New Westminster, said: I am personally acquainted with a large number of fishermen, who came to the province with the expectation of finding profitable employment in the fisheries on the Fraser, and the deep sea fisheries as well. Those who came several years ago succeeded to their own satisfaction. Several of them secured little blocks of land and built for themselves homes; but the greater portion of them were not only fishermen, but were skilled mechanics—carpenters and shipbuilders—and specially fitted to go into shipbuilding. Since the influx of Chinese these same people are pretty severely tested. Many of them had to go all over the province seeking employment, and a large number had to leave the country. Nearly all of these were men with families. Were the Chinese and Japanese not here, I am persuaded we would get a large number of people from Newfoundland. I have a great many letters from there inquiring as to the conditions here, but I would consider it a great crime on my part to advise any of these people to come here. Were the conditions such as they ought to be in a British province, large numbers of men from eastern points would easily be induced to take up little holdings and settle here. Owing to the increased cost of living of this coast the condition of the labourer here is no better than the condition of the unskilled labourer in the east, and the man out of employment in the east has not the great irritation of seeing the labour he could perform in the hands of foreigners. It has the effect of practically stopping white people from coming here. The Chinamen who are here would be sufficient for some time to come. On Vancouver Island especially I have observed that the Chinese are inclined to do work that white men in this country at any rate do not care to do. If our boys had work in the canneries during the fishing season they would



be a great help to their family. The cannerymen only employ white people when there is a rush. The Chinese are employed every day, while the white people are employed sometimes for a few hours in a week. There would be no inconvenience to the cannerymen if no more Chinese came in. In many places near settlements, the school vacations could be made to fit in with the cannery seasons. If fishermen had their families living in the neighbourhood of the cannerymen, it would encourage settlement, and in the fishing season they would be readily available. Newfoundlanders have large families.

I would not like to see boys and girls under twelve years working in the cannerymen, but I have known boys and girls to work until two o'clock in the morning for a week at a stretch. If there were no Japanese on the river I say there would be sufficient white people to be got to work the cannerymen to their reasonable capacity—men, women and girls. There is destitution among the fishermen in Newfoundland, amongst the fishermen when there is a short run; there is not likely to be so much destitution here. Expensive management has a good deal to do with the trouble. Labour does not get its share. I would consider 10 per cent fair interest on money invested. In the case of the canning industry a little more interest might be allowed; I should say 25 per cent. Cannerymen have to pay a larger price for fish now than they did before the invasion of the orientals. With fewer fishermen they would pay less, and yet the fishermen would make money. The increase in the price of fish due to orientals was not a good thing for the white people. Before the orientals came the fishermen made good wages. I have seen no evidence of the industry here being crippled by traps on the American side. In Newfoundland about two-thirds of the population, 225,000, I would say about two-thirds would be depending on the fishing industry. I should say 100,000 were actually engaged. Those people I spoke of from Newfoundland came here from ten to twelve years ago. Since I came here very little has been done in regard to deep sea fishing. I believe the cod-fish here would give employment to a large number of people, but men who understand vessels and deep sea fishing would have to engage in it.

I would call a fair remuneration in this country not less than \$1.50 a day. Encouragement should be given every way for men to marry, and their families growing up in the country. I do not think the American methods of fishing are prudent, but they are not so undesirable as the presence of Chinese and Japanese here. The use of traps may be a factor, but not a very large one. The question to be considered is, will cheap Chinese benefit the employer and injure the labourer? Being one-sided some remedy should be employed. I think the fact that the Japanese is better qualified to adapt himself to the conditions prevailing here makes him a greater menace than the Chinamen, who are common to our own labouring people. I do not think there is enough white labour at present to replace the Chinese in the inside work in the cannerymen. A good deal of the distress which occurred in Newfoundland was attributable to the fishing having been depleted. If not attended to very soon here the result may be the same. The vast majority of the fishermen here have been unmarried men and that is not a very desirable condition of things in a new country. Fishermen who come to this country usually have been seafaring men, or fishermen elsewhere. Their first thought of course when here was fishing. A great many have come and gone away. A large proportion of the fishermen on the river are bona fide fishermen, but they cannot under present circumstances rely on fishing for a living.

M. J. Coulter, of New Westminster, said: I am vice-president of the Grand Lodge of Fishermen's Union of British Columbia. I am a fisherman, have been four years on the Fraser river. I also fished for eleven years on the Columbia river before coming here. I am a British subject.

I am opposed to the further immigration of Chinese and Japanese. They hurt the interests of white labour. In the fishing industry they are not individual but contract labour. The canneryman engages white men individually, but when he wants Chinese or Japanese he goes to a Chinese or Japanese boss and says: how many men can you supply me with, and he gets them at so much a head.

Patrick Cain, of New Westminster, fisherman, said: The Chinese ought to be excluded as well as the Japanese. The Chinese do not fish; they take care of the fish after they are caught. White people could easily be got to work in the cannerymen if



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there were no Chinese here. If they could not get them in this country, they could get them in some other country. The cannery people will take as many fish this year I suppose as the Chinese can take care of. I do not think it would harm the country if every fisherman were required to provide labour to take care of the fish he caught himself. It would be better if it were done in that way. I think they should be able to compete with the Americans in the English markets.

Thomas Sheaves, fisherman, of New Westminster, said: The Chinese do not interfere with my business of fishing, but if they were not here I could get the cutting of cord wood out in winter and lots of other jobs. White people can do the Chinese work in the canneries just as well. It would not do for white people to depend altogether on the work that they would get inside the canneries, but there would be a great many good white settlers if there were not Chinese or Japanese in the province. I want to make a living in my own country and I want to have justice.

Alfred Totterman, fisherman, of Steveston, said: If the canneries would only employ white labour and nothing else, they could get plenty of it. The Chinese labour can be replaced by Indians and white women. I myself can supply three women to the canneries. Cannerymen seem to prefer Chinese. I have seen lots of Indians and white women turned away right in Steveston over here. I know of many families who have got three or four children that are able to work, and two-thirds of them are married and have families.

The Chinese contractor contracts to put up all the fish for the season. Only the surplus labour is given to white people. I consider that women and boys are better than Chinamen in the canneries. If there is any inducement for white people to come here, there will be enough of them for all the work that is required in the canneries. If there were no Chinese or Japanese here there would be no difficulty in getting a sufficient number of white and Indian fishermen, citizens of the country to do all the fishing, and to secure all the canneries require. That is my opinion founded on many years' observation.

Capt. J. L. Anderson, of Vancouver, formerly a fisherman, said: Chinese take the place of cheap white labour that might be employed in the canneries. All the labour in the canneries could be easily supplied by white labour from the east, say from Montreal and Quebec, and even from Newfoundland. The canneries seem to prefer the Chinese and Japanese.

John Stewart Fraser, of New Westminster, said: The conditions existing now are alarming. They alarm me, because I have still in this province three sons, and I am very anxious for their future. When I see the central school up here dismissed at noon, and see the large number of boys coming out there I stand and pause, and think what they are going to do. Where are they going to get work? These are questions that frighten me. They cannot compete with Chinese and live respectably. Some provision must be made for them, and if the Chinese and Japanese are allowed in this country, these boys will be driven out of their own country and have to seek a living on the other side. It is not so that those boys do not wish to get employment. At the Automatic Can Factory I believe it was found that cans had been punctured, or at least one of the largest canneries where the Chinese and Japanese had been dismissed, and they sent a steamer to Vancouver, and in a very short time they found boys and girls enough to operate the Automatic Canning Company. Well, now, I cannot answer; if it was the Automatic Canning Factory, they preferred to have white boys and girls. You will understand the company manufactures all kinds of improved cans, and they found their cans were being tampered with. I was in Steveston at the time and saw the steamer there landing the boys and girls, a fine looking lot of young people, all willing to work. I think that disposes of the argument that boys are not willing to work. If you go down street in the morning you will find boys going to the different factories and asking for employment. No, sir, they are not all able to find employment because of the presence of the Chinese and Japanese.

That is true that nearly all the industries are requiring men in summer and there is not so much work in the winter. Men are employed in the canneries for a short time in the summer, and are out of employment there in the winter.

Alexander Cunyou, a Chinamen born in Canada, residing in Vancouver, said: The wages for Chinese and Japanese are higher on the American side than here, from 25 to 50 per cent. I do not know about the Japanese, but about the Chinese I do.

I visit the lower parts of the lower mainland in the capacity of an interpreter in connection with the provincial revenue tax.

John Ibbottson, fisherman, of Vancouver, said: My family wish to go to work in the canneries. They were told they could make from \$1 to \$1.50 a day. My wife and three children were there for 96 days. They earned for 96 days \$74 for the four of them. One was thirteen years old, another seventeen, another twenty-two. My wife is about sixty-three. The youngest was a boy, the other two were girls. They were working by the day or by the hour. They were to get from ten to twelve and a-half cents an hour, and what I am trying to tell the Commissioners is that they gave them so little work that in 96 days they only earned \$74. They were just held as a reserve. When I was complaining they said there would be more fish by and by, but when the fish did commence to run more Chinese were sent for to town. The white people only got work when there was more than the Chinese could do. They had not been out working in the canneries before.

My notion is that to limit the licenses and give them only to people who are real settlers. I would give the license to the heads of families in preference, and that would to a great extent keep the Japanese out. I was employed at a cannery last year as assistant net man. All I got was \$40 a month. A first-class net man is worth, I think, about \$100 a month.

Robert T. Burtwell, Dominion Fishery Guardian, Vancouver, was asked:

Q. Do you know of any cases where Chinese were forced to go back when they had left?—A. Yes. I was working at the English Bay Cannery three seasons ago. Sing Soong and King Foong were the contractors for putting up the salmon. The season was a very poor one. The men employed by the contractors were indebted to the contractors. Some of them had left the employ of the cannery, and had started a little place or camp adjoining the cannery, to do something for themselves. The manager of the cannery came to me and said: 'Mr. Burtwell, I do not know what we will do with these Chinese; they want to sneak away to town; they are indebted to Sing Soong and King Foong; I want to stop them from going; can you hit on some scheme to stop them and get us out of the hole?' After a little while he said: 'You can go as if you are a policeman and get them to return.' I said: 'I am not a constable and have no authority to act as an officer of the law; I do not wish to get myself in trouble, but I will try to run a bluff on them.' I went to a trunk of my own, found a document with seals on it; I put that in my pocket; I went to the cannery and saw Sing Soong and King Foong and Mr. Crane; they told me the Chinese wanted to go to town; they were indebted to the contractor. I said: 'You fellows want to break your contract.' They said: 'No, but the Chinamen that left want to.' I went to the contractor that left and asked them why they wanted to break their contract; they said they did not want to break their contract. Sing Soong says we owe him money, but we do not; he treated us very mean because we were not catching much fish; he gives us only one meal a day and a little rice; we want to go to Vancouver and get work there. They told me they were hungry. I told them they had better stay on the contract. I succeeded in getting the Chinamen back and kept them there until they finished up the contract. I was paid for my services. The Chinese explained to me that Sing Soong made certain advances to them, and as the season was bad he was losing money, and he charged them too much for their food. So they should not incur any more indebtedness, he limited the amount of food they should get to one meal a day. If he had furnished them with three meals a day, as he had contracted to do, it would have increased the indebtedness. I know the practical part of it myself; I knew for a fact they had only one meal a day. I went to Sing Soong and insisted on him giving them more food. It was practically nothing more or less than a system of slavery.

I was not a British subject nor fishery guardian at this time. In a sense I was a British subject; I was born in the United States, taken as a baby to the old country; resided there till I was fourteen years of age, and then came to Canada; but as I was born in the States that made me an American citizen.

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Q. I suppose your suggestion is, the Chinese employed there were not free?—A. They thought they were, but the boss put up a job on them, compelled them to remain there to do their work.

Q. You helped that?—A. Yes.

Q. You say they had only one meal a day; how long did that continue?—A.—For two weeks prior to my leaving the cannery.

Q. And you helped to keep them at the cannery?—A. Yes; and they used to get the tail pieces of the fish from the cannery.

Q. They were living on one meal a day and you helped to keep them there?—A. Yes.

Q. What did you do with the parchment paper or deed?—A. I pretended it was an official paper.

Q. And you terrorized these Chinese and kept them there?—A. I did not terrorize them, but when they saw a paper with me with a seal on it they thought they had to return to work.

## AMERICAN EVIDENCE.

Everell B. Deming, manager Pacific American Fishing Co., Fairhaven, Wash., stated: This cannery was established in 1899. We employ Chinese. In the working season we employ 2,500 hands, (inside the canneries 1,000) and of these about 300 are Chinese, and a few Japanese. The Chinese do all the canning except the filling under contract through boss Chinese. The filling is done by whites entirely, boys, girls and women. The proportion of Chinese labour employed by us is about one-fifth. This company has always employed them. They come from Portland and return at close of season. Chinese average about \$45 a month and board for a season of six months. All the canneries on the Sound employ Chinese for the same purposes and limited to the work mentioned. We catch our fish in traps, and work is done by whites. In a rush season we employ Japanese. Japanese are unsatisfactory. We would not think of employing them as Chinese are. I prefer white labour at higher price to Japanese. Can get about as much work out of Japanese as out of whites. White labour is paid from 20 to 25 cents per hour. It is all hurry up work, no regular hours. Chinese are employed because they are skilled, and will do work white men won't do; for instance, soldering cans, a very tedious job. Chinese don't strike; you can always count on them. I would pay them more than white men for same work. Chinese are not cheap labourers. I like Chinese because they stay right with their work and do it right. We get a great many of the same Chinese every year. A good contractor keeps the same gang right along. We have this year all the best Chinese we had last year. Japanese are very quarrelsome. They get drunk. They don't mix with the Chinese or whites. Won't be in the same house with Chinese. Would not care to run a cannery without Chinese.

Our output last year was 150,000 cases; total capacity from 300 to 400,000 cases. The regular day's work lasts twelve hours, but for short periods, men work as long as fourteen hours. We did not make our own cans this year; bought them from can factories. When a cannery is running full capacity would have from 1,000 to 1,200 hands inside during the run of fish.

We are putting in two filling machines this year. Never packed with fillers before. Our market is in the United States. Have not shipped to England.

We had a fairly good run in 1899; put up 219,000 cases, of which 130,000 cases were sockeyes.

Capacity of our traps about 6,300 fish per diem. We make a contract with a Chinese boss for so much per case. Under that contract he furnishes us so many skilled Chinese; we furnish the rest and charge their wages up against the boss Chinaman's contract. We get some fish from gill nets and seines. We could not depend upon that source. Average price for gill net and seine fish, sockeyes 25 cents; year before last was 17 cents, and probably the fisherman got the worst of it. Trap fish brought 17 to 17½ cents. There was no contract last year between canners and



fishermen. We paid market price from day to day. Cannery here to some extent supply fishermen with gear, probably half and half.

This year a big run is expected and the contract price for fish is 15 cents. If we had to depend upon gill nets the plant would be closed up. Large number of men are employed in connection with traps, getting out piles and steamboating. We have twelve steamers and we use 12,000 piles each year. We pay trap fishermen by the month. Net men work on shares. Trap fish are as a rule cheaper than net fish. Last year the trap fish were higher. Couldn't get enough fish on Puget Sound with nets and seines only. Conditions are different to the Fraser River. With traps we can store fish for two or three days and this helps to give cannery hands steady work. With gill men only we have to have five times as many steamers for towing around, &c. Under the trap system less fish are destroyed than by gills and seines. We don't dump any fish from the traps if choked up, but let them go. There are sixteen canneries on the Puget Sound. Total capacity in 1899 was 885,000 cases. Just as many canneries then as now. Capacities have been increased and with a good run 1,000,000 could be put up. The number of Chinamen employed by us is about the average in proportion to capacity. The Alaska Co. have a smaller proportion because they fill entirely with machines. Chinamen's earnings represent one-fifth of the cost of the pack. Our fishermen we employ in the net field. Work commenced February 1, so they got steady work until 1st of following January, for they have to bring in and repair nets after close of season. They average \$50 per month. The Report of the United States Fishery Commissioner, Mr. Wilcox, has very complete statistics, and covers Alaska as well as Puget Sound. The State Commissioner's report is not so full. There is great antipathy to Japanese here. Until this plant was put in the anti-Chinese feeling was very strong. As this plant could not be operated without Chinese the feeling is not now so strong. The feeling remains very strong against the Japanese. It is realized now that Chinese are not cheap labour; they are skilled and don't have to work for little money.

Last year we imported 300 tons of coal from British Columbia, and had hard work to get anyone to unload it, though we offered 50 cents an hour. One or two white men came down but refused on the ground that the work was too dirty. Finally we secured Chinese at 40 cents an hour. When they learned that 50 cents had been offered for the job, they struck for a higher rate. I don't know if many Chinese came in from British Columbia; suppose some do. Our men are nearly all old men; don't see any young men now; youngest between 35 and 40 years old. We find a difficulty in getting white boys and girls. We have had trouble to get white men, but not this year. There are plenty of men now, but they are of a class that will not work steadily. It is almost impossible to get a girl servant either in Fairhaven or Whatcom. If whites had been trained, could have done as good work in the canneries as the Chinese. The whites employed around canneries are not steady and cannot be relied on. Will strike when they have you where the hair is short. They would take us at a disadvantage when the fish were running fast. We could not deal with mechanics through their organizations. You can make a contract, but they won't live up to it. Can't make contracts with them as an organization, because you can't make them binding.

The cannery business, as far as this country is concerned, has been a money maker, on paper, but it has all gone into betterment. The same thing applies to nearly every other industry on the Sound. Business has been profitable, but all the money made has gone back into plant. The cost of fish in traps depends entirely upon the run. Last year trap fish averaged 75 cents a piece. As a rule the traps belong to the cannery companies; that is, they are controlled by the companies. The laws of the state permit a man to own three traps.

The main difficulty of having to depend on whites entirely is the fear of their demanding exorbitant wages just when the run is on. There is no question of being able to get just as skilled whites as Chinese, if the whites would take up the work. There is no difference in having work done here and in Chicago. I have been handling canned goods for twenty years. I have concerns in the east. What is saving them there will ultimately save us here—machinery. For instance, in cannery corn, boys and girls do all the labour necessary. We are getting some machines here which will make us inde-



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pendent of any particular class of labour. None of the eastern canning industries fluctuate as the salmon fishing industry does. If there had been no Chinese the salmon canning business would not have been conducted on so big a scale. With big plants like this we must run to fullest capacity to earn interest. Our pay-roll to-day averages about \$15,000 per month, and we are not earning anything, just getting ready, and the same thing after the season of about sixty days. We don't give a rap for the fall salmon. We must make our money out of the sockeyes. The average cost of putting in a trap is \$5,000.

Mr. Deming subsequently stated to the Commissioners, whilst showing them over the cannery, that the labelling machine would save the labour of twenty men; the box-nailing machine saved \$1,000 on 200,000 boxes, and that the boxes were now made up at a cost of ten cents apiece.

H. F. Fortman, president of the Alaska Packers' Association, San Francisco, said: The total output of Alaska last year was 1,534,745 cases, of which between 750,000 and 800,000 were exported. Great Britain took about 600,000 of them.

It would be impossible to run the Alaska fisheries without Mongolian labour. About 5,000 Asiatics are engaged in the fisheries of Alaska, 500 of whom are Japanese. We get them from San Francisco and Seattle. Ten to fifteen per cent of labour inside the canneries is white. We employed 1,581 white men fishing last year for Alaska canneries. We had 1,086 Indians and 2,162 Chinese. Traps, gill-nets and seines do most of the fishing. Japanese are not employed as fishermen. Fishermen are hired for the season. We pay them so much per fish. They work at loading and discharging vessels as well, and in six or seven months they often make \$400. Transportation and board up and down are free. We catch about 85 per cent of our fish by gill nets and seines in Alaska. We use all the canning machinery we can get, and control some patents that other canners cannot use. We could not run our canneries at present without Chinese, although we use every labour-saving device at our work. British Columbia is our chief competitor. They have a fine class of goods and are well established in the trade. Chinese are the skilled labourers of the canneries. They understand it, and lay out to do their work well. We have no trouble with Chinese contractors. If a Chinaman gets sick there is another to take his place. It is not the same with white men. The gang is only as strong as the weakest link. With whites, if one man quits, the whole cannery is at a standstill.

We send to England and the British Colonies about 75 per cent of our Puget Sound pack. We always did so.

The first cannery operated on the Sound was in 1891. In 1893 a second cannery was built by another Fraser River canner. In 1894 another cannery was built. None were erected in 1895. Fourteen were built in 1896 and 1897, and two since then. The capacity of the Sound canneries is about 40,000 cases per day, and they could put up 50,000. For sockeyes salmon traps are used nearly altogether. There are a few gill nets and seines used. I never saw Japanese fish on Puget Sound. A man must be an American citizen, and a continuous resident of the States for one year before he can get a fishing license. We have now a reasonable supply, but not an over-supply, of Chinese. Japanese would not be employed if we had sufficient Chinese. So far they are engaged by the Chinese. We pay Chinese as much for labour now as we did before we installed labour-saving machinery, so that the profits on machinery are distributed amongst the Chinese. We guarantee the Chinese contractor so many cases for the season. We guarantee him about \$160 per man for the season. They get that amount absolutely. We furnish them with transportation. They board themselves. Wages on Fraser River and Puget Sound are practically the same. It is a longer season on the Sound.

Profits on fish sold in England are about the same as in the home market. The market is not unlimited, it is fixed. We have a better market than British Columbia. We have the whole United States. After shipping to England we have the home market to fall back on. The English market for us is the more important of the two and more profitable, principally on account of the large quantities purchased at once.

Chinese do not tend to keep wages of white men down. They obtain all they can get. I would favour restriction of Chinese; I would not have unlimited immigration. Your present law is all right, that is a tax of \$100 on each Chinaman.

Chee Foo, Chinese merchant, Portland, Oregon, said: I have been a contractor with the Alaska Packers' Association for ten years. About 200 Chinamen go from here to Alaska, and the balance, 2,500 or 3,000, go from San Francisco to Alaska. Wages have increased since the Exclusion Act. It is hard to get 20 men now where I used to get 400, though I pay half more now. There are not half as many Chinese here now as ten years ago. Some go to China, some are old men, some die, &c. There used to be thirty canneries on the Columbia River, now there are only five or six.

Cold storage has done away with a great deal of canning; therefore not so many Chinese are wanted on the Columbia River. I don't know of any Chinese who have come over here from Canada. At the canneries I am glad to employ all who come and are willing to work. The men who solder get \$300 for the season, the butchers about \$320, and other labour is about \$280 and board for the season: for mending cans the pay is less, about \$250 for the season. I paid \$25,000 advances last year, which cannery owners guaranteed. The Alaska packers advance \$85,000 for so many men. I take the contract to supply the men. I pay Japanese \$1 a day in the cannery. There are a good many Japanese in Seattle. They can be got cheap: I have got 120 going into the cannery this year at half price. I figure that 75 men are required for 1,000 cases per day. In the season I employ all the white men I can get at 15 cents per hour; boys and girls get 10 cents an hour. Stout men get 20 cents per hour. The Chinese never strike. We supply the company with 400 men to fill all positions. The filling machines save five men per thousand cases. Men will be scarce in Alaska. I wanted 100 and only got 30.

Walter Honeyman, of Portland, Oregon, said: My business is mainly in fishery supplies. The number of Chinese are lessening on the Columbia River now owing to the number of canneries being lessened. There is not one half the number of Chinese employed that there were five or ten years ago. The output has been reduced: the cause, want of protection to the fish. I do not think there are over 500 or 600 of them engaged on the Columbia. We have no Chinese left in town here now, and they are swarming in town in the winter.

I have seen only once or twice in twenty years that there was not sufficient labour in the canneries to handle the bluebacks. There were thirty canneries here twenty years ago. Now a great many of the large salmon are shipped by the cold storage men. They do not ship bluebacks or anything less than 25 pounds. We can find a good market at our own doors for all the salmon we can catch.

We have to refuse a great many orders for nets when it comes to this time of the year. We cannot get Chinese now. Hand-made nets are made here. The machines for making nets seem to be controlled by the manufacturers. No machine-made nets are made here. The bulk of them, I should say three-fourths used outside of the Columbia River, are machine-made nets. They fish here with seines, traps and wheels, not many gill nets. No weekly close season.

#### SUMMARY.

The canning process is almost entirely in the hands of the Chinese. Cannery owners contract for the work with a Chinese boss, who is usually backed by a firm of Chinese merchants. The contractor is required to supply all the labour necessary to operate the cannery to its full capacity at the height of the season. Failing to do this the contract usually provides that the owners may employ whom they please to perform the work, and charge this labour to the account of the contractor. With the exception of white foremen, engineers, and a few skilled men occupying responsible positions, the contract covers all the work of the cannery in preparing the fish as they come from the fishing boat to the finished case of labelled tins ready for the market. The contractor in a heavy run engages all the Indian women and youths as well as all the white youths available. It was estimated that of the cost of the pack of 1897—a large run—seventeen per cent was paid to the Chinese contractors, and that five per cent of this percentage would be paid by them to labour other than Chinese: that 27 per cent of the cost of that pack was for materials manufactured elsewhere than in British Columbia, and

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that 56 per cent represented the amount left for distribution in the province, exclusive of imported materials and Chinese labour.

Without an exception the canners stated that the industry at the present time and under existing conditions could not be carried on successfully without the aid of Chinese; that the Chinese are experts and are fully adapted for this work. All the available labour-saving machinery known to the trade is in general use by the canners and has reduced the Chinese labour by more than one half, but they state that its introduction has not lessened the cost per case for Chinese labour. The Chinese are reliable and industrious, and are willing to work long hours when the fish are in supply. They live in houses in connection with the canneries, unsuitable for whites, and live cheaply.

By reference to Exhibit 52 ante, it will be seen that although a large number of Chinamen may be engaged in the cannery during the busy season,—that is July and August, and less than one-third that number for April, May, June and September, and although their wages are comparatively high, for the time they do work, yet they do not work more than half the time; and measuring their employment in years, their total number would be represented by comparatively few. For instance at one cannery in 1897 where from 45 to 159 Chinese were employed from April to September, their total time only equals the employment of 32 men for one year, and their earnings per day of ten hours is \$1.48, or equal to \$38.54 per month of 26 days. In 1898 where from 9 to 116 men were employed, it only equalled 14 men for a year, at \$1.44 per day or \$37.58 per month. In 1899 where from 4 to 146 men were employed, their time equalled 14 men for a year at \$1.51 per day or \$39.39 per month. In 1900 where from 12 men to 85 were employed, it equalled about 9 men for a year, at \$1.54 per day or \$40.15 per month.

In the same cannery during those four years from 19 to 21 white men were employed at an average of \$78.35 a month, and at an average of over five months each year. Board herein is included at \$12 per month. Their wages run from \$40 to \$100 per month. For these years the Chinese labour varied from 32 to 66 cents, average 48 cents per case. White men's labour varied from  $21\frac{1}{4}$  to  $\$1.32\frac{1}{2}$ , averaging 68 cents per case, exclusive of wages on steamers, which varies from  $6\frac{1}{2}$  to 41 cents and averaged  $21\frac{1}{2}$  cents a case.

The contract price with contractors is practically the same in the different districts of British Columbia, and in American territory, excepting in Puget Sound, where, it is stated by one Canadian canner, that owing to the length of the season the cost is about 20 per cent less. A Chinese contractor at Victoria puts it at 5 cents a case less on the American side. A contractor at Portland stated that since the Exclusion Act wages of Chinese have increased.

The Alaska canneries are supplied partly with native and white labour, and with Chinese sent there from San Francisco and Portland. On Puget Sound the Chinese are obtained chiefly from Portland. They have also American Indians, and a large number of whites are employed there in filling cans. Two-thirds of the Puget Sound canneries are located in or near by towns or villages, from which they can draw a good supply of white labour.

The northern canneries of British Columbia obtain a larger amount of Indian labour. Their supply of Chinese is principally from Victoria. There is said to be very little land fit for agricultural development along the streams where the canneries there are located.

It is evident, therefore, that the supply of labour must continue for some time to migrate there.

In the Fraser River district one cannery is situated about two miles from Vancouver city, six are within the city of New Westminster, three are situated within two and a half or three miles below and across the river from New Westminster. The remaining thirty-eight canneries are scattered along the river banks at a distance of from seven to twelve miles from these cities. Steveston is a village almost wholly made up of people directly engaged in fishing and canning, and is practically deserted when the fishing is over. A large number of canneries are there, and it is regarded as a fishing centre. A fine agricultural country is in the neighbourhood of many of those thirty-eight canneries,



but it is generally held in large holdings. The harvesting season is on invariably at the time when the rush of salmon is expected, and this makes a demand for labour that might otherwise be available for the canneries.

It is evident, therefore, that with the exception of those canneries located near or within the towns, the labour required must migrate to them, and if white people were employed instead of the Chinese this would necessitate the provision of suitable accommodation at considerable expense on the part of canneries.

It was also represented that the premises would be only occupied for a short time, and not fully, except in heavy runs.

On the one hand it was suggested that the gradual displacement of Chinese labour by white labour might increase the cost of production. On the other hand, this contention was met by the proposal that the number of fishing licenses be reduced, so that those engaged in fishing, by reason of larger individual catches, might be able to sell their fish for less, and thus relieve the canner of the possible increased cost entailed by the employment of white labour in the cannery.

The number of hands required in the canneries,—at least five thousand—the location of the canneries, the uncertainty of the run and therefore of the length of time employment can be given, and the fact that the Chinese alone are trained in the canning process, present conditions which preclude any sudden change from Chinese to exclusively white labour.

From the foregoing it will be seen that :—

I. The Chinese by reason of their presence have been utilized and become experts in the cannery business. Their employment simplifies and to a certain extent makes easy the work of the employer so far as the employment of labour is concerned. The work is done by contract through a boss Chinaman at so much a case. The responsibility for labour then rests with him. He employs Chinese chiefly. Indian women are largely employed for cleaning the fish, and white men and boys are employed when the work cannot be overtaken by the regular gang.

Japanese also of late are employed in the canneries to some extent.

II. Until recently cans were made almost exclusively by Chinese labour, and although an automatic can factory run exclusively by white labour has been established at New Westminster with a capacity to meet the requirements of the entire trade on the Fraser River, and at a price as cheap if not cheaper than those made by the Chinese, yet the Chinese are still employed to a considerable extent in making cans, for the reason that this gives them a longer employment, and the employer is then assured of having them ready when the fishing season opens.

III. The introduction of machinery and its improvement from time to time has greatly lessened the number of Chinese required.

IV. There is a sufficient number of Chinese in the Province now to meet present requirements and supply the demand for years to come, although in an emergency occasioned by an unusually heavy run difficulty is sometimes found in getting an immediate supply.

V. Opinion is divided among the cannerymen as to the expediency of prohibiting further immigration. Two were in favour of no restriction whatever and thought that something in the nature of coolie labour, or at all events cheap labour, necessary. One declined to express an opinion, and one thought the present restriction sufficient. Two favoured further restriction and one exclusion, and all agreed that the Chinese labourer did not make a desirable citizen and ought not to have the franchise.

VI. Chinese labour being always available, easily handled and efficient and cheap, is preferred to other which is less expert from want of practice, and not so cheap.

VII. Cheap labour and the large profits formerly made, induced so many to engage in the business that it is now as all admit crowded if not overdone, which, together with competition from the Sound, but principally from Alaska, has cut down the price and reduced the profits.

VIII. Owing to the number of Japanese engaged in fishing there has been over crowding on the Fraser, with the result that both the canneries and fishermen have suf-



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ferred, the individual catch being less and the price per fish to the canners increased, and their profits thereby diminished.

IX. Had there been no Chinese in the country it is probable that the whites and Indians would have been trained to the business, and would have furnished a sufficient supply, but the almost exclusive employment of Chinese through their boss contractor, who naturally employs his own countrymen where available, has practically shut the door against whites and Indians and prevented them from learning the business.

The exclusion of further Chinese is not likely to seriously affect this industry, for:

(a.) There are sufficient Chinese already in the province to meet the demand for years to come, having regard to the views generally expressed by witnesses as to a maximum development having been reached, and the possible depletion of supply and the number of Chinese now in the province.

(b.) The change will be so gradual as to be all but imperceptible, and may be met by the employment of whites and Indians.

(c.) On the Sound where the Exclusion Act has been in force for many years and the number of Chinese has decreased in the last decade, it has not retarded the development of this industry, but on the contrary it has received its chief expansion during this period, many millions have been invested therein within the last three or four years, and this although Chinese are employed both on the Sound and in Alaska, as they are in British Columbia.

There is nothing disclosed in the evidence as it affects this industry which renders it inexpedient, if otherwise desirable, to exclude the further immigration of Chinese into the Dominion.

## CHAPTER XVI.—DOMESTIC SERVANTS.

White domestic servants are very hard to obtain in British Columbia, and the Chinese largely fill these positions. In Victoria there are employed as cooks and domestic servants, 530; in Vancouver, 262; in New Westminster, 65, and in Nanaimo, 42. They are also employed almost exclusively in the lumber camps, on steamboats, and in the various towns and villages, and to a certain extent on the farm as cooks. For instance, in Kamloops there are 30 employed and in Rossland 120. In short, they are employed to a greater or lesser extent as cooks and domestics throughout the province, except in the towns of Phoenix and Sandon, where they are not employed and not permitted to come.

The wages range from \$10 to \$30 per month in private families, and from \$25 to \$45, and in some cases even higher, in hotels.

Their efficiency it is said largely depends upon their instruction when first engaged. It is difficult to get them to change or adopt new ways. Their service differs from that of the ordinary white servant girl in this: that in addition to doing all kinds of housework they frequently cut the wood, look after the garden, and do general choring about the place, such as is generally done by a man servant, and this feature of their service accounts for the fact of their employment in many cases.

The wages given above have application where they have received a certain amount of instruction. On their first arrival many work for even less.

While, as among whites, there are good, bad and indifferent, yet the weight of evidence indicates that they give general satisfaction, and many of them are exceptionally good servants. We think it may be said that the larger number are found to be honest, obedient, diligent and sober. The care of children, however, is seldom entrusted to them.

Probably the strongest certificate of character they received was from Major Dupont, of Victoria, who said: I find them most faithful and most obedient. They are just as zealous to serve us and make us comfortable as on the first day I employed them. It is most unwarrantable to say they are not considerate and respectful to white women. I find them quite cleanly. There is lots to be said about his unsanitary condition in his own quarters. Chinese quarters with me are as tidy as bachelors'. I don't think

they crowd out white girls. Any white girl can get a situation at from \$15 to \$20 a month. I never lock a door in my house. I never knew a Chinaman who took my wines or liquours. I have been gone eighteen months at a time, and I would be most ungrateful if I did not bear testimony to their honesty, zeal and capacity as servants. I have had one for 24 years and one for ten years.

Samuel M. Robins, general manager of the New Vancouver Coal Company, Nanaimo, said: I never employ Chinese as domestic servants. I have heard there is a difficulty to get white girls, but I have not experienced any. There is difficulty by certain persons and no difficulty whatever by others. It is a difficulty with the mistresses. I think the employment of Chinese as domestics more injurious than their employment in any other calling.

Clive Phillipps-Wolley, of Victoria, who lived in China for many years, says: You cannot get the same deference from a Chinese servant to a white woman that a white servant will give, but a Chinese is always deferential to men.

Q. You know from observation of cases where the ladies of the house would not part with a Chinese on any account?—A. I believe there are cases of the kind.

Q. They bear a character for honesty?—A. I do not know of them bearing that character. I know of a Chinese servant who was in one employment for many years, and was trusted by his employers, and was found to have been a persistent thief during all the years he was in the service. He was so clever a thief it was hard to discover. He could cover up his tracks better by far than any white man I ever heard of, or read of. You want me to say whether Chinese remain a long time in one employment; the Chinese I know of the longest in one employment was one of the biggest thieves I have ever known or heard of in my life.

George Allen Kirk, Manufacturer, of Victoria, who came to the Province in 1885, said:

Q. Would it be possible if there were no Chinese cooks here to get cooking done in the private houses of the city?—A. Certainly not at present.

Q. Is the Chinese a good or bad servant?—A. I think he is a good servant. I have found if you give them decent rooms to sleep in they are cleanly. If I could get white people as good I would take them.

Daniel McFadyen, of Vancouver, contractor and carpenter, said: In connection with household help, we kept a lodging house in this town and we kept Chinese help from time to time. In regard to their being a desirable help, they are not. They must be taught first, and then they get so independent they will not do the work. I found them unsatisfactory. We gave from \$5 to \$10 a month. Then they want more and try to run things. I have seen some good servants. Servant girls are rather scarce, but I think more could be employed than at present. I say if servant girls had been encouraged to come to the country there would be a great many more of them than there are. A \$10 Chinaman is not equal to a white girl. There are girls who would come from Nova Scotia. I am from there.

Tim Kee, Chinese Tailor and employment agent, of Victoria, said:

Q. Do you think white people could get along here in business without the Chinese; how would white men get along without any Chinese in Victoria?—A. They would get along all right.

Q. How would they cook?—A. They would get other cooks, white cooks. Suppose there were no Chinese here, white people would do all the cooking and washing.

Lee Cheeog, Chinese merchant, president of the Chinese Board of Trade of Victoria, says:

Q. Do you think we would have no servants at all if there were no Chinese immigration?—A. Certainly. If you had no Chinese here you would have white servants.

Q. How do our people in eastern Canada, in Manitoba and other places, get along where there are no Chinese?—A. Your people would have servants to look after the houses. Some few years ago our people were not here and you had servants then and you could have the same now.

John W. Taylor, barrister-at-law, of Victoria, accounts for the difficulty of getting cooks by the presence of Chinese.

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Henry Croft, of Victoria, engaged in the lumber and mining industries, said :

Q. Have you had any experience with Chinese as cooks ?—A. I have had them in the house.

Q. Are they good or poor cooks ?—A. It depends on their training. Some of them I know are very bad cooks. I have had three Chinese cooks in one day and discharged the whole of them.

Q. Have you had other Chinese cooks that were more satisfactory ?—A. Yes, some stayed a little while. I would sooner have a white cook in a house myself because I have been used to a white cook.

Q. Can you get women in this country for domestic service ?—A. You can get them but they are not at all plentiful.

Q. Then you have to pay them a very high wage ?—A. Oh, not at all. You pay them a reasonable wage and a white girl will stay with you for a long time and give you no trouble. It is hard to get a good white servant at certain times.

Edward Musgrave of Cowichan, Vancouver Island, said : I don't see where the supply of domestic servants is to come from except the Chinese. I have never found a servant equal to the Chinese. They will do as much as three English servants.

Dr. O. Meredith Jones, of Victoria, says : I have heard it said people could not get on without Chinese domestics. I suppose people would be put to a little inconvenience at first. In the course of time you could get the same comfort from white servants as Chinese give. It would be difficult at first. There has been no organized effort of getting white girls. I think if there was an organized effort to bring girls out there would be very little difficulty, for they could be got from eastern Canada. I should say England would be the best place. There are lots of women willing to go into domestic service. The girls here are not inclined to go into service. They prefer other positions for half the wages. They could get employment if they wished.

The majority of white girls here are employed as nurse maids, and people have difficulty in getting girls as nurse maids. People won't have Chinese attend to children. Where they have no nurse maids the Chinamen does the housework and the lady of the house looks after the children.

Q. Is that conducive at all to home life ? A. No, I think not, but the fault in many cases lies with the employers. If they were to take the same interest in white girls as they do in the Chinese, and put the girls through a course of training in cooking, matters would be improved greatly, or girls could go to some cooking school, and it would be a very good thing for them if they did know how to cook. If they were good cooks it would tend to make a good many homes happier.

A good cook is very much sought after. They don't like to go into any kind of work the Chinese do. They think it degrading.

The Rev. Elliot S. Rowe, Methodist Minister of Victoria, said : The problem of domestic service is not confined to this province, but the presence of the Chinese may aggravate the conditions here ; I think better wages are paid here for domestic service than in places with which I am familiar ; but those people who have Chinese servants have various opinions as to their work and desirability. I cannot say whether the majority of opinion is that they are very desirable as domestic servants. I have had no experience in that line here ; but the domestic servant problem will exist as long as the conditions affecting domestic labour are retained. I heard two medical gentlemen discussing the question this afternoon, and the views they expressed were entirely in accord with my own views. There was a time when medical nursing was looked upon as menial ; but schools were established in connection with our various hospitals for the training of nurses, and now the ranks of the medical nursing are filled with the finest of our young women. The question of work done in the kitchen and of work done in a hospital has a more intimate connection than many would suppose ; it is just as honourable to keep a man out of the doctor's hands by cooking food properly, as it is to care for him after he has got sick. Probably there would be less trouble in domestic service if such methods were adopted in domestic economy as have been adopted in the study of medical nursing. It would be well if there were established some institutions, as I believe have been established in some parts of the United States, where degrees or



certificates of efficiency would be granted to students, when the degrees of mistress of domestic science will be looked upon with as much pride as a degree from our schools where sick nurses are trained. Then girls will readily enter into domestic service in place of looking after situations in shops and offices; there will be institutions established for instruction in cookery and other domestic work, and the degree of mistress of domestic science will be as much prized as that certifying to efficiency in sick nursing. To my view that will be the solution of the domestic service question; then the rush for positions in shops and offices will be less than it is now, and the home and home life will be vastly improved. The presence of the Chinese domestic creates difficulty. My experience in reference to getting employment here for people anxious and willing to work is very different from other places I have been in. I have not been called upon to seek employment for a girl here. I used to conduct a small employment bureau in some of the places I was in. Under the Utopian conditions I have suggested I think work could be obtained in the near future, but I think it might be difficult to obtain employment now.

Alexander G. McCandless, of Victoria, clothier, said: In regard to domestic servants, I think we can get along first rate even if there wasn't a single Chinaman in the country. It is a mere fact of the Chinese being here that prevents white girls wanting to occupy those positions. I believe I could go east and could get good white girls to come here and work for \$15 and \$20 a month in domestic service were there no Chinese here; and with no Chinese here, were white girls offered the same wages as they now pay to Chinamen, there would not be the least difficulty in getting all the domestic servants we may require.

I hold strong views on this question, as I have had reason to consider it, but I do not wish to weary the Commission by presenting them at length.

A. R. Milne, C.B., Collector of Customs at Victoria, said: I think the supply of Chinese domestics is equal to the demand. Domestic servants are always certain of employment. Good mistresses are always able to get good domestic servants, white girls I mean. With a little thoughtfulness on the part of employers there would be enough of white domestic servants to fill all the demands. I think some ladies prefer to have Chinese as domestic servants, I suppose because they have got into their ways and have learned to do the work. They all come from the coolie class. Many of them I find are fairly intelligent, and they adhere strictly to their contracts. Mistresses are not at all considerate of the feelings, either physically or otherwise, of girls who go into domestic service. The girls are driven to take other work because of the long hours and inconsistencies on the part of their employers.

Dr. Robert E. McKechnie, of Nanaimo, said: I have two Chinamen in the house. One is moderately good and the other is poor. They demand fairly high wages. I employ them because of the impossibility of getting suitable white help. I think it is more difficult in Nanaimo than in Victoria, because you may say we are quite a distance from the centre. We have to obtain white domestics from Victoria, Vancouver and New Westminster, and some efforts have been made to obtain that help as far east as Montreal. Servants did not like to leave large cities to come to a coal mining town. The men of this town earn fairly good wages, and as soon as they are able to give their children a good education they do not care for their girls going out to domestic service. A large proportion of the girls under eighteen and nineteen are fitting themselves for better positions than domestic service, because of the Chinese being employed in that service. Very few girls are available from the white population here. It is very difficult to get white girls as domestic servants. I think there is a reason for it; very few white families come to the country, and girls do not care to go far from home or from the centres in the cities, and between the two we fall. There is a difficulty. The Chinese fill the gap to a certain extent, but we would be better with white people, and have the Chinese out of service altogether.

John Mathews, mine manager, Cumberland, said: We have Chinese as domestic servants here. There are no girls to get a supply from. There are few, if any, girls in domestic service here. The miners are quite able to keep their daughters without going out to domestic service. Hotels have Chinese and Japanese, principally Chinese. I



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know of only one girl employed here. Wages for a girl from fourteen to sixteen years of age is \$12 to \$15 a month usually.

Benjamin T. Rogers, manager of the Sugar Refinery, Vancouver, says: I think Chinese domestic servants are a perfect godsend to the country. I have had women cooks, much to my sorrow. I have two Chinese servants, and two white servants. I would not have white girls to take the place of Chinese, if they worked for nothing, if they wanted to work. The Chinese does not waste anything and the white cook will waste more than his salary is worth in a month. I would not favour exclusion because we need them as cooks. I pay one Chinese cook \$37 a month. I think there are enough Chinese in the province to-day for domestic purposes.

Richard Marpole, superintendent of the Western Division of the Canadian Pacific Railway, Vancouver, says: I find Chinese far ahead of any servants I have had. I pay \$20 a month for girls as cooks. I am trying to get them now at that rate. I am satisfied with what I have. Naturally you would prefer to have a white girl cook when you have to pay a Chinaman from \$25 to \$35 a month, but you cannot get white girls who will stay long with you. I tried to get girls from the east, but they turned out to be very much like some of the white labourers coming out here; they took advantage of us. We employ Chinese cooks on the Kootenay boats, for a good reason, we cannot get white cooks. These are the only places where we employ them. I failed to get servants from the east, and there are others who have failed in the same way. I will never close the door against getting good servants here. If they are scarce in Toronto how can we get them here? I think probably the distance they have to come and the cost of coming here, three thousand miles, has something to do with the difficulty of getting white girls for domestic service.

Johannus Buntzen, manager of the British Columbia Electric Railway Co., Vancouver, says: As to Chinese domestic servants I found one or two very good.

Bernard McDonald, manager of the British America Corporation and the LeRoy group, Rossland, says: We employ one Chinese as janitor in Rossland. We have a boarding house. The cooks employed there are whites, both cooks and waiters. I think Chinese necessary as domestic servants. My own personal experience is, they are more reliable as domestics and the consensus of opinion here among my acquaintances is that they are almost indispensable. It would appear white girls cannot be got. I know of Chinese being sent to Ontario to take domestic service there. In some cases it would keep families out, and other cases where families would come in, they would do their own service. There is a sufficient number of Chinese to give all the servants that are required. \$20 to \$30 a month are paid to Chinese. Very few girls are employed here. Chinese are more desirable here than Japanese.

Edmund B. Kirby, manager of the War Eagle and Centre Star Mines, Rossland, says: There are enough Chinamen throughout the west to provide domestic service and do laundry work, and, in short, work of the class that white labour is reluctant to undertake, and up to that point I don't think they do any harm and are a benefit, and I find in private conversation that is the opinion of men all through the west. The reason being that there is a gap there for which there is no supply of white labour. The caste prejudice against domestic service is each year becoming stronger, and white girls seem to be more reluctant to undertake that class of work.

Smith Curtis, M.L.A., Rossland, barrister, for the last two years engaged in mining, says: Take the case of domestic servants. Were there no Chinese available I have no doubt that there would be a fair supply of white domestic servants, were they paid the necessary wages. Give servant girls here the same wages given to Chinese and exclude Chinese from this service altogether, so that it will not be looked upon as a menial employment, as it is at present, from them being engaged in it, and a fair supply of girls would I believe come into the country. I lived fourteen years in Manitoba and we had more or less difficulty in getting servants, yet we pulled through, and British Columbia could do the same if Chinese were out of it. If I were in the British Columbia government and the Chinese were shut out, I would undertake to get servant girls in the country. Girls don't look forward to domestic service where orientals do that

service. They look upon it as a more menial work than they otherwise would. If more servant girls here were married off it would greatly benefit the country.

Henry E. Creasdale, of Nelson, former manager of the Hall Mines and Smelter, says: In domestic service the Chinese do not come in conflict in any way with the labouring classes here. I am quite willing to admit the majority of people here are opposed to employing Chinese, but I think they are made up of those who never employ Chinese, and never found any benefit from their service. If you took the employers I think you would find the majority in favour of keeping the restriction as at present. There is no doubt to anyone who knows the country and the scale of wages paid if you had to depend on white women to do the drudgery, they would not do it all, or only for very high remuneration, and if immigration was completely stopped, it follows that with an increasing population the number of Chinese servants must become less than the demand.

I should say their presence has indirectly assisted development in a way: that is to say, people have come into the country and have become interested in it, who would not come if they had not Chinese servants, and the ordinary domestic comfort has been favoured by the Chinese. They contribute to the comfort of the whites who are here. It is not because of the Chinese being here that girls cannot get employment; girls are not available.

Fong Wing Chong says: Have resided in Nelson six years: twenty-one years in British Columbia: am a merchant, married, wife in China. I went home and married and left her there seven years ago; one child; not been back since. There are about 325 Chinamen in Nelson,—50 cooks and servants, 20 in laundries, 40 working for white men, 50 gardeners. The rest have nothing to do,—150; half I know have nothing to do.

Gustave A. Carlson, Mayor of Kaslo, says: I believe if we did not have the Chinese here we could have white servant girls, which would be much better. There is no encouragement now for them to come to this section. As it is there are only a few here and they get lonesome.

#### AMERICAN EVIDENCE.

A. H. Grout, Labour commissioner, Seattle, said: There are probably fifty Chinese cooks in Seattle in private families. Japanese have been getting into places as substitutes for Chinese. The Japanese help in that line is I think more satisfactory on the whole than the Chinese. They get in where employers cannot secure white women. Employers here prefer white help, but white help has been a little scarce for some time; \$15 to \$30 a month for general domestic help; Chinese and white girls are about the same. Occasionally a good Chinaman may get a little more, but generally the white girl gets as good wages as the Chinaman. You cannot get a good Chinaman to take a position in a family for less than \$20 or \$25 a month. He knows he can get it; that is an experienced Chinaman. I advertised in Chicago and New York for white girls for domestic service. Some girls came here and got good positions, but were very soon picked up by the young men here,—got married and became good citizens. I think good white girls could be easily got for domestic service were they paid the same wages as the Chinese are paid. Most of the domestic service in this city is performed by white girls, and the service has been very satisfactory. The demand has always been in excess of the supply. We could fill fifty places if the girls were available to-day. There has not been a time within the last few years that we could not place twenty girls at a time. The American girls prefer other callings where the work is lighter and perhaps where the hours are shorter.

Q. Does that dearth of domestic help cause many families to go boarding?—A. It has quite an effect in that direction; I know of several instances where families have been obliged to do without help for several weeks, and finally they have had to close up their homes and go boarding. Several cases I know of.

Q. You furnish white and Chinese and Japanese, no distinction?—A. In domestic service the girls are scarce, and so people are glad to get Chinese or Japanese, but that is the only department affected in that way.

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Do you think the presence of large numbers of Chinese and Japanese here would have a tendency to keep white labour from coming in?—A. Yes, I think so. It would have a tendency to keep out domestic servants also. If there were large numbers of Chinese here the wages would be reduced and that would be an inducement to people to get that kind of help.

Where the white labourer goes he takes his family with him and from that source the greater part of our white domestic help is drawn. If the families were withdrawn from this market then their places would be filled with Chinese and Japanese. We would rather have white men and their families and do without the Chinese and Japanese altogether.

Miss Nina Kocklowski, assistant to the last witness in the labour bureau of Seattle, said: All applications for domestic service come before me. Most all the places are filled by whites. Very few families have coloured help. A great many families do not care to take coloured girls in, although those whom they have taken into domestic service make good house servants. There are some Japanese employed in households in the city. The Japanese prefer to go to service where they can work part of the day and get away to go to school in the afternoon. Most of our people prefer to get white girls as domestic servants. The Chinese as a rule want too high wages; they want to get from \$30 to \$35 a month, whereas a white girl will be paid from \$20 to \$25 a month. The Chinese I speak of is a first class cook. Six Chinese have come in since I have been in the office, that is since November, 1899; 534 white girls have applied to me for domestic service this month; 534 was just for one month. These are what I sent out. That was the number of orders for girls. I am sure there were 500 places filled anyway. Sometimes there is a scarcity and at other times the supply is equal to the demand. Friday and Saturday I find that girls are scarce. I can get whatever number of girls I want. I think I could get two hundred girls all right. I have about fifty orders now. The proportion of Chinese and Japanese to whites is very small indeed. There are other employment agencies in the city. Many families go to the Chinese and Japanese boarding houses. The figures I have given only apply to our own office. Very few families care to take Japanese help, and as to the Chinese, they want very high wages, and families do not care about taking them and paying such high wages.

Last month we supplied in the neighbourhood of four hundred girls with places. Quite a number apply for places to do washing, scrubbing and the like. The wage paid is \$1.50 a day and the hours of labour are from eight until five o'clock. Quite a number of girls come from the east, from Minnesota and around there. Quite a number of girls came from Victoria in January last, but lately not so many. They wanted to get housework.

Q. We have been told that girls are scarce in Victoria, that they cannot get them at all?—A. I do not doubt it, because the girls come over here and get better pay. From what I hear from the girls coming here, they are not well paid in Victoria. Not long ago a girl came and told me that she wanted to get domestic service here. I asked her where she came from, as she appeared to be a very good girl; she told me she came from Victoria, that she had been working there for \$8 a month in Victoria, and working for a family of six. It is no surprise to me that girls should come here and prefer to live here working hard for a little pay in Victoria. The girl secured a good place here at good wages, and the family are well satisfied with her.

In January there were six girls from Canada applied for work; they came from Victoria to Seattle. The wages are from \$20 to \$25 a month; the going wages are \$20 a month.

*Note.*—The city of Seattle established in 1894 a free labour bureau and employment office, and has maintained it ever since. Last year this office found places for 27,605 workmen and from 400 to 500 domestic servants per month. (See 7th Annual Report of the Labour Commissioner of the City of Seattle for the year 1900, at page 222 of American evidence taken under this Commission.)

James D. Phelan, Mayor of San Francisco, said: The Chinese are engaged largely in domestic service. People who cannot get white domestics go down to Chinatown and get Chinamen. I think this is very undesirable. The Chinaman engages in domes



tic service through the day and at night he returns to Chinatown and engages in gambling and opium smoking, and in the morning returns to the domestic circle, and what the effect of his associating with gamblers and opium smokers in Chinatown has upon the domestic circle, I leave it for yourselves to picture. Some people have an aversion to Chinese in their homes. Those who have them, I must say, consider them very valuable as domestic servants. The Chinese have been so long in domestic service that they have crowded out the white girls. It is one of the problems of the day to find places for our young women. I have helped myself within the last three months to establish a place, from which families could get white women to work. We got a number of sewing machines and got white girls to make up women's work, but we had to give it up. The Chinese would bring their wares to the stores and sell them cheaper than we could produce them. The Chinese have crept into a great many places and people hardly realize what they are doing.

#### SUMMARY.

The above fairly indicates the different views expressed on this subject. A number of witnesses stated that girls refused to take service where Chinese are employed, and doubtless there is some force in this.

Many complain that after obtaining white servants at great expense and with difficulty, sometimes from the eastern provinces, and sometimes from the Old Country, they marry within a very short time, and after trying to supply their places with white servants are compelled to engage the Chinamen. The fact that Chinese servants are always to be had when wanted, and that white servants are difficult to obtain, accounts partly for the fact that Chinese are chiefly employed, although white servants would be preferred by many.

While opinions differ, it may at once be conceded that under present conditions it is exceedingly difficult to obtain white servants, and a large proportion of those who employ domestic servants are dependent upon the Chinese for a supply.

The cause of this abnormal scarcity of white domestic servants is not far to seek. The callings requiring unskilled labour are largely filled by Chinese and Japanese, who have thus taken the places of fathers of families from which, under normal conditions, domestic servants would be drawn.

In Victoria for instance there are 3,000 Chinese engaged in various callings, or unemployed: 198 market gardeners, 48 sawmill hands, 886 cannerymen, 197 laundrymen, and over 800 labourers employed and unemployed. Can it be doubted that if these positions were filled with white men, a large proportion of whom might be expected to have families, the difficulty of obtaining white servants would be greatly minimized? If callings usually filled by white men, with families from which domestic servants are usually supplied, are occupied by Chinese, is it surprising that there is a great scarcity of domestic servants, and how can it be expected to be otherwise until these conditions are changed? This applies with greater or less force throughout the province.

In Nanaimo for instance, with a Chinese population of over 500, only 42 are employed as domestic servants and cooks. In New Westminster, with a Chinese population of over 700, 65 only are cooks and domestic servants: and in Vancouver, where the Chinese number over 2,000, only 262 are so employed. The Chinese both create and fill the want.

While on the Canadian side the greater number of the domestic servants and cooks are either Chinese or Japanese on the American side, in Washington and Oregon, comparatively few appear to be so employed. In Seattle it was stated that there were about fifty Chinese cooks, and that only six had been sent out through the City Labour Bureau since November, 1899, while 534 white domestic servants had been placed within a month. In Portland there are said to be about 200 Chinese employed as domestic servants. There is the usual scarcity of domestic servants in Seattle, but at the time we visited that city the supply was said to equal the demand. It is not suggested here that if there were no Chinese or Japanese in British Columbia there would be no difficulty in obtaining domestic servants, but it is believed that if the positions now occupied by



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Chinese were filled with white men, the conditions would be much the same as in the east. At present there seems to be a surplus of both Chinese and Japanese, some of whom doubtless will take to domestic service, and should no more Chinese come into the country, with the present supply already there, this question like others will adjust itself to the new conditions.

## CHAPTER XVII.—THE LAUNDRY BUSINESS.

The laundry business in British Columbia is largely in the hands of the Chinese. In Victoria there are 40 Chinese wash houses, giving employment to 197 Chinamen, in Vancouver 35, employing 192; in New Westminster 9, employing 38; in Rossland 20, employing 60 Chinamen, and other towns and villages in proportion.

These wash houses occupied by Chinese are in different parts of the city, and a tenement that is not fit for anything else is usually rented for that purpose. They are regarded as a nuisance and a menace by those who live in the vicinity, and great difficulty has been had to enforce sanitary regulations in regard to them by the city authorities. The average wages paid are from \$8 to \$18 per month, and board.

Steam laundries are also used in the principal cities and towns. As to how far they are able to compete will appear in the evidence quoted; but it is quite clear that white labour, having regard to the cost of living, cannot compete with the Chinese.

A. F. McCrimmon has carried on a steam laundry business in Victoria for eight years. He employs seven men and twenty-three women and girls. His charges are higher than the Chinese. He pays his men from \$10 to \$15 a week, and his girls and women from \$4 to \$7.50 a week. He has capacity for eight or ten more hands. There was another steam laundry started in Victoria, but quit the business as it could not get work enough. There is sufficient work in Victoria to keep four steam laundries busy if there were no Chinese. It would take three or four times the number of Chinese to do the work as well without steam. He favoured a tax of \$500, or exclusion.

It will be seen from the above that if this business was entirely done by steam laundries, there would be employed 28 men and 91 women and girls.

Donald M. Stewart has a steam laundry in Vancouver. There are four there, including the C. P. R. hotel. Mr. Stewart employs from 70 to 75 hands. He says the Chinese do nearly three-fourths of the work. All the steam laundries employ white people.

Alfred Larcen has a steam laundry in Nelson and employs fourteen hands. He pays out wages amounting from \$840 to \$900 per month. He has no difficulty in getting help. He pays three hands \$18 a week each, one \$15 a week, girls \$10 a week, overtime extra. He has capacity for three times the work he does. He employs white labour exclusively. He says he cannot do the laundry work as low as the Chinese. He has expended in the laundry business \$28,000 in two years.

At Grand Forks the steam laundry had to close down on account of the Chinese competition.

At Greenwood the laundry is still in business. Before it started the Chinese charged 75 cents per dozen, afterwards they dropped to 25 cents per dozen.

Mrs. Walsh, a widow, residing at Nelson, complained that she could not compete with the Chinese and lost her means of livelihood.

Mrs. Josephine Marshall, the vice-president of the laundry workers' union of Nelson, pointed out that many white women who had to earn their own living, could not get enough work to do, on account of the competition of the Chinese. This witness declared that there were plenty of girls that could not get work.

## EXHIBIT 67 B.

RESOLUTION TO ROYAL COMMISSION FROM NELSON LAUNDRY WORKERS' UNION.

NELSON, B.C., February 14, 1901.

Confronted by direct Mongolian competition, we the undersigned members on behalf of the Nelson Laundry Workers' Union do condemn and declare the same to be injurious to our business to the extent that about seventy-five per cent of the laundry in this city, and all in the outlying towns and camps, is done by Chinamen, thereby curtailing the pay roll of our countrymen by eighty per cent and the number employed to a like amount.

In the laundry work in Nelson alone there are at the lowest estimate two hundred Chinamen employed at a wage varying from 75 cents to \$1.50 per day, their hours of labour extending over the whole twenty-four hours, with barely time to eat and sleep. In some wash-houses a double gang is worked, the off men sleeping in the same apartment as those working and often sleeping on clothes to be washed; and their habits are such that we feel sure that in many cases a health officer would condemn the same as injurious to public health.

Knowing the above to be true, we have no hesitation in saying, were the Mongolians removed from the Kootenays, in addition to the two steam laundries, owned by the firm for whom we work at Nelson and Greenwood, each costing well on to \$10,000, there would be at the present, room for five more each employing from fifteen to twenty hands and paying a fair profit to their owners, which we are sorry to say is not the case now.

Trusting that the Commission will see the necessity of immediate action, we extend our most hearty approval and support to any legislation which will effectually remove this evil of Mongolian labour.

Signed on behalf of the union,

Mrs. MARSHALL, Vice-President,  
JOHN TEMPLETON,  
CARL LARSON, Secretary,  
I. J. LARSON,  
ROBERT NIEVLAIDES.

Ming Lee, laundryman (farmer in China), says: I have been in business eight years in Victoria. Pay my men from \$17 to \$18 a month; the lowest \$8 a month. I board my men. I send home between \$100 and \$120 a year. I expect to return to China as soon as I get money. My wife is in China. I had six acres of land in China. It cost \$80 Chinese money to live there. I intend to go back to China by and by. If there were no tax on the wives and children I think Chinamen would bring their wives and families to this country. I would certainly bring my wife. It costs too much money to keep them here and feed them here.

Sun Sam Cheong, laundryman, who has lived eighteen years in Victoria, says: As soon as I arrived I went into the laundry business. I went home and came back and took it up again, and have been in it up to date. I have a wife and three children in China. Sometimes I send \$100 a year and sometimes \$130, and the largest amount I ever sent is \$180 a year. I employ ten men, including myself. The highest wage I pay is \$18 a month and the lowest is \$6 a month. I have hardly enough work to keep my men busy. I pay \$20 a month rent. I am in debt now, because I have so much of debt that cannot be collected. I board the men I employ. Each man costs me about \$7 or \$8 a month. If I did not make so many bad debts I would earn something. Several years ago I made some earnings, but during several years I hardly make any earnings at all. The largest amount of money that any man owes me for a bad debt is \$100; one man owes me that. That man's washing comes to \$5 a month. I have been washing for him since starting the laundry business. Four men owe me about that, and lots of them owe me from \$10 to \$20. As to honesty, Chinese and whites are about the same.

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Mar San, laundryman, of Nelson, says: I have eight or nine men in my laundry. There are nine Chinese laundries altogether in Nelson. I and two others employ eight or nine men. The rest employ two or three men each,—altogether about fifty Chinese laundrymen. I have been here eight years. My wife is in China. I pay my men \$20 a month and give them board. I pay \$18 a month for rent, and \$10 a year for license. I own one house in Chinatown. The lot cost \$850; the house cost \$1,500. I can't tell if \$100 is too much to pay, head tax. I can't say if \$500 will keep the Chinese out. I don't care. I am not a British subject.

A. H. Grout, Labour Commissioner, Seattle, says: I should judge that from one-sixth to one-eighth of the work done by laundries is done by Chinese, and the other seven-eighths of the work is done in laundries where white people are employed.

## SUMMARY.

The result of the evidence seems to be, that probably from eight hundred to one thousand Chinamen are engaged in this business. They do their work well, and are, in many places, where steam laundries do not and cannot exist, a great convenience, but at the same time they take the place of many poor people who would find in this employment an addition to their stinted means.

This may be looked upon as a trivial matter, but in the aggregate it is large. Doubtless the work is done cheaper than it would be by white labour, but a large proportion of the money paid for the service does not return into circulation, but, as in the case of other employments occupied by Chinese, passes out of the country. There is probably paid out in wages to Chinese laundrymen in British Columbia over \$200,000 a year, a small proportion of which benefits the country at large.

## CHAPTER XVIII—PART I—MERCHANT TAILORS.

During the course of the investigation it was frequently stated that Chinese labour was employed in the more menial and unskilled employments, and that there was no danger of it encroaching upon the different trades and callings where higher wages are obtained. How far this is so, will appear from the examination of this and other trades, where they have already entered, and in some cases supply all the labour except the foreman.

James Andrew Grant, a merchant tailor, of fifteen years' standing in Victoria, says: In 1891 there were eighteen white tailor shops employing 150 men and women, with a yearly wage of over \$109,000; average weekly wages for men \$18, for women \$10. A Tailors' Union existed with a membership of 130.

The first competition from Chinese was in 1891. Then there were 150 whites employed. On March 13, 1901, there were employed in Victoria in the tailoring business twenty-one white men and 30 women and girls, with an average wage for the men of \$12 per week, and for the women \$6 per week, giving a yearly total of about \$22,464. In the meantime the population of the city has nearly doubled. The decrease in wages is \$86,736 per year. To what extent has this change been brought about by Chinese entering into competition in this line of business?

There are fourteen firms of Chinese merchant tailors, employing eighty-four hands in the manufacture of clothes for white people. This does not include two firms who manufacture Chinese clothing. It must not be supposed that these Chinese firms manufacture the cheaper class of clothing; the contrary is the fact. The evidence was indisputable, that many of their firms have a very large trade in the highest class of work, including ladies' tailor-made dresses, which it was said formed about one-third of their business.

Daniel Campbell, who is a high-class tailor, said that he had carried on business in Victoria since 1889. Wages were about fifty per cent lower now than then. He now



employs one hand where before he employed sixteen. Victoria then contained about 16,000 of population, now about 25,000. The Chinese competition has caused this. He then, as did other merchant tailors, went into great detail as to the cost of manufacture. He still paid for high-class work \$18 per week. He had to move into cheaper premises where he now pays \$40 a month for rent instead of \$80, owing to the falling off in business. He says a suit that would cost \$35, the Chinese tailor sells for \$18 to \$22. That simply drove them out. A serge suit which he would sell for \$28 they would sell for \$18. Their work would not pass his inspection at all.

The figures quoted above show a decrease in the actual number of hands employed from 150 in 1891 to 135 in 1901; in the former year only white hands were employed, whereas in the latter year eighty-four Chinese are included in the total. This decrease in the number of hands employed, in view of the increase in population, and of the fact that the Chinese engage in ladies' tailoring, and, also, in tailoring for their own people, would indicate the extent to which eastern ready-made clothing has encroached upon the tailoring business, but the fact remains that the Chinese do more than half of the 'made to order' clothing in Victoria.

John Logg, a journeyman tailor, of Victoria, put it in this way: I came here in 1889. I stayed two years at that time; conditions were good. My wages averaged over \$20 a week. About ninety men and sixty women were employed. Now the average wage is about \$12 a week for men and about \$6 for women. The Chinese came into competition and are taking almost the whole trade. It is impossible for a white man to compete with them. Whenever I pass at eight, ten or eleven o'clock p.m. the hands are working. The white men can hardly live here, and they have left. Their manner and mode of living is altogether different. I am a married man and have four children. I don't know of a single case of any Chinese house like a white man's. Our business will be wiped out. If things do not change, and that soon, I will leave with my family, and leave the country. It seems to apply to other trades as well as our own. It will stop the flow of immigration into this country. Most of the journeymen have families. The Chinese competitor does not bring his wife with him.

This witness gave a carefully prepared statement of the cost of living for himself and family for one year in Victoria. The family consists of himself, wife and four children.

Rent, \$8 per month .....	\$ 96
Groceries, meat, milk, &c.....	365
Fuel, wood and coal, \$2.50 per month.....	30
Boots and shoes.....	40
Dry goods and clothing, self.....	30
"                    "      wife.....	30
"                    "      children, \$10 each .....	40
School supplies .....	12
Scavenger .....	9
Taxes.....	5
Furniture, dishes, &c .....	5
Total .....	<u>\$662</u>

There should be added something for laundry, fraternal societies, newspapers, church, doctors' bills, nursing, &c. If all these were added it would bring up the cost of living to \$800 a year. I am living in a house altogether too small. If I had a large enough house it would cost \$4 a month more. A white man cannot exist on wages brought about by Chinese competition.

T. R. Smith, Victoria, commission merchant, said: When I came here to Victoria first there was tailoring done by white tailors. No tailor would work for less than so much per garment, and the cost of clothing was then so high that it induced a great many from Toronto and Montreal to send their travellers here, and they took a large part of the business away from the tailors here. If they had been content with less profit the trade would all have been kept here.



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Samuel McPherson, merchant tailor, and member of the Merchant Tailors' Association, Vancouver, says: I was appointed at a meeting to appear here and answer any questions. The Chinese have affected our trade some, but not as much here as in Victoria as yet. There are three shops here, one Japanese and two Chinese shops, who do custom tailoring for white people; one employs from four to six hands. The principal work they do here is in the manufacture of overalls and shirts for the wholesale furniture establishment. Apart from these three shops I do not know of any others who do custom work.

Q. Was that the work that used to be done by white men and women—the making of overalls and shirts?—A. Not in this country that I am aware of, not in the Province of British Columbia. From my own standpoint as a merchant tailor I do object to the Chinese coming in. I do not think they are any good to the country.

If their numbers increased in the trade as it has done in Victoria, it would be a very serious injury to our trade here. I am more dissatisfied with the way in which they learn the trade than with the present restriction; they learn their trade from the Dominion Government. They are committed to the penitentiary for some offence; they learn the trade in the penitentiary; there is one of them in Vancouver now and one in Victoria and another one who is here.

Q. What would you do with them?—A. Let them learn something else.

Q. What else?—A. Well, speaking from a selfish point of view, any trade that does not interfere with me. The reason I mention it is—I was trade inspector in the penitentiary for three years, and those three men were there. One is now doing quite a business on the corner of Hastings Street and Columbia Avenue; they are in the same business as I am; they buy from the same wholesale man as I do, but when a white man goes there to buy from them they do not want their names to appear in English on their books; their names are put down in Chinese; that is what one of them told me himself.

I am in favour of further restriction; we can get on very nicely without any more of them. My reason for favouring restriction or exclusion is that there is danger from them of driving our men out of the business.

The tailoring has not improved in the last three years; it is not as good as it used to be.

Q. Why?—A. Well, eastern competition as much as anything else, and there are more tailors. There is not so much business done by them altogether as there was three years ago.

There are three shops, averaging from four to six men apiece, say fifteen hands altogether, of Chinese and Japanese. Of the white shops there are over twenty, with from eighty to eighty-five workmen; in a dull season perhaps about forty-five.

Q. If a factory is established here working exclusively with Mongolian labour would it be possible for them to produce so cheaply as to shut out eastern competition?—A. Yes; that is my idea, that Mongolian labour should not be allowed to come into competition with our own people here.

Alex. McCallum, merchant tailor, of Vancouver, said:

Q. Do I take it that the Merchant Tailors' Association as a whole are opposed to further Chinese immigration?—A. Yes, as far as the association was represented. We were all present at that meeting.

Q. Is there any other special point you wish to bring before the Commission?—A. Did Mr. McPherson refer to the teaching of Chinese in the penitentiary?

Q. Yes.—A. I am not familiar with that, but I am anxious that that should be brought out.

There is no distinction between the Chinese and Japanese as far as our particular trade is concerned. Their prices are far too low. The prices would indicate that the wages they pay to their men were such that white men could not make garments and live here. Their charges for a suit are so low that they indicate that no white man could work for the same wages. We would prefer all white labour here. Then we do not get any advantage from those people as customers. As soon as they make a little money they send it away to China and Japan, instead of spending it for clothes as white people do.

Francis Williams, a journeyman tailor in Vancouver, said : There is so much competition by Chinese and Japanese that the white man will be driven out of the trade unless the immigration of these people is restricted or stopped. Twelve years ago when I came here I knew but two or three Chinese engaged in trade and no Japanese. To-day the Chinese and Japanese outnumber the whites by three to two. The number of white tailors here is fifty-five or sixty, the Chinese and Japanese 120 ; of these, ninety to one hundred are Chinese.

Tim Kee, a Chinese tailor of Victoria, stated that he employs from two to four men and pays them from \$25 to \$35 a month. The men commence work at 9 o'clock and usually quit at 8 o'clock at night, with an hour allowed each for dinner and supper. He further says :

Q. What do you charge your men for board ?—A. We charge about \$10 a month.

Q. Is that deducted from their wages ?—A. No, we pay them so much a month in clothes, board and lodging.

Q. Where they have lodgings to pay, how much do they pay ?—A. It is this way : two, or three get together and rent a room. They get a room for \$3, \$4 or \$5 a month and all live together.

Q. Sometimes more live together ?—A. Yes, sometimes six live together.

Q. How many have you known join together in renting a room ?—A. Four or five.

Q. How large a room would that be ?—A. About 8 feet by 12 feet.

Q. What I would like to know is what it would actually cost a Chinaman to live in the way you describe ?—A. I would say \$7 or \$8 a month.

Q. What do you charge for lodging alone ?—A. About \$1.50.

Q. If it is not so good then it would be \$1 ?—A. Yes. I do not have any lodging house ; we give them a bunk and they get their own clothes. We charge them so much rent per month.

Q. And he furnishes his own blankets ?—A. Yes, sir.

Q. And the usual price for that is \$1 a month ?—A. Yes, that is the usual price.

This witness further stated that the cost of board for a labouring man boarding himself would be about \$4.50 or \$5 a month.

Charlie Bo, another Chinese tailor of Victoria, employed six hands and paid from \$30 to \$40 a month and their board and lodging. The hours of work given by this witness were the same as the last. He says : The average amount of business altogether that I do in a month is about \$900. I guess I make seventeen or eighteen suits of clothes a month. From January to December it averages about fifteen suits a month that we make for white men. We average about fifteen suits a month for white men in the year, and for Chinese from eighteen to twenty suits a month. The Chinese suits costs \$12, \$14, \$16 and \$20, different prices.

Yuen Wah, Victoria, a Chinese journeyman tailor, said : He worked for \$30 a month and board and lodging, and works from 8 o'clock in the morning till 8 o'clock at night, with an hour allowed out for meals.

Alexander Peden, journeyman tailor of Victoria, said : About ten years ago Mr. Jackson employed sixteen or seventeen hands. He paid them as high as \$20 a week, and it has just gradually fallen away, until now he employs eight men, half the number he did then, and at that time we only did men's tailoring. Ladies' tailoring furnishes about one-third of the work. A good deal of ladies' tailoring is done by Chinese. If we only did men's tailoring we could only employ five men for that. I attribute the falling off wholly to the Chinese. We cannot compete with their prices at all. A suit the Chinese make up for \$14 we could not make for less than \$22 or \$23.

William H. Middleton, Secretary of the Western Central Labour Union, Seattle, said : There are a few Chinese tailors here. It is not a very serious competition with white tailors, and they are not patronized at all by organized labour ; that is to say, if we discover any of our members patronizing the Chinese stores, the organization would not stand it. A man doing that would be at once expelled from the union. No white man is able to compete with Chinese labour.

It is quite clear on comparing the cost of the different suits, that it was impossible for the white tailor to compete, without reducing wages below what a journeyman tailor

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with a family could live upon and properly support and educate his children. If matters continue for a few years as in the past the Chinese tailors will practically control this source of employment.

## PART II.—WHOLESALE MANUFACTURE OF CLOTHING.

The wholesale manufacture of clothing in the province is chiefly centred in Victoria. White women and girls and Chinese are largely employed in this industry, but the Chinese have almost entirely displaced white labour in some branches.

The change came about in this way, as explained by James Andrew Grant, of Victoria. He says: We concluded to go into manufacturing (of clothing). We put in plant costing us over \$2,000 for the latest machinery. We got work from the wholesale merchants at a price we thought we could make money at. They told us the prices they had been paying to the Chinese, and we were informed that they would give us the preference over the Chinese and that, while the Chinese took the most of their payments for work out in trade, they would pay us in cash. That was the information we got from the wholesale houses. We got \$6.50 a dozen for the best grade of ready-made. I refer to this particular branch as an illustration. The Chinese found that this was going to injure their trade, and they offered to do the work for \$5.50 a dozen. The wholesale house informed us that we could have the trade at \$5.50 for the same work. They admitted to us that our work was superior, but they were not willing to make any sacrifice to us. Well, the end of it all was that the price came down to \$4.50 a dozen, and we could not compete at that. That is \$4.50 for making a dozen pairs of pants. If you want to have evidence I can produce the books to show the figures I have mentioned to be correct. We employed about forty hands at that time. We employed sixty hands in all. We employed forty hands at that time for that business. These hands were not tailors or tailoresses. They were machine operators and finishers and pressers. I may say we went out of the manufacturing business.

Q. Why did you do that?—A. Well, it was a financial failure. We could not possibly make a success of it. We were unable to compete with the Chinamen. We were losing money.

Q. Can you speak of the wages you were paying?—A. We were paying from \$16 to \$40 a month for that class of work. We paid \$16 a month to hands who were learning. In that class of work we employed no tailors at all. They could make at first at that class of work \$16 a month, and afterwards earned \$40 a month when they were expert at it.

Q. What proportion of these were women?—A. All women except the pressers.

Q. White women?—A. Yes. We decided to try and keep the hands on. We asked them to work by the piece and see what they could earn. The girls worked hard and they earned about forty cents a day. That is all they could earn on piece work. Needless to say they quit piece work. We still kept them on for some time, because at that time the Klondike rush came on, and we were able to pay them big wages. But that was the end of the manufacture for the wholesale houses. In the experiment we made with piece work we counted on nothing towards paying our rent. We simply paid the girls what was coming to them, and they could make about forty cents a day. The hands we were paying \$1 a day before that, could only make forty cents a day on piece work when the price was reduced to \$4.50. We were running our tailoring business in connection with that, or else we could not have kept it up so long. We made a little on that and lost it in the other. We could not compete with the Chinamen at the prices paid for any of the other garments even, such as jackets, coats, lumbermen's jackets, waiters' jackets and different kinds of jackets in addition to pants and overalls.

Q. I understand you to say that you started at the price the wholesale men were paying to the Chinese; then the Chinese dropped below it; you came down to their



price again, until finally a point was reached where you could not manufacture except at a loss; then you gave up the business?—A. Yes, we went out of that line of business.

The work is done by Chinese through Chinese contractors.

George Allen Kirk, wholesale merchant, of Victoria, says: When I have had goods made by Chinese they were put out by piece work to the different Chinese contractors.

Q. Evidence has been given here that work was done for the wholesale houses by Chinese, more particularly in the manufacture of clothing; that the Chinese reduced the prices; that white men lowered their prices to meet that of the Chinese: but again the Chinese lowered the prices and the white men followed suit, and then the Chinese lowered their prices for the third time, and came down so low that white men, even with the aid of machinery, could not compete, and the white men were driven out?—A. The work is cut out by our company, and is given to the Chinese to make up.

Q. Do you find the competition of the Chinese has a tendency to reduce prices?—A. Yes, but I do not think it is the Chinese only that bring prices down. We have competition from the east as well in the making of overalls.

Q. Are your importations greater in value than the articles manufactured in Canada, speaking of the trade generally?—A. That of course I cannot say. I know we make nearly everything in the line that is sold. We do import overalls sometimes from San Francisco.

Q. Are they equally satisfactory?—A. We prefer to have them made here.

Q. In that case do you consider it better for the country and for the Province to have the goods manufactured here?—A. I think it better to have them manufactured here, even with Chinese labour, because we make more on them than on the stuff we import.

If they were imported from the other side I would not employ men here at all, but simply sit down and write a letter and order so many dozen of such and such goods.

Q. Wouldn't you prefer to see the class of garments you manufacture here by Chinese labour manufactured by white labour in the east, in preference to importing alien labour here and the trade going into their hands?—A. No, it is a matter of profit to me.

Q. Don't you see that if you employ that class of labour in your trade the final result will be that other trades will employ the same class of labour?—A. Yes.

Q. Are you able to say how the prices paid for making up these garments compare with the prices paid in the east for the same class of work?—A. I do not know, but we are able to manufacture a little below eastern prices now.

Q. That is to say, you pay a little less than eastern labour plus the freight?—A. Yes, we can sell at the same price that eastern men sell, only we claim to make a better article.

Q. Do you know the conditions under which the goods are manufactured in the east, with which you have to compete?—A. No, I do not.

Q. You do not know the systematic conditions?—A. I think they have factories and they employ a large number of girls. They have cutters who get out a large quantity of work, and I think that work is done by piece work.

Q. You refer to the big eastern cities, do you?—A. I refer to Montreal and Toronto.

W. A. Lorimer, salesman for Turner, Beeton & Company, of Victoria, described the method of procuring this work to be done by stating that: We make no contracts; just as the work requires to be done we give it out to the Chinese boss. Four Chinese firms do our work. It amounts to about \$300 a month in trade. We have our canvas work done by white labour. It costs more, but I give white men the preference, probably as a matter of sentiment. Our house handles coarse clothing, such as mackinaw. The Chinese manufacture these. Women could do this work, but it would necessitate putting in a power plant. We pay \$4.50 for pants and \$5.00 for coats a dozen. The Chinese tell me they pay their men from \$8 or \$10 up to \$25 a month and board them.

Moses Lenz of Victoria, said: We manufacture shirts, overalls, underwear, pants and the like, cotton flannel and flannel underwear. The Chinese are principally engaged in the manufacture of overalls and pants. This work amounts from \$150 to \$200 a month. We also have a factory where white hands are engaged. 27 at present,



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manufacturing principally shirts, underwear, &c. An experienced girl is paid \$20 a month. Good girls earn as high as \$30 a month; apprentices \$10.

Q. What are the Chinese able to make usually?—A. We pay them by the dozen. For pants all the way up from \$3.50 to \$5 a dozen.

Q. What kind of pants?—A. Tweed and worsted pants.

Q. Supposing there was absolute prohibition of any further immigration of Chinese, are there enough here for the present trade?—A. Yes, for the present trade; but last season we were very busy, and we could hardly get our work done. It was very hard to fill all our orders.

Q. Last year you had the Yukon trade?—A. Yes, we had our own factory and got all the outside help we could get.

Q. Could you afford to employ whites with machines at your trade?—A. I think the class of manufacture is too low for white men.

Q. White girls?—A. We employ all the white girls we can get.

Q. Do you prefer them to Chinese?—A. We do in most work. They do better work.

Q. You have never made up your mind whether you were in favour of unrestricted immigration or not?—A. No.

Q. Are you able to hold your own with the eastern manufacturers?—A. As a rule we are able to compete with the eastern people: in very low lines of goods we may not be able to compete. We cannot compete in the low lines, either by white labour or Chinese; but in the most of our manufactures it is cheaper for us to manufacture here. It is an advantage to us to manufacture. If we bought the goods we could hardly be able to compete with other houses. The majority of the factories sell both to the wholesale and retail trade. They would compete with us in selling their own goods. If we were to buy from different houses, probably three or four travellers would be selling the same identical line of goods.

Q. If the Chinese were excluded would it affect it?—A. In present conditions we could not get the labour. When we first started we had foot power machines, and now we have electricity. If we could get it, we would employ white labour.

A. M. Sandell, cutter at Lens & Leiser's, wholesale manufacturers of clothing, Victoria, says: I should say we had about thirty or thirty-five Chinese engaged in the business. We average about \$200 a month for the work done. They work for other houses and earn from 90 cents to a dollar a day. We have experienced women who earn from \$20 to \$30 per month. There are not sufficient girls and women to do the work. Men could not do it, and live.

Q. What do you pay for trousers a dozen?—A. \$2.25, \$3, \$4.50, and as high as \$6.

Q. White men cannot live on that?—A. No.

Q. There is no difficulty in getting Chinese to do the work?—A. No, there is a surplus.

Q. A large surplus, do you think?—A. Yes.

Q. So if the Chinese here are allowed to remain and further Chinese immigration prohibited entirely, there are quite sufficient Chinese here now to supply the labour market?—A. Yes, quite sufficient.

Q. You would not be affected in your business by any restriction or prohibition?—A. Not at all.

Q. For how long a time to come do you think?—A. For all time.

Q. So from your standpoint further restriction, or even prohibition, would not affect your business, leaving the Chinese here that are here?—A. That is my view.

Q. Are you in favour of restriction or prohibition; what is your own opinion about it?—A. I think it would be better for the country in general to have no more Chinese come in.

Q. There is at present a poll tax of \$100?—A. That is not sufficient.

Q. We were told by one witness that the white men did the work satisfactorily, then the Chinese came down in price, then the white men dropped their price, then the Chinese dropped their prices again to such an extent that white men could not do the work and live, and these white men were driven out of the country?—A. White men

could not do that class of work—ready made trousers—and compete with the other business. I cannot speak of any but my own business.

Q. You say there is abundance of Chinese labour here now?—A. Yes.

Q. Is that the way all the year through?—A. Yes.

Q. Just as plentiful in summer as in winter?—A. Except in the canning season, and that does not last long.

Q. Have you sufficient of Chinese then?—A. I think we have sufficient; not many tailors go to the canning. There are sufficient left to do all the tailoring we want done.

Chinese in our employ make overalls, the white girls, shirts. We send the best tweed pants to Chinese now. I do not think white men ever did it; it was done by girls, now by Chinese. If the Chinese were deported from Victoria, we should have to go out of the business of making overalls. If the present number of Chinese remain our trade will not be affected. I think white labour is getting more plentiful. The matter will adjust itself. White labour will have a tendency to increase in this country if Chinese are kept out.

John Piercy, manufacturer of clothing and men's wear, Victoria, said: We employ from ten to twelve or fourteen Chinese, who work by the piece. We contract with two different men. I am sure I do not know what wages they average; I have never gone into it; probably they earn \$10 a week sometimes. Probably we pay out \$250 a month to the Chinese. We employ those Chinese because we cannot get enough of white labour for our factory. We have from eighteen to twenty white women employed. They do a better class of work than the Chinese. I do not think the Chinese capable of doing as good work as the white women. I think if there was plenty of labour to be got in the city the white girls could do just as well, if not better, than the Chinese in the work the Chinese are doing, but we have not got the girls here and cannot get them. I do not think they are in the city. I think the women earn more than the Chinese, taking it all through.

Q. Could you carry on your industry here without Chinese labour?—A. Well, we could do so, but it would be a loss to us; at the same time we prefer to have Chinese labour until we can get more white labour: that is the position now.

If no more Chinese come in we could get more white labour. With the number of Chinese that are here and with a probable increase of white labour, I think we could carry on our business without loss. I am thoroughly in favour of exclusion; my reason for that is, sympathy for our own class and our own people. We prefer to give employment to our own people, if we can get them. We do not want the others to replace them.

#### SUMMARY.

There are several wholesale houses in Victoria that manufacture overalls and special lines of coarse underclothing and mackinaws, &c. The work is not done by regular journeymen tailors, but by women and Chinese. One firm put in a plant costing \$2,000, with the latest machinery, and employed about forty hands, obtaining work from the wholesale merchants at a price which was thought would pay. The Chinese took most of their payment for work out in trade. This firm was paid in cash. The Chinese found that their trade was likely to be injured, and they offered to do it for less. The price continued to be cut until the firm was driven out of the business. The hands employed were then allowed to make all they could earn at the present prices; the girls by working hard could only earn 40 cents a day on piece work, and quit. Since that time the work has been divided between women, girls and Chinese. The work done by Chinese is let by contract to Chinese bosses, who sublet, or engage their own men by the month. Certain parts of the trade are entirely in the hands of the Chinese. Women are said to earn from \$20 to \$30 per month: apprentices, \$10 a month.

All the employers engaged in this business stated that sufficient white women and girls were not obtainable, and one stated that if the Chinese were deported, he would have to go out of business. All, however, agreed that the present supply was ample, and no injury would be done to the trade if no more Chinese were admitted.

## CHAPTER XIX.—OTHER TRADES AND CALLINGS.

1, The manufacture of boots and shoes ; 2, cigar making ; 3, brickmaking ; 4, lime burning ; 5, fruit canning ; 6, sugar refining ; 7, cordwood cutting ; 8, railways ; 9, the Canadian Pacific Steamship Company ; 10, railway construction ; 11, electric railways ; 12, freighting.

## I.—THE MANUFACTURE OF BOOTS AND SHOES.

There is one small boot and shoe factory in the province, at Victoria, employing sixteen Chinese, who receive from \$1 to \$1.35 a day, and four white men at from \$2 to \$3 a day.

The proprietor, Angus McKeown, who succeeded Ames, Holden & Company, stated that eight years ago there were 150 Chinese employed in the industry in Victoria, and only thirty white men ; now there are sixteen Chinese and four white men. The market being limited in the west, it was found difficult to compete with eastern manufacturers even with Chinese labour, owing to the fact that many lines are required, but comparatively few of each, so that they cannot be manufactured as cheaply as in the east. This witness stated that he was going to attempt to manufacture with white labour, as an experiment, or not at all, for the reason that customers are complaining as to Chinese labour, as they prefer to have goods made by white labour than by Chinese, and that they would rather buy imported boots and shoes than those made by the Chinese.

The witness also stated that but for the Chinese, there would not have been such a thing as that industry here at all at that time. I do not think the factory would have existed here but for the Chinese.

Q. Supposing further immigration were restricted what effect would it have on your business ?—A. I do not think it would have any effect whatever.

Q. Would you like to see the prohibition of the immigration of the coolie labouring class ?—A. I think there are sufficient, quite sufficient in the country now for all purposes.

There are only about ten or fifteen shoe shops in Victoria, employing from one to two white men each. Ready-mades practically govern the trade.

There are two Chinese shoe shops, who employ three hands each, and pay from \$25 to \$30 a month to their men.

William Smythe, of Victoria, a white man, keeps a shoe shop and employs from one to two Chinese, paying one \$5 and the other \$11 a week ; one of these he has had with him for ten years and never had any reason to make any objection to him. This witness stated that he worked a number of years for Mr. Heathorne, as cutter, who then employed about eighty Chinese in the boot and shoe manufacture. During the time of Canadian Pacific Railway construction Mr. Heathorne's sales went up to \$10,000 per month. He speaks very highly of them. They made goods that were saleable and parties came back for more ; that was proof of their work. We could depend on them six days in the week. Their hours were from seven to six o'clock, with an hour off for dinner. He attributes the reduction of men engaged in this line of business to eastern competition. I think competition from the east has driven out more than the Chinese. The Chinamen never made the best goods here. The Chinaman does not make a high class shoe. About half his trade is with the Chinese.

Q. Could you not obtain white labour at the price you pay Chinese ?—A. I cannot get white men I can rely on. They become demoralized.

Q. How do you account for white men becoming demoralized here ?—A. They are not good because they attend Lodges of Knights of Labour, and things of that kind. They are not as docile or as steady as the Chinese. When I want a couple of men I have to have men I can depend on.



Q. You favour prohibition of further immigration of the Chinese?—A. I do not.

Q. You favour restriction?—A. No, sir. I think white men ought to be able to compete with them on easy terms.

Q. Would you favour unlimited immigration?—A. Yes.

It may be noted here that this witness is one of two or three who are in favour of unrestricted immigration of the Chinese.

#### SUMMARY.

It has been found difficult, if not impossible, to compete against the eastern trade, even with Chinese labour, in the manufacture of boots and shoes in British Columbia.

At one time about eighty Chinese were employed in this business; now there is but one factory, employing sixteen Chinese, and the proprietor stated his intention to be, to try the experiment of manufacturing exclusively with white labour, or not all. There are two Chinese shoe shops, employing three hands each. There are from ten to fifteen shoe shops, employing one or two white men each, and one instance where a white man employs a Chinese in his shoe shop. This gentleman was in favour of unlimited Chinese immigration. The proprietor of the factory favoured exclusion, and stated that his business would not be affected if further immigration of Chinese were restricted.

#### II.—CIGAR MAKING.

At Victoria there are thirty-two hands employed, of whom thirteen, including three girls, are incidental to the business; that is, they do some work there, but they do not roll cigars; that would leave nineteen cigar makers proper.

The rate of wages paid is that of the Cigar Makers' International Union, which took effect on May 1, 1899, and ranges from \$11 to \$19 per thousand cigars, that is \$1.10 to \$1.90 a hundred.

At Victoria there are seven Chinese, including three Chinese women, employed in the trade. The wages paid to the Chinese are from 50 cents to \$1 per hundred cigars for making.

While cigars are made in many other towns and cities throughout British Columbia, the Chinese do not appear to be employed in the trade except at Victoria. The cigars there made by them, it is said, are chiefly for consumption by Chinese.

#### III.—BRICKMAKING.

There are about three hundred men employed in and about the brick yards in British Columbia. This number varying of course with the demand. Of this from 85 to 90 per cent is Chinese labour. At one time white labour was exclusively employed. That was many years ago. Then white moulders were still retained with Chinese labour. Gradually some of these labourers learned to mould, until on the coast they do all the moulding and other work in connection with the brickmaking, whites being retained only as foremen and teamsters. At Kamloops, exclusively white labour is employed.

Morris Humber, Brickmaker, Victoria, says: I employ twenty-three Chinese and two whites outside of my sons. I pay the Chinese \$9 and \$10 a week, and a Chinese moulder \$2.50 a day. Their board averages \$2.95 per week where they live together. When I started business I paid \$4 a day to moulders. A moulder's work is 8,000 bricks a day, whether he be a white man, black man, or Chinese. Japanese are not as good as Chinese. If white men would serve me as well I would have them. At one time I had all white men. I discharged all my Chinamen and hired all white men. I got along pretty well for a time; then they wanted to dictate terms to me, and dictate how I should run my yard. I came to the conclusion I would either have to close the yard or hire all Chinamen. When first I made bricks we got \$12.50 a thousand. The prices came down to \$6, and we now get \$7.50 a thousand. I think it would be better for the Chinamen to stay in their own country. People would have to pay more for



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bricks, there is no doubt about that. Bricks in Eastern Canada are as high as they are here, because wood is higher in price and labour is higher.

Putting on a tax of \$100 upon Chinese coming into the country, looks as if we were afraid of the Chinamen running away with our country. I think \$100 is plenty to keep them out; I think there is a duty of \$2.50 a thousand from the United States. Bricks from Seattle cost six cents apiece. If I did not get the Chinese to work for me I could not sell. I would be foolish if I did not approve of tariff on bricks. If all were treated alike the Chinese would be all right.

Q. According to that then we ought to restrict the immigration of Chinese here in order to protect white labour?—A. No, sir; I am perfectly satisfied with the prices I get.

Q. You are in favour of protection applied to yourself, but not to others?—A. I do not know. I think the protection is all right as it is.

William Bull, foreman for the last witness, says: There are four brick yards in Victoria and vicinity: fourteen white men are employed and seventy-one Chinese. The white men are paid from \$2 to \$2.50 a day; eight Chinese are paid \$2.50 a day as moulders; twenty-four are paid \$1.60 a day. They carry bricks and put the clay in the mill and temper it. Thirty-nine are paid \$1.50 a day; they wheel in the brick and put the clay in the car. I have been forty years engaged in brickmaking; in Montreal since 1870, and in Vancouver for thirteen years. At the time I came here the Chinamen made all the bricks, the same as at present. The white men drove horses and carts, &c.

Q. What is the reason white men are not employed?—A. I asked to employ one white man who is a good moulder, and the boss told me not to employ him; that it would not do to break the gang. The Chinese would not work with a white man. It takes four white men to make a set. That is the excuse the brickmakers give.

Q. Why?—A. Because they reckon the Chinese would not agree with white moulders. I did not have the privilege of hiring white men as moulders. Any Chinaman I did not like I could let him go, but I had to put another Chinaman in his place. Good white men used to come here; they would ask for work in the brick yard but they could not get it. They would walk away again. There are some here, good practical brickmakers, but they cannot get work. White men are as good and steady as Chinese.

Q. What is the cause of Chinese being employed?—A. There are a certain number of Chinese employed at low priced labour. The employers say it is better to have all Chinese employed with the moulders, because they work better with each other. The whites are only employed for driving carts.

Q. What is the effect of the presence of the Chinese here upon the brickmaking business as far as white men are concerned?—A. Well, white men cannot get employment and they have gone away.

Q. What has been the effect?—A. The whole of the brickmaking now is in the hands of the Chinese.

Q. Is there any other point in connection with the trade you think it important to mention?—A. There is one reason the Chinese are employed in brickmaking. They work for lower wages; and in addition to that, for a three-gang yard it takes about twenty-two Chinese, and they build them little huts in the brick yards and they have no fuel to buy, whereas a white man has to pay \$12 a month for rent and \$4 a month for fuel. The Chinaman has a hut in the brick yard that he gets free.

Q. I suppose comparatively few of them have families?—A. None of them have families here.

Q. Do you think it likely that within a reasonable time they will adopt our habits or will they live as a distinct race?—A. I think they will live as a distinct race. One intelligent Chinaman told me they liked to live here and make money until they were about fifty years old, and then go back to live in China; that all Chinamen wanted to get back to China, and he told me he was going back.

Q. There has not been much profit in brickmaking recently?—A. Not until last summer. They have entered into a combination which has raised the price of brick up to a fair figure.

Q. Have they raised the wages?—A. Oh, no.

A moulder in Ontario will command nearly double the wages of an ordinary man. Work in this line is not steady all the year around. Chinamen's wages amount to about \$36 a month. Their board averages about \$8 a month. Say the white man gets \$50 a month and pays \$20 a month for board; that would leave him \$30. Both of them have the same amount of spare cash, supposing them to be single men. A white man earning \$50 a month will just have about enough to get along. Rents are high here. In London, Ontario, I used to rent a house with an acre of land attached for \$5 or \$6 a month, and I never paid less than \$12 a month here for a small house and small lot.

I favour a head tax to prevent any more coming in. My objection to the Chinese is because of their interference with white labour here.

Q. Supposing there were no Chinese here, would there be any difficulty in getting white moulders at the same price?—A. No, sir; we got them in Winnipeg at the time of the boom. This is a better climate than Winnipeg.

Q. Could this industry exist if there were no Chinese in this country?—A. Yes, it exists in other parts. There have been too many competing in the brickmaking trade here.

Sam Lum said: I worked in a brick yard carting clay. I get \$2 a day. I drive a horse. I have worked at that fourteen years. I got only \$1.50 in winter. I only have about six months' work in the year; sometimes we get two days in the week, sometimes none at all. My wife and children are in China, a boy and girl. I have never been back. I send \$30 or \$40 home every year. I board myself at the brick yard. I pay no rent: there is a house in the brick yard, 20 by 30 or 40 feet. At present there are only three or four living there, but sometimes twenty live there. It costs me \$15 or \$16 a month to live, \$2 for rice, \$8 for meat, \$9 for beer and whiskey.

Lum Chow, brickmaker, has been in the country twenty years, speaks through an interpreter, earns \$2 a day as a moulder.

Q. What does it cost you to live?—A. My meals alone cost me from \$14 to \$15 a month beside drink.

Q. How much for drink?—A. During the summer when I am working each day it costs me about 35 or 40 cents a day for drinking, but in the winter of course I do not have any money to spend on that.

I have worked in a brick yard for fifteen years. Only work four or five months in the year.

George Gill, brickmakers' foreman and manager, Vancouver, says: I have been in most of the brick yards on the mainland. At New Westminster some years back, four or five years ago, there were sixty or seventy Chinamen employed, three white men and two boys; no Japanese. The Chinese work by contract. At Roches Point, six miles from Vancouver, twenty-four Chinamen are employed and three white men; at Port Haney, twenty-four Chinamen and four white men; Westminster Road, twenty-three to twenty-four Chinese and four white men; at Port Moody, ten years ago there were twenty-four Chinese and four white men. I heard they employed Japanese last year; at Bowen Island, twenty-two to twenty-four Chinese, four white men; at Kamloops, all white men, twelve men employed. The labour work is in the hands of the Chinese. The Chinese also assist in firing. I was foreman in each of these places, except Westminster Road, for twelve years since. If I am offered more wages in another place I go. There are made from ten to twelve million bricks on the island and on the mainland. Some bricks are imported from the American side and from Manitoba. The season lasts about six months. I don't think they made much money,—too many in the business. The brick business could be carried on without Chinamen. The Chinese contractors contract to make bricks at prices at which no white man could touch it.

The contractor is generally a Chinese merchant. The brickyard owner comes to a Chinese merchant and the merchant contracts with him, and signs an agreement and becomes responsible for the fulfilment of the contract. He gets a commission on the supplies to the men. He gets paid in the first place for getting these men together, and one of the conditions of their employment, is that they deal with him, take all the supplies from his stores. I am in a position to prove this. For instance, a case at the

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Westminster road yard, it was found that the amount the Chinese contractor had paid out in wages exceeded the sum he had made under the contract by about \$300, and yet he was well satisfied at the result. For every sack of rice he supplied to the camp he charged \$1 more than the retail price of rice in Vancouver. On every pound of pork he supplied he had a profit of about 7 cents a pound. He bought the pork in the wholesale market at from 10 to 12 cents per pound, and sold it to the camp at 19 cents a pound, and he sold to those men about 200 pounds of pork every 5 days. He supplied about 70 sacks during the month, which was equal to a profit to him of from \$60 to \$70 per month, and every week he cleared a profit of \$20 on pork. He supplied tobacco, opium and intoxicating liquors imported from China, and he did not pay a license for selling it. He allowed gambling in the camp and charged each man 10 cents per month for the privilege of gambling. I do not know exactly what his profit was on the liquor and the opium and the gambling, but he expressed himself to me as satisfied, although on the face of it he had lost \$300 on the contract. I may say that he bought a wife at the close of the season, a Chinese girl in Victoria, and paid \$500 for her.

At Port Haney, year before last, 1899, there were several contractors. A merchant here became responsible for the contract. The same thing was carried on, gambling, drinking, and one of the contractors bought a female slave for immoral purposes.

There were hundreds who came (white men) seeking employment and were refused. I told them there was no show. They would want \$2 a day perhaps. If white men were employed exclusively in the brickyards, it would cost \$1 a thousand more to produce them.

Abel Wenkem, a German, brickmaker, Vancouver, said: I employed last summer 43 men in the yard; 39 Japanese, four or five white men; no Chinese. I started in with white men. I changed in the fall to Chinamen. Next year I had machines and all white men. I could not compete against other brickyards. I paid white men from \$2.50 to \$3 a day. I would prefer to employ white men if other yards did. Under present circumstances I would say exclusion, both as to Chinese and Japanese. The labour is cheap. Someone makes a good deal, and then too many go into it. The business is bad. The town would be more prosperous if all were white. It would cost \$1 per thousand more. If all were white men here, we would have more on the farms and it would lessen the cost of living. Where I have been cheap labour meant poor wages and poor times.

## SUMMARY.

Chinese are now exclusively employed on the coast in brickmaking, the white men having been gradually driven out. The foremen and teamsters are whites. At Kamloops only whites are employed.

The work is chiefly done through Chinese contractors, who pay the men and supply them with provisions. Wages range from \$9 to \$15 a week. The white foreman is paid \$2.50 a day the year round. The following shows the relative numbers that have been employed in different yards at the time the witness was acquainted with them, within the last few years:

Place.	Whites.	Chinese.
Victoria .....	14	71
New Westminster.....	5	60
Roches Point.....	3	24
Port Haney.....	4	22-24
Westminster Road .....	4	23-34
Port Moody.....	4	24
Bowen Island....	4	22-24
Kamloops.....	12	0

The Chinese usually live in shacks on the brickyard furnished by the employer free, living together after their usual fashion, under conditions that are degrading, where



white men could not decently live; and at a cost that would not support a white man even without a family. The work lasts about six months in the year.

Two foremen who had had a very long experience and commended themselves to us as entirely credible witnesses, declared that there were enough white men to do the work, but they were no longer employed, and white men making application for work were constantly refused. One foreman put it hundreds apply and are turned away.

We desire to make it clear why this is so, and to explain the fact why the white man cannot compete with a Chinaman. The reason is that the work is done through Chinese contractors or bosses who engage only Chinamen. The Chinamen work in gangs and a gang would not work as well if composed partly of whites and partly of Chinamen. The Chinaman does not want the white man, and the white man would almost rather starve than work in a gang of Chinamen. This, coupled with the fact that they work for less and hire in a manner which a white man will not and ought not to accept as his standard of living, fully accounts for the fact why, where they have once obtained a footing, they stay.

A further reason may be found in the statement of a foreman of many years' experience,—that the Chinese contractor will take a contract for making brick at so much per thousand, at a price in which there is no profit, even by employing Chinese labour; that he makes his profits on his supplies, which are said to be sold to the Chinese workmen at extravagant figures; that in one case, where at the end of the season there was an apparent loss of \$300 on the contract, the contractor expressed himself as well satisfied having regard to his profits made on the supplies.

To hope that the white man will be able to compete and to finally drive them out of these employments where they have once obtained a footing, is the sheerest nonsense. The only cases where they have given place to others is where the Japanese have been able to outbid them.

One of the most successful employers in this business is in favour of no restriction upon labour. He approves of a duty on brick. The foremen engaged in the business are in favour of exclusion.

#### IV.—LIME-BURNING.

This work is largely done by the Chinese. In one lime kiln near Victoria the foreman stated that nine men are employed, seven of whom are Chinese. The wages paid to Chinese are from \$1.00 to \$1.25 per day. White men receive \$45 to \$50 per month.

John S. Annet, foreman at Raymond & Sons' lime kiln at Esquimalt, says: There are six or seven Chinese and two white men engaged at this lime kiln. The wages for Chinese are from \$1.10 to \$1.25 a day. I am paid \$50 a month, and my assistant I believe \$45 a month. The Saanich Company closed down in April 1894, because they could not compete with the other lime kilns where Chinese were employed. I do not know how many are employed at Texada Island. Where I am the white man is not employed steadily. For instance, I was discharged last September and the Chinese were kept on. All last season and a part of the season before, Chinese were employed as teamsters. Now it is considered necessary to have a white man to overlook the operations of the Chinese. They have nearly a monopoly of all business here in labour. There are only two lime kilns in operation at the present time that I am acquainted with. The proportion is two white men to eight Chinese. The general work is done by the Chinese. I have been working there four years. Previous to that all Chinese were employed. There is no such thing as Sunday observance by the Chinese. The Chinese would be very much put out if he hadn't a chance to work on Sunday.

#### V.—FRUIT CANNING.

Fruit canning has reached but small proportions as yet in British Columbia.

Walter Taylor, of Vancouver, manager of the British Columbia Canning Company, says: We employ from twenty to thirty hands, men, women, girls and boys, for three months in the year, if the fruit crop is a good one. We employ no Chinese or Japanese.



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We sometimes find difficulty in getting sufficient numbers, for our work, of girls and women. We pay boys from \$25 to \$35 a month; for men \$60 a month up. They board themselves at that; and women and girls from 75 cents to \$1 a day. These wages are paid for such work as requires a little training. It is nine years since I employed Chinese. I employed Chinese for a couple of months one year during the fruit season. I would not have employed them, only I could not get anyone else; at least, I could not get enough of white labour to keep up the work. Since that I have been able to get all the white labour I wanted, until last year, when I had to get in a few Japanese for a few days. I employed five Japanese at \$1 a day.

Q. Did you find any advantage in the employment of Japanese over white labour?

—A. No, I would sooner have the white labour than the Japanese.

Q. Why did you employ Japanese; was it because their labour was cheaper?—

A. It was not any saving in the way of wages at all. It was the same to me for the time being, and the circumstances were such that I could not help myself. I only had these Japanese on the place for two days and a half. As soon as I got through with the little rush I sent them off. I have resided on the coast eleven years. I came from Ontario.

I think we have too many Chinese and Japanese here now. We have certainly got enough to supply all our present wants. I do not think we are at all prepared to do without the Chinese at once in this country. I do not think we could get along without them if they went away now, for a time anyhow. I think with the number we have here now the labour market would be supplied for years. I am in favour of further restriction on Chinese; \$100 is no good; I think they will come in as freely under \$100 as \$50. I think it ought to be higher than that.

There are two classes of industry in every country. Where industries employ labour all the year round they can manage to get their labour and keep it; at least it should be so. But take the canning business, where it only lasts for three months of the year, you cannot import labour for the purpose; men cannot come here and live upon what they earn in three months' work. I would not like to see development impeded; I would sooner see the Chinaman come in than that. Develop by white people if possible but if that be not possible I want to see it developed by whatever labour you can get.

## VI.—SUGAR REFINING.

It was stated by some of the witnesses that if Chinese were not employed there would be a great difficulty in obtaining sufficient unskilled labour, but Mr. Benjamin F. Rogers, manager of the sugar refinery at Vancouver, has not found it so. He stated that he had resided eleven years in Vancouver, and during that time the company had not employed any Chinese or Japanese labour. They employ from seventy to one hundred men, and of these 97 per cent is unskilled labour. Lowest wage paid is 20 cents per hour. In their contract with the city the company agreed not to employ Chinese labour. This does not apply to the Japanese, but still they did not employ Japanese labour. He stated that the company had no difficulty in getting unskilled labour, and no difficulty in keeping up the supply; sometimes there was a difficulty in getting labour for loading and unloading vessels.

This witness further said: The wages I pay are a little higher than the current wages. I never take back a man that leaves me if he is the last man on earth, so they generally stay with me.

The city gave me a free site and exemption from taxation for fifteen years, and free water for a certain period of time.

I only know of once or twice of an over-supply of labour in this province. For a long time I have never seen an over-supply of white labour, but I have always been able to get all the labour I wished for.

Because of the over-supply of labour in 1889 there were hard times. That was local. Last winter the over-supply was of common labour.

I would rather employ a white man with a family than a man without a family. The Japanese I think do the work quite as well, though. To my mind it would not be a kindness to take a man on and perhaps he would move his family here and after a short time shut him out. The Japanese are all unmarried men and it does not matter so much to them.

We get our sugar material from Cuba, Java, Queensland, South America, North America, Mauritius, Hayti, and other places. Our strongest competitors are on one side in China and on the other side in Montreal. There is a duty on refined sugar and raw sugar according to its polarization. I get my raw sugar from China. I ship sugar as far east as Manitoba. I can compete with Montreal.

We export no sugar. There is no sugar imported from China. In the use of sugar the Indians come first, the white people come next, and I should say the Chinese and Japanese use something like two-thirds of the other.

#### VII—CORDWOOD CUTTING.

James Edward Painter, a wood dealer in Victoria, indicates the present method of cutting cordwood: I go to a Chinese contractor to get say two thousand cords at 75 cents, for large timber, and 85 cents for small. He has seven Chinamen. He gives them the full price and makes his profits out of the provisions which he supplies them. I reckon they can put up one and a half cords per day, and make something like \$1.20 a day. There are seven or eight wood-dealers in Victoria. All employ Chinese but one who employs Japanese to cut the cordwood. I do not think we could get white men. There was only one case of a white man coming to me and asking to cut timber. I never advertised for white men. They knew the job was open. I would prefer white men if they stayed at it.

About half the wood is sold to white people and half to Chinese. I think a \$100 tax is sufficient to keep the inferior labour of Chinese out. I think they are a benefit in opening up new industries; benefit to the canneries, coal mines, and in getting out cordwood. There are 20,000 cords of wood used in the city in a year, cut principally by Chinese.

With white men the price would have to be increased to \$3.50 a cord for 4-ft. wood to get it out. It would have to be done by cheap labour because a ton of coal will go as cheap as two cords of wood, and a ton of coal costs \$6.50. Some people prefer wood to coal. In 1881 I was firing on a Grand Trunk wood train. They employed coloured men at from 90 cents to \$1 a day. In all countries they have to have cheap labour. I sell cordwood now for \$3.50.

John Murray, Provincial Timber Agent, Vancouver, said: I think most of the wood on the lower mainland, or at least a great portion of it, is cut by Chinese and Japanese. The wood business is mostly done by Chinese, and the shingle bolt business is mostly done by Japanese. Getting out cordwood and shingle bolts is all by contract. You will find a great many white people in and around the city of Vancouver who are willing to work but cannot get work, because of the presence of Chinese and Japanese, who are filling positions that would be better filled by white people, citizens of the country.

Senator Reid, of Quesnell, in the course of his evidence stated that he employed about ten Chinese in cutting cordwood, finding them more satisfactory than whites in fulfilling their contracts.

Note—In recent years at all events the Japanese have largely superseded the Chinese in wood cutting.

How Chinese and Japanese cordwood cutters affect the farmers has been dealt with under land clearing and agriculture.

## VIII—RAILWAYS.

The Nanaimo and Esquimalt Railway Company employ from one hundred and fifty to two hundred white men, and from forty to sixty Chinese on their railway. The Chinese are employed as section men and on other work, such as grading roads, clearing right-of-way and quarrying stone. They are paid \$1 a day.

Joseph Hunter, the manager of the road, said: We find them fairly good servants—depends on the character of the work. Where soft excavation, where no picking and no roots, they are fairly good. I would like to say, in this work, equal to a white man. For the heavier work a Chinaman does not compare with the white man. I have known Chinese drill strikers in rock work—first-class strikers, equal to anyone—but this is rare. They cannot be compared to white labour, man for man. They lack strength and ingenuity of grappling with difficulties. The white labourer is paid from \$2, \$2.25 and \$2.50 per day. The Chinese are mostly section men. The exclusion of Chinese would not affect the railways. If you were to exclude them all to-morrow you will be able to get a railway trip to Nanaimo as well as you can to-day.

I hardly like to express any opinion as to restriction. I suppose further restriction would diminish the influx of Chinese, and I have not taken any sides on the question. I should like to see white labour become prominent. I think the country would be better without Chinese, if it were possible to do without them. There does not seem to be much scarcity of Chinese at present. I think the exclusion of Chinese would tend to raise wages. I do not think any increased restriction or prohibition would materially affect the various trades and callings here, or commercial interests; that is providing those who are here are allowed to remain. It might tend to raise wages, but we could stand that. We have got a good country here. If I were a labourer I would prefer to go to a country where there are no Chinese. There may be compensating advantages to some corporations requiring construction work. The tendency is to prevent white labour coming in. If no more of the labouring Chinese were allowed to come in naturally that would increase the number of white men coming here. There is no tendency of the Chinese endeavouring to reach our standard or mode of living. They are conservative and wedded to their own manners and customs.

Looking at it aside from any particular interest, I do not think it in the interest of any particular country that that class of people should be allowed to come here. I think the reasons are very plain. They are a very undesirable class in many ways. They are behind even the lower class of white labour. They come into competition with white labour in lines where it is not desirable they should come into competition with them.

I would think it a menace to the country if it were found as a fact, that a race such as the Chinese was gradually encroaching on the various avocations, trades and callings that go to make up the foundation of the community. I have already said the country would be better without the Chinese, if the conditions were such that we could get along without them; but I am not prepared to say that the conditions at present are such. I have already given my opinion and I repeat it; I believe this would be a better country without them. I do not want to moralize too much on that point. If we could get along without them the country would be better off I believe. Whether we could do so or not I am not prepared to say.

Q. Has the standard of wages for white men in the country been maintained by reason of the Chinese doing the menial work?—A. Well, I do not think that has very much effect on the wages of white people.

Richard Marpole, Vancouver, the general superintendent of the Pacific division of the Canadian Pacific Railway, stated: That of 4,693, the total number employed on this division, 99 are Chinese, 70 Japanese, and the rest white. Last year, however, over 300 Japanese were employed for a short period on construction of snow sheds in the mountains; 19 Chinese are employed in Vancouver and New Westminster in cooping and on the wharf. They work in connection with the steamship line. In the local offices there are two. At New Westminster there are five employed around the freight house from



time to time. In the shops here (Vancouver) there is a standing gang of twelve who act as cleaners. That is the total number of Chinese we have here,—nineteen in all I think.

There are two gangs of forty men each engaged in extra work, shovelling snow and anything else required to be done in the mountains. I think the gangs are equal, but one gang may have fifty men in it. There are eighty altogether. Then we have thirty Chinese on the section. The section bosses are white men.

The average pay is \$1 and \$1.10 for Chinese and Japanese section men. The wages of the white man is \$1.25 to \$1.50 a day. That depends on the locality. The Kootenay represents about one-third of the mileage, and the employees are about in the same proportion with the exception that there are no oriental labourers south of Revelstoke. The major portion of the aliens in this province were employed by Mr. Onderdonk during the construction of the railway. He employed Chinese almost exclusively on the work of construction for the Canadian Pacific Railway. When the line was taken over we found a great many Chinese employed on the road, particularly between here and Revelstoke. Roughly speaking it would be in 1886. At the time we opened the road about six hundred Chinamen were employed between here and Revelstoke. That was in the spring of 1886. They were gradually changed to what you see now, as white men could be secured. The reason of the change from Chinamen to white men is, white labour is superior to Chinese labour, because of the strength and efficiency of a white man in work which the Chinese is not adapted for. I would prefer white men on the line every time if you can get them. If handled by white foremen I do not think it matters much as to safety. The cost to the company is ultimately about the same. That is to say, we employ more Chinamen in the section than we employ white men for the same distance. The section foremen generally remain from year to year, and probably one or two of the men in each gang remain with them. All the section foremen have permanent homes. The number of men under the section foremen varies from two to eight, according to the location. I do not think more than one in each gang would be married. The married element, except the foremen, is a scarce element in British Columbia. They are all transients mostly. This side of Kamloops we have a number of Indian labourers. They may be considered married as they have the concomitant. The foremen are married. They live in houses provided by the company. The section foreman hires the men and he arranges for their board. Some of them batch, but generally the section foremen boards them himself. That is a matter entirely within the men's own control.

The result is, as far as the Chinese are concerned, they have gradually been eliminated from the time we took over the road, from a desire to have white men and because white men were more plentiful in 1886 and 1887 and the spring of 1888, because we brought thousands of men here to assist in the construction of snow-sheds.

I have been here twenty years in August. Previous to that I had charge of the Lake Superior section, and I brought most of the old gangs of men with me. That is one reason why the gangs here are mostly white. I brought nearly all the old foremen with me. We had plenty of white men immediately after the construction of the snow-sheds, in which between three and four thousand were engaged.

We had no Japanese until last year. Last year is the first year we employed them in any numbers. The summer before last is the first year we employed any number of Japanese. The occasion of that was the scarcity of white labour. The greatest number of Japanese we employed last year on the snow-sheds was three thousand altogether. We engaged them in the spring, May or June. They were sent to the work from time to time as required. They would only be sent when we could not get other labour. We attempted to get men from the east, from Ottawa, through an agent there. We secured quite a large number. The most of them went on to Mr. Mackenzie's road at Rainy River at our expense. I never call Italians white labour. They get from \$1.40 a day and upwards. The Italians are not equal to Canadians, white men, when you can get them. The Japanese labour in my opinion is fully equal to the Italian, and in some cases superior to any of the labour that comes along here, that you may call Canadian labour. At some kinds of work they are as good as whites, because the white labour



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that comes here is generally of a roving disposition. White labourers as a rule stay with us until they get something better. It is a question of wages and locality. They are not regular labourers. On many of the sections the men have to live away from civilization, and that has a good deal to do with it. The white man also has a desire to spend his money in some town.

Q. I suppose higher wages are paid to better men; that better men cost more money?—A. It would have to be so high we could not afford to pay it. Wages are paid for work done, and if higher wages had to be paid it would be impossible for any operating men to work.

Q. Your rates would provide for that?—A. I do not know they would. We reduced our rates the other day twenty per cent. The freight just now is hauled at very low rates, especially to Skagway and other places.

The expert labour is paid higher on this division than any railway to the south of us. That is a broad statement to make. Railways on the south are employing from 5,000 to 6,000 Japanese. We are only employing 70. That is not generally known in Canada, but it is so. This company is not interested in employing a single oriental apart from where we cannot get white labour. We prefer white labour if we can get white labour that will stay with us. That is our difficulty. I may say we are bound to depend a good deal on Chinese and Japanese and Indians for section work. The Indians number about 100. We experience some difficulty with them in the fishing season. They leave us for a time to go fishing. I think highly of the Indians as workmen on the sections.

When I speak of snow-shed work done by the Japanese I mean pick and shovel work. They are not engaged in carpenter work or any work of that kind.

I do not care to express any opinion as to whether Chinese immigration should be restricted or not; nor as to the Japanese.

There is certain work connected with the railway where very light men can do as much as heavy men, but when it comes to heavy work I should say two white men would do as much in a day as three Chinese or Japanese, but a great portion of the work on the railway a Japanese can do as well as a white man. A white man on an average would be worth 25 cents a day more on section work.

We have been trying to induce white labour to come here, and we have imported 3,000 men in the last eight years, and I guarantee there is not 10 per cent of them in the country to-day.

The construction of the Columbia and Western was all done by white labour at high rates. It is a pretty broad question as to what proportion employed in the construction work settle down, take farms or settle in the neighbourhood of the railway. I do not believe that over one per cent of the white labour settled in the Kootenay section. Those men generally follow the railway contractors to other work of a similar kind. They go with the contractors and foremen. The same thing applies to all roads.

The Chinese are on the decrease; the Japanese perhaps are stationary, but if I can get white labour I will take all I can get.

Q. You mean to tell me the Canadian Pacific Railway cannot be operated by white labour?—A. This division cannot be.

Q. On the road in the east you employ white labour?—A. Yes, we can get all we want in Montreal and east.

Q. Provided you are able to pay better wages?—A. If we are compelled to pay higher wages than the roads to the south of us we cannot run it. We have to employ some of that class of labour.

If the road depended upon the local traffic between Laggan and Vancouver it could not be operated to-day. I do not suppose a white man with a family could live on what we are paying Japanese. We are not encouraging white men with families to come here, because we have not got accommodation for them. Unless a white man comes along with the object of becoming a section foreman you cannot get white men for railway work here. If you were to pay very much higher you would still have to depend on transient labour on the remote sections of the road. Italians and Scandinavians are plentiful, but you cannot go to the east and pick up Canadian labour. I can assure you we have done a

good deal to get white labour, and we have been unable to secure white labour that will stay with us on the remote sections of the road.

In the Kootenay section we employ only white labour, because we can get white labourers there, men drifting from the hills and from the mines; and there are a great number of men between here and Laggan that we can call on for assistance.

If the government in their wisdom had brought in white labour years ago it might have been different to-day. As a matter of fact these miserable Italians they have brought out now, they are going out. I think it would be well if we had more good white labour brought in here. A great many of those who come here are men not adapted for our work.

*To Mr. Cassidy:*

Q. Is it possible that the Canadian Pacific Railway could pay higher wages and recoup itself by taking people from the east here?—A. Certainly not.

Q. Would it be suitable to the country; would that meet with general favour?—A. I do not think it is possible to raise the rate of wages in any industry in this province to-day. It would be a most impolitic thing to do.

Q. Do you think it would be advantageous to Canada, or the reverse, that your road should pursue a policy of that kind?—A. Certainly not.

#### EXHIBIT 47.

APPROXIMATE statement of white men employed during the year 1900 in British Columbia on the Canadian Pacific Railway Company.

—	Number of Men.	Average Rates Earned.
Trainmen. . . . .	260	Conductors, \$125 per month. Brakesmen, \$90 "
Enginemen . . . . .	250	Engineers, \$150 " Firemen, \$90 "
Mechanical department . . . . .	570	Foreman, \$125 " Leading hands, \$3.50 per day. Fitters, \$3 " Turners, \$3 " Boilermakers, \$3 " Painters, \$2.50 and \$3 " Carpenters, \$2.50 " Car repairers, \$1.70 "
Section foremen. . . . .	150	\$55 to \$60 per month. Yard foremen, \$70 per month.
Watchmen . . . . .	44	At \$40 to \$45 per month.
Sectionmen . . . . .	944	At \$1.25 to \$1.50 per day.
Extra gangs . . . . .	20	Foremen, \$2.50 to \$3.50 per day.
	1,260	Men, \$1.40 to \$1.75 per day.
Bridgemen (including foremen). . . . .	326	Foremen, \$3 to \$3.50 per day. Men, \$2 to \$2.50 per day (average \$2.25 p. day). Inspectors, \$125 per month.
Station agents, operators and clerks. . . . .	298	\$55 to \$125 per month.
General office clerks. . . . .	90	\$20 to \$90 per month (average about \$60).
Officials . . . . .	20	
C. & K. steamer employees. . . . .	341	Masters, \$100 to \$125 per month. Engineers, \$90 per month.
Porters and checkers. . . . .	120	Deckhands, \$35 per month and board. 20c. to 25c. per hour. Cooks, \$60 per month.
Total . . . . .	4,693	

W. S. Newman, Revelstoke, roadmaster on the C. P. R. from Revelstoke to Donald, and on the Arrow Head Branch, a total length of 108 miles, said: At the present time

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I have sixty-seven whites, eight Japanese, no Chinese, on the section. In the winter time I have four Japanese and the rest are whites on section work. That was last winter, and some of the whites were worse than the Japanese. We have 175 extra men just now; thirty-two of them are Chinese and twenty-eight Japanese. The Chinese get \$1 a day, the Japanese, \$1.10. White section men get \$1.25. The extra gang of whites get \$1.40 and board and \$1.60, according to the class of labour they are put at. The whites are made up of Italians, Hungarians, Polanders, Swedes and some Finlanders. We have about twelve foremen. They are English, Irish and Scotch. The same proportion of Chinese and Japanese are on the section from Revelstoke to Kamloops. There are more Finns there. No other Chinese or Japanese are employed by the C. P. R. in this district that I know of. If we cannot get white men when we want them, we have to get Chinese and Japanese to make up the gangs required. Last summer was the first time I used Chinese and Japanese on section work. In winter time the force is cut down, and I keep all the white labour on. In the summer when we go to make up the gangs for extra work we have to employ Japanese. The summer before last Chinese were employed in shed-building. I have had Chinese here fifteen years working on extra work. The Hungarians and Italians that are here I do not call really white men. They are a very poor class of workmen generally. Swedes and Finlanders are about as good as the Britishers we get here. They are not as difficult to keep here as British people at the wages paid. It will take five Chinese and Japanese anyway to do the work of three Britishers. Some Italians have brought their families here and are making fairly good settlers. The Swedes settle, especially the section foremen. If Britishers were paid the same rate of wages as is paid for other work here, I think they would settle down and work here. Wages equal to the pay of skilled white labour, that would be from \$1.75 to \$2.50 a day. The company furnishes the married men with houses. The class of single men we have won't live in a boarding house, and do their own cooking. They won't pay the high charge of boarding house keepers. That charge would be \$4.25 a week. We have three boarding houses with Chinese cooks. They are paid \$30 a month and board. I have tried white men as cooks, and as a general thing when we wanted them they were drunk. They were getting \$50 a month. That was during the time of construction. I have tried to get them since, but they won't stop here. I favour the exclusion of Chinese and Japanese. I favour the immigration of white men. Men employed by the company are free to state their opinions. This is a pretty difficult division to work on account of the snow-slides. Hungarians and Italians are not in favour with the British labourer here. They come here and earn money and send it home, instead of spending it in the country, that is about the only reason. Not more than one in one hundred of the Italians that come here to work on the railway take out citizen papers. The Japanese draw their money the same as any other man, individually; they all do but the Chinese, and they are paid in Vancouver to the Chinese company. The company furnish them with provisions, and the amount is deducted from their wages.

## SUMMARY.

There are 4,693 men employed on the Pacific division of the Canadian Pacific Railway, of whom only 99 are Chinese, 70 Japanese, and 4,524 whites, including 341 inland steamer employees. The superintendent of this division stated that the Chinese have been gradually eliminated. It will thus be seen that on the Canadian Pacific Railway the Chinese represent only about two per cent of the total number of men employed.

From 150 to 200 white men are employed on the Nanaimo and Esquimalt Railway, and from 40 to 60 Chinese. The general manager of this road stated that there was no scarcity of Chinese.

Your Commissioners think it clear that having regard to the small number of Chinese employed on the railways, it cannot be said that they are to any considerable extent dependent upon this class of labour for their successful operation, but in any case the supply is ample.



## IX.—THE CANADIAN PACIFIC STEAMSHIP COMPANY.

J. H. Watson, boiler-maker by trade, now customs officer at Vancouver, stated that he had worked on the steamships, and spoke from personal knowledge. He said: It is not only in Canada that we have to compete. We have a line of steamers here drawing a large subsidy from the Dominion Government, which gets all the repairs done in Hong Kong, and these boats bring this Mongolian labour into British Columbia to compete against white workers here. If they got the repairs done here it would mean an increase of one hundred mechanics at least in this city. It would mean twelve more men of my own trade at \$3 a day—\$864 per month.

18 mechanics at \$3 a day.....	\$1,296 per month.
6 shipwrights at \$4 a day .....	576 "
6 caulkers at \$4 a day .....	576 "
2 coppersmiths at \$4 a day.....	192 "
6 blacksmiths at \$3 a day.....	432 "
25 painters at \$3 a day.....	1,800 "
25 riggers and specialists.....	1,800 "
	<hr/>
	\$7,536 "

This does not include Chinese firemen or coal passers, mess boys and greasers. Add all these and it would mean from \$11,000 to \$12,000 a month, which is now spent in Hong Kong. I worked on the boat and know it. I have seen as many as five or six hundred Chinese employed. A boilermaker in Hong Kong gets 50 cents a day. One white man would do the work of three or four of these Chinamen. The Australian boats employ nothing but white help. It is done at Sydney. They look out to carry their work to their own port.

The Canadian Pacific Railway engage their men by contractors, as they do here, and he rakes so much off. The Australians get their repairs in their own port. The Americans get their repairs there (Hong Kong), but they have no subsidy.

Jin Kanga said: I worked on the *Empress of China*. I joined in 1894. Just one Japanese besides me on the ship. Chinese do the bedroom work and the saloon work. There is one white cook and one Chinese cook.

Richard Marpole, general superintendent of the Pacific Division of the Canadian Pacific Railway, stated that he could give no information relating to the steamship company.

Q. Can you speak of the extent of the trade that exists at present in Canada and China and Japan?—A. No, I can not.

Q. Can you speak of its possibilities?—A. The possibilities are immense. Take our steamer service and to-day we have two extra steamers in commission. The trade is so increasing that it will necessitate an increase of the number of our ships, which I hope to see shortly. The fact that Mr. Hill, of the Great Northern, is going to put on much larger steamers as freight carriers is an answer to that question.

Q. Is the traffic reciprocal?—A. I think so to a great extent. I am taking it as a whole, Japanese and Chinese. I have no means of separating it.

Q. Would you care to say whether you think a restriction of the immigration of Chinese and Japanese to our shores would interfere with the traffic to China and Japan?—A. Well, I would fancy it would. That is my own opinion, not an official one.

The above evidence of J. H. Watson having been submitted to the Canadian Pacific Steamship Company, they furnished the following statements under oath:—

Arthur Piers, of the city of Montreal, the general superintendent of the steamships of the Canadian Pacific Railway Company, states that the number of Chinese employed on the company's fleet of steamships running between Vancouver and Hong Kong, namely, the *Empress of India*, the *Empress of Japan*, the *Empress of China*, *Tartar* and the *Athenian*, is about the number of 570. That I do not know how many Chinese are



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employed on repairs to the said fleet in Hong Kong, or the wages paid per day for the different classes of mechanics, or the total per year, because the Chinese employed there on repairs to the company's fleet are not employed by the company, the said repairs being done for the company by the Hong Kong and Whampoa Dock Company, and other contractors.

The Chinese servants are employed by the company on the said fleet, because reliable, experienced and qualified Europeans could not be kept available in sufficient number for a first-class passenger service; and furthermore, ten years' experience has shown that the Chinaman is the very best ship servant in the world.

The Chinese firemen and trimmers are employed by the company on said fleet, because first, steady experienced and reliable European firemen and trimmers could not be kept available in sufficient number; and second, if they were available they could not stand the high temperature in which our men have to work on the China and Japan coast, in the stoke holes and engine room.

Robert Kerr, of the city of Montreal, Passenger Traffic Manager of the Canadian Pacific Railway Company, states:

1. That I have caused an examination to be made of copies of the manifests of the Company's steamers running between Vancouver and Chinese and Japanese ports since the year 1891 (inclusive) to September 30, 1901, to ascertain the number of Chinese and Japanese emigrants landed in British Columbia by the Company's steamers in each year during that period and find as follows:

2. That during the year 1891, the year 1892 from January 1 to April 19 and the years 1895, 1896 and 1897, no separate record was kept of those Chinese landed in British Columbia by the Company's steamers who had previously lived in Canada and were then returning to Canada:

3. That during the respective periods mentioned in paragraph two there were landed in British Columbia, the following number of Chinese:

1891.....	2,232
1892 (To April, 19).....	1,150
1895.....	1,603
1896.....	1,854
1897.....	1,793
Total.....	8,632

4. That during the following periods, namely, the year 1892, from April 20 to December 31, the years, 1893, 1894, 1898, 1899, 1900 and the year 1901 from January 1, to September 30, there were landed in British Columbia by the Company's steamers the following numbers of Chinese, who, on being landed, paid the duty or tax imposed by Statute and also those who were returning to Canada and had the statutory certificate for that purpose, that is to say:—

	Paid tax.	Held certificate.
1892 Apl. 20 to Dec. 31 .....	961	1,036
1893.....	1,366	135
1894.....	1,086	197
1898.....	1,705	546
1899.....	1,583	713
1900.....	1,600	635
1901 to Sept. 30.....	1,113	512
Total.....	9,414	3,774

5. That the rate per capita from Hong Kong or Shanghai to Vancouver or Victoria, has been, since 1891, as follows :

1891 .....	£ 60
1892 to Apl. 19.....	65
1892 Apl. 20, to Dec. 31.....	75
1893.....	90
1894 to 1897.....	105
1898 to 1901.....	110

6. That no record was kept of the Japanese landed in British Columbia by the Company's steamships prior to the month of May, 1893. Since May, 1893 there have been landed in British Columbia by the Company the following numbers of Japanese :—

1893 May to Dec. ....	294
1894.. .....	382
1895.....	225
1896.. .....	298
1897.. .....	11
1898.. .....	819
1899.. .....	1,084
1900.. .....	214
1901 to Sept. 30.....	22
Total.....	3,349

7. That the rate per capita from Yokohama to Vancouver or Victoria since 1893 has been as follows : the year 1893, \$45 ; since 1893, \$50.

8. Since 1891 the Company has taken out of Canada by ships leaving Vancouver the following numbers of Chinese and Japanese :

	Chinese.	Japanese.
1891.....	605	
1892.....	579	
1893.....	658	42
1894.....	534	53
1895 .....	775	156
1896 .....	637	74
1897 .....	755	119
1898 .....	891	99
1899 .....	1,200	150
1900 .....	1,027	133
1901 .....	505	123
Total .....	8,166	949

9. That the rate from Vancouver to Hong Kong or Shanghai has been \$51 since 1891 and from Vancouver to Yokohama has been since 1893 \$51.

Mr. Piers, the general superintendent, states in reference to the Chinese poll tax : This tax is collected from the Chinese at Hong Kong when they are purchasing their tickets, and we pay over the amount to the Customs Department at Vancouver on arrival of the ship.

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The following letter was received by the Commission from the President of the Canadian Pacific Railway Co.:—

January 17, 1902.

D. J. MUNX, Esq.,  
Queen's Hotel, Toronto.

Without discussing the Chinese question in the abstract, I think it proper to submit for the consideration of your Commission, some facts to show the bearing that legislation against the admission of Chinese to our country may have on this company's business.

We are, as you know, operating a steamship line on the Pacific Ocean, consisting of the three *Empresses* and the *Tartar* and *Athenian*, all of which are engaged in the Chinese and Japanese trade. The advantage to the ports of Victoria and Vancouver of this steamship line will not, I think, be questioned by anybody, and as the larger part of the passenger and freight business, to and from the steamers, passes through the whole length of Canada, involving the expenditure within the country of a considerable amount for the labour, fuel, &c., required for the movement of trains, every portion of Canada is interested to a greater or less extent.

During the year just closed our steamers brought from China 4,107 Chinese passengers, and took to China 3,069, our total earnings from this source being \$537,000. Of these Chinese passengers 3,338 were Chinese coming to or going from Canada.

During the same year we brought 32 Japanese to Canada and took out 296.

Our pay roll for oriental labour, on and in connection with the steamships, amounts to about \$50,000 per annum, and, on the railway, to about \$26,000 per annum, a total of about \$76,000 a year, or one-seventh of the amount that we receive for the carriage of Chinese on our steamships. As our total pay-roll amounts to about \$14,000,000 per annum, you will observe that the percentage paid for oriental labour is scarcely worthy of notice.

In addition to the Chinese passenger business, we carried to China, last year, about 1,200 tons of cotton sheetings, salmon, condensed milk, lumber products, and other articles of freight, constituting Canadian exports, and, in future, when refineries are established in the west, we expect to find a market in China and Japan for a considerable quantity of lead from the mines of British Columbia.

It is possible, of course, that the Chinese would not resent unfriendly legislation, and that the exports from Canada to that country might not be interfered with, but, even if this were the case, legislation by Canada that would deprive us of the revenue resulting from the carriage of Chinamen back and forth between this country and their own would so seriously affect the revenue of our Pacific steamships that we could not afford to keep them running.

With the advantages enjoyed by the port of San Francisco, it was no easy matter to establish strong competitive ports on the Pacific coast in British Columbia, and it would be a most unfortunate thing if any legislation were passed in Canada calculated to give these ports a serious set back.

As the largest employer of labour in Canada, this company asserts most positively, that there is nothing in existing conditions calling for such unreasonable legislation against the Chinese as is demanded in some quarters, and that there is nothing on the horizon to indicate that these conditions are likely to be changed in the near future by reason of the undue importation of Chinese labour.

T. G. SHAUGHNESSY,  
President.

## SUMMARY.

There are employed upon the steamships of the Canadian Pacific Railway running between Vancouver and Hong Kong 570 Chinese.

There are also employed upon the said steamships in making repairs at Hong Kong large numbers of Chinese, amounting, it is said, to between five and six hundred. The

repairs are done through a company at Hong Kong who employ Chinese labour. If these repairs were done in Vancouver it would require at least one hundred mechanics and an expenditure of about \$90,000 a year, exclusive of firemen, coal passers, mess boys and greasers, which, if added, would amount to from \$11,000 to \$12,000 a month.

The Australian steamships, according to the evidence, employ exclusively white labour.

The reasons giving for the employment of Chinese on the fleet are: First, because reliable, experienced and qualified Europeans could not be kept available in sufficient numbers, and second, that the Chinaman is the very best ship servant in the world.

The Chinese firemen and trimmers are employed on the fleet because steady, experienced and reliable European firemen and trimmers could not be kept available in sufficient numbers, and if they were available they could not stand the high temperature in which the men have to work on the Chinese and Japanese coasts in the stoke holes and engine room.

The company's steamers have brought 21,820 Chinese to British Columbia since 1891 to September 30, 1901. (This number does not include those brought by other steamships.) Of this number about 6,227 held certificates, leaving 15,593 as new arrivals by the company's steamers, or an average of about 1,500 a year.

The fare from Shanghai to Vancouver or Victoria has increased from \$60 in 1891 to \$110 in 1898, at which it still remains. The return fare from Vancouver to Hong Kong or Shanghai has been \$51 since 1891. Eight thousand one hundred and sixty-six Chinese have left Canada for China by the company's ships since 1891.

The employment of Chinese upon the steamships of the Canadian Pacific Railway and for their repairs at Hong Kong raises a question of great interest. The steamship line, as a part of the Canadian Pacific Railway, is national in its importance. It is but reasonable that the mechanics and people of British Columbia should desire as far as possible to reap a portion of the benefits which ought naturally to flow from this enterprise.

#### X.—RAILWAY CONSTRUCTION.

Chinese are not employed in railway construction at the present time, and have not been, with some few unimportant exceptions, since the building of the Canadian Pacific Railway.

Railway charters granted by the Legislature of British Columbia in recent years prohibit the employment of Chinese and Japanese in their construction or operation, a number of Acts containing a clause attaching a penalty of \$5 a day for each and every Chinese or Japanese person employed in the construction or operation of the undertaking authorized by the Acts. Contractors much prefer white labour for railway construction.

Richard Marpole, general superintendent of the Canadian Pacific Railway, says:

Q. You have done a great deal of construction work in the Upper Country!—A. Yes, that is where we employ white labour to-day.

Q. In the construction of the Columbia and Western!—A. The work on that is all done by white labour at high rates.

We are trying to get labour in the east for the extraordinary construction work that we are about entering upon, for which \$500,000 has been set apart.

James Wilson, Victoria, says: Two years ago I was up in the Kootenay country and had a sub-contract, and I never employed a Chinaman if I could get a white man. We had to send to Chicago, New York, St. Paul and other places to get men, and some of the agencies sent out men here who had never seen a pick and shovel. I could not get white men at that time in the Kootenays and I had to send east for white men. The riff raff of the American cities were sent to us. They were of no use. I would rather have the Chinese. When they got their first pay they would go on the spree and slip away rather than work. That was on the Robson and Grand Forks Railway. I did not engage Chinese then. I got Italians and some common men I had before. I could



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not see any difference between the Italians and the Chinese. Many of them went out of the country.

G. A. Carlson, Mayor of Ka-lo, said: I am a railroad contractor, resided here six years. I have a contract for the Lardo extension. We work 150 men now. I will employ about 1,000. I don't intend to employ Chinese or Japanese. I have never done so.

Quite a number of men who work on railroads settle down here. I know 75 or 80 who came in on the construction work of the Slocan Kaslo R.R. did so. Last year we paid \$2.50 a day. This year I don't intend to pay more than \$2 a day. That is good standard wages for railroad work. Board is \$5.25 a week. Italians do that class of work. Others take contracts and clear \$75 or \$100 a month, or more. White cooks' pay is \$75 a month, helpers \$40, \$50, and may be \$60 a month. Provisions here are very high. Boarding men in camps cost 60 or 65 cents a day per man on an average. we work ten hours a day on railroad work.

I would favour restriction. I don't think the railroad labourers want Chinese or Japanese here. I can't bring alien labour here. I don't care much about it. I expect to employ my men in six weeks. At present I can get six or seven hundred unemployed men from the boundary country. They will work for me at \$2 a day. I had experience as a contractor before I came here, in Minnesota, Virginia, Illinois, Montana and Washington.

H. S. Rowe, Mayor of Portland, in answer to Chairman Clute, gave the following information:

It will afford me great pleasure to give you all the assistance I can, I will endeavour in a few words to give you what information I have. Prior to the time the Exclusion Law was enacted, the condition of the country here was very different from what it is now, communication with the east was slow, and transportation was high; there were no lines of railway across the continent; here were an isolated community depending altogether on transportation by sea, which was long and costly; we had no communication with the Eastern States of our country, or with your country, except by water. The only place we had to draw labour from was from China; it was almost impossible to secure white labour at any price. But since that time we have had three or four railways built across the continent; if we had had to depend altogether on white labour, none of the large railways could have been built at the time they were stretched across the continent; we would have to wait for years for railway transportation facilities. I was superintendent of the Oregon Railway and Navigation Co. While that railway was being constructed it was almost impossible to get labour; we had to depend almost altogether on Chinese labour for the construction of that railway, and for the construction of the western part of the Northern Pacific; but that was long before the passing of the Exclusion Act; it was some years before that.

Q. About 1886 there first came up an agitation about restriction?—A. Yes, perhaps a little before 1886 there was an agitation for restriction; some of the railways had been completed then; the Northern Pacific and the Union Pacific had been completed, and we could readily get people in from the east. We were constructing in two parts; one part was to make connection with the Union Pacific, and another part was to make connection with the Northern Pacific. At one time we had about 25,000 Chinese employed on construction work; we had two contracts, and between those contracts, as I say, we had about 25,000 Chinese employed on construction work; I do not suppose we had 1,000 white men employed on our contracts. Such was the state of the labour market here that we were glad to get what labour we could in order to fulfil our contracts; but fortunately those conditions have passed away; we have four railways running in here now, and we are well able to do without either Chinese or Japanese labour. This is a white man's country, and we want to keep it a white man's country.

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## XI.—ELECTRIC RAILWAYS.

The British Columbia Electric Railway Company own and operate the electric railways in Victoria, Vancouver, New Westminster, and between Vancouver and New Westminster, and employ 380 men, all of whom are whites.

Johannus Buntzen, the general manager, says: We employ in Vancouver from 170 to 180 men; in New Westminster from 60 to 70, and in Victoria about 140; that would make a total of 370 or 380 men. It varies when there is construction going on. We have never employed Chinese or Japanese. There is no agreement to that effect. I prefer white men. In the position we are, we could hardly employ any other labour but whites. We are entirely dependent on local trade and the patronage and sympathy of the white people. We have no business outside of the cities, and I do not consider it would be proper to employ any but white labour in our business. I cannot say we find any difficulty in getting men. I have always found plenty of men at the wages we pay. I have never had any difficulty in getting a supply. At times we require from one hundred to two hundred extra.

## XII.—FREIGHTING.

Ashcroft, on the Canadian Pacific Railway, is the departure point for Cariboo. All supplies have to be freighted in a distance of nearly three hundred miles. The town of Ashcroft contains a population of about four hundred, of whom seventy-five are Chinese. There are a great many Chinese firms in Cariboo, and the Chinese freight almost exclusively for them.

Dennis Murphy, of Ashcroft, M.L.A., says: One of the chief industries of Ashcroft is teaming. Of late years that has been encroached upon by Chinese. Last summer three or four horses belonging to Chinese were shot. Since the Union of Teamsters was formed it has checked the number of Chinese, and the feeling is not as bitter as formerly. This teaming is into the Cariboo country. The feeling may be as keen, but there is no animosity as before. The Chinese are not good teamsters, but about one-sixth of the teams on the road are Chinese teams. There are a great many Chinese firms in Cariboo and the Chinese teamsters haul almost exclusively for them. Before the Union was formed freight was ruinously low. The Chinese run only in the summer, and did not feed their horses. They let them feed out and then in winter they would turn them out. There used to be one hundred teams. There are now sixty or seventy-five. There is no large freighting outfit. Each owns his own outfit.

Senator Reid says: A great deal of freighting is done from Ashcroft by white freighters and some Chinese as well. Last year there was about ten per cent of Chinese freighters. There was some difficulty. The trouble was there were too many freighters. The whites, it is said, frightened off the Chinese freighters. Horses were shot; I cannot say that the white freighters shot them.

I think the trouble came up in this way: they have what is called a Teamsters' Union up there, and one of their rules is that teamsters must load in turn. The Chinese took their freight for Chinese merchants, whether it was their turn or not, and this caused trouble. The proportion of Chinese in this business ten years ago was less; the Chinese then had only one bull team on the road.

## CHAPTER XX.—1. UNSKILLED LABOUR.

In this chapter reference is had to that large class of labour, skilled and unskilled, men, women and children, who on coming to the country, or being already here, seek employment, and find the usual opportunities of securing employment, in the lower grades of labour, already to a very large extent absorbed by Chinese and Japanese. It often happens that skilled labourers coming to the country find no opening, and are willing to avail themselves of any position until an opportunity opens in their own particular trade or calling. These, together with that large class who have no particular trade, are debarred from nearly every leading industry in the province, unless they are willing to compete at wages at which the Chinese and Japanese are employed, and very often even then they find that the work is done under contract through a Chinese boss

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who will not employ white labour ; or the employer, recognizing the fact that a white man will take the earliest opportunity of bettering his position by leaving an employment where only the Chinese wage is paid, declines to give him employment.

How far all avenues of unskilled labour are filled by Chinese may be judged from the following :—

In Victoria there are 638 Chinese labourers employed and 173 unemployed ; this includes all miscellaneous labourers, but does not include cannerymen, mill hands, domestic servants or market gardeners. In the same class in Vancouver there are said to be 219 employed and 96 unemployed. In New Westminster there are over a hundred labourers of the same class.

John W. Hay, who has charge of the Salvation Army Shelter in Vancouver says : During the year 1900, 800 men sought temporary employment at the shelter, and 400 outside ; part of the 400 may be included in the 800, the majority of the number being different individuals, say 600. These were all white men. They said they failed to find employment elsewhere. Since January, 1901, until May, over 200 have sought employment, from 40 to 60 a month ; 40 out of the 60 would be different individuals. The majority of them, I think, were respectable men, mechanics and miners, but the majority labourers. They had sought work and had not found it. Some of them walked till their feet were sore. They complain of Mongolian labour. They complain that the orientals that are employed in different mills prevent their getting employment. Not being able to get work, they packed wood for us. There was quite a good deal of poverty and distress last winter. I think this province finer than Ontario, and if the white men had a chance they would come here. A case to-day occurred where a man cautioned his friend not to come. I would not like to see my people come here without they had a substantial place. I don't think there should be any difficulty in getting white labour.

Robert Pledger, Vancouver, says : I am a British navy pensioner. Have lived in Vancouver fourteen years. For several years past I have been doing odd jobs about the city. I formerly, for seven years and a-half, worked as a messenger for the Bank of Montreal, but I accidentally broke my foot and had to leave. In cutting wood the Chinese are severe competitors. They do most of that in town. I am the only white man cutting cordwood around Mount Pleasant, and if I did not have my naval pension I could not live on what I make out of cutting wood. There are quite a few people here who have difficulty in getting work. I think the Chinese and Japanese are getting thicker than ever. They are spreading all over. Wherever you go on Mount Pleasant you meet a Chinaman with a big saw. A white man cannot make a living there. If you go and ask for a job they will tell you the Chinamen will do it for ten cents less. I do not like this : still the Chinamen are here and they have to live. The shack I live in I consider small enough, but six Chinamen would live there, and that makes all the difference.

I think it is the duty of a country to protect its own people, because if a war was to start up John Chinaman would pick up his blanket and get away, and then the mill owners and others would have to depend on the white man to whom they refused to give work to defend their property.

I spent the best years of my life in the service of my country. I was engaged in the operations in Japan in 1864, in the last engagement at Nagasaka the same year. I never thought then that the Japanese would compete with me here when I was trying to make an honest living in my old age. I would not advise any of my old ship mates to come here. I would not stay myself unless I was forced to.

Frank Saxby, of Victoria, who said that he had applied for work at the sawmills and copper mine, at Chemainus, where Chinese and Japanese were employed, and could not get it, says : I know there were other workmen in the city looking for work besides myself. I have met a large number during the winter. I have met from one hundred to one hundred and fifty. These came under my personal observation. If there had been a number of them together at any one time they might have got work by contract, and a man is not a capitalist or he would not be going around looking for work, and he needs work, or he would not look for it. There is no work to be had, unless you are a



coal miner and speak a foreign tongue, because it is given up to the Chinese, and if a white man invades the territory they strike; that is the way they do in the work on the docks: if a white man goes to work in coaling a ship they strike. Mr. Dunsmuir has promised to give the white men the work when there are enough white men to go there and do all the work. The Chinese will not work with a white man, therefore they have got the work. I have been all over the country and I find the Chinese everywhere. I do not know of one town I have not been in. I have been in every state on the Pacific Coast. My birthplace is Canada, but I have spent a good many years in the United States.

Joseph Harwood, Vernon, says: I have resided here eight years; for three or four years I worked on the farms and around town and now I am in the transfer business for myself. I have earned my living ever since I have been here by labour each year. I remember one harvest three years ago that white men were not obtainable, but for all other years there were more men than were required. The French brothers last year employed as many as eight Chinese on their farm. They took the place of white men; white men previously did the work.

The way it is is this, that a workingman raising a family cannot live here if he has to compete with the Chinese. I have got four boys and I have got a little home here. It has been hard work to keep the little home and family together. On several small holdings in the neighbourhood of the town there are four or five men with their families and they have to work outside to enable them to exist at all, and they can get little work because of the Chinese and Japanese monopolizing that. In the town here of 700 people there are about 70 Chinese who do work about the houses and gardens and do a lot of work that ought to be given to white men. The Chinese get all the light work around town. The Chinese have no families; they have no one else but themselves to support, and they come into direct competition with white people who have families. If those Chinese are going to continue to come in here, the whites will have to leave the place. The whites are going out wherever they get a chance, when they can get something to do elsewhere. There is no industry here and white people have to depend on work from the farms, and if that is monopolized by the Chinese what are white people going to do? They will simply have to leave the country because they cannot make a living for their families. I should think there are five or six hundred farm labourers in this valley (Okanagon). The seventy or eighty Chinese here now do interfere with the labour market and with this district as a whole. If white men with their families were here on small holdings it would be better for the country and bring a larger area of land under cultivation and benefit all round. White men come here and find there is nothing to do and go away. In a good harvest year there are plenty of white men to be had for the harvest, but as soon as the harvest is over they go out, because there is nothing for them.

The wood cutting here is done by the Chinese. I have cut wood, but I have had to do it at the same price as the Chinamen, and if I had not something else to do besides that I could not support my family. One dollar a day and board is as much as a farmer here can pay to make farming a paying institution. I could not live on less. It takes about 65 cents a day for a family to live here.

Three years ago the crops would have been saved without the Chinamen, only it would have taken a little longer. They did not get in all their crops in time because the white men would not come in when the Chinese were here.

If there were no Chinese or Japanese here we would have lots of white people. In the course of my business I have had a great deal to do with the moving of household goods of people to the station, and it is a shame to see white people being driven out of the country by Chinese and Japanese. They move away because they cannot get work in the winter. The Chinese are monopolizing all the wood-cutting, and white men cannot make enough to support their families. There are many such cases. It makes my heart sore to see white people moving away. The men who come here are sober and industrious. There have been only two cases in three months where men have been charged with being the worse of liquor, not ten cases in a year. The white men who come here are sober and industrious. There are about twenty idle men in town at pre-



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sent. The Chinese come in here in bunches, at times there may be a hundred of them in town for a few days, but generally there are from seventy to eighty of them here all the time.

Q. Do you favour restriction or exclusion of Chinese?—A. Yes, sir. I think we ought to apply the remedy as our friends in Australia have applied it, by a high poll tax, and keep the Chinese and Japanese out altogether. They are a very undesirable class to have in our community; they will not make homes here; they will remain Chinese as long as they are here. I have never seen a case where a Chinaman has made a home such as a white man would make here, building up a home the same as the common labourer would. I am an Englishman from Herefordshire.

John S. Annett, of Esquimalt, said: I am a cooper by trade, at present foreman at the lime kilns. The employees are mostly Chinese. There is not much demand for work because of Chinese competition all around. If I lost my place down here I do not know where I would get another place. I have had opportunities of observing what the effect of the presence of the Chinese is upon the country here. I may say that I came here in 1891 on a special excursion. There were fifty people in the car; of those fifty I am certain that not over twelve remain in the country now. I know of fourteen who came from Newfoundland with the intention of settling here, and within two years every one of them had gone back. A great many of those who came here on the same excursion with me were mechanics, that were willing to work at anything and become settlers here, but found that everything was filled up by Chinese, and there was no place for white mechanics here to make a living. Fifty settlers came in the car; I cannot find traces of more than three or four in the province now. I am certain not more than twelve out of fifty can be found in the province here now.

Q. Why did they leave?—A. Because they found they could not get work at their trades in the Province. Places were all filled by Chinese. That was the reason given me by those with whom I came in touch after we had been here a little while. While I resided at Millstream, eight years ago, there were four white men left there. They went back east for the same reason. These all came within my own knowledge. The four who left Millstream did not come at the same time as I did. They left because there was no opportunity for making a living here. The competition with the Chinese was too keen. Of course it has to be taken into consideration that when they left, business was a little dull here. They dropped off between 1892 and 1894, and I may say that I know of one, an extra good workman, who was capable of drawing plans and overseeing work, he had been employed overseeing the work on a building costing \$30,000 in St. Johns, New Brunswick; he came out here with the idea of bettering himself, and he got thoroughly discouraged and had to go to the other side to make a living. Two others went at the same time with him. Another one of the little company was a first-class mill man; another was an architect.

Arthur Samuel Emory, Victoria, carpenter and joiner, president of trades and labour council, said: Chinese have driven white labouring men out of a great many employments. They have been a great detriment to the province in that respect. The Chinese have regular steady employment in the lumber mills and brick yards, while unskilled white labourers cannot obtain steady work in Victoria. White men and their families have been driven to leave Victoria and seek employment elsewhere. The Chinese are no good to the country as citizens, and they have driven many good citizens out of the province.

Q. Would that apply to the Japanese as well as the Chinese what you have said?—A. Yes, I think it applies with equal force to Japanese. They also have driven unskilled workmen out of the country, and some unskilled workmen into some of the rough work in the trades, so that even good tradesmen are walking around without being able to get employment. The effect of the Chinamen taking the places of unskilled white labourers has been to drive out skilled labour. Ordinary workmen cannot get work to do because the Chinese have monopolized all the labour that is done. Skilled mechanics cannot get steady employment. The Chinese by their competition have reduced the wages in some of the trades, and the Japanese have had the same effect.

In our trades and labour council there are twelve or fourteen trades represented. One of the regulations is against oriental labour. If we were properly organized Chinese would not be here at all. If Chinese and Japanese were working at the same rate of wages as whites, the organizations would not interfere with them at all.

Henry Atkinson, landscape and market gardener, Victoria, said: I have known a great many white people who have come here and gone away again because of the Chinese.

Q. Do you know that of your own personal knowledge?—A. Yes, I know of many having gone away after coming here and finding the Chinese competition here.

Q. Where did they go?—A. All over the world, anywhere they could go to escape Chinese competition, Australia, New Zealand and South Africa.

Q. Explain that if you can, the wages here are high?—A. The wages are good, but there is not sufficient regular work for good men to come here, because the Chinese have monopolized regular work.

William Stocker, president of the Nanaimo miners and mine labourers' protective association, said: The presence of the Chinese here has a very injurious effect upon white labour. The labouring man would be to-day in a much better position than he is if the Chinese were not here. He would be able to make more money and spend more in the purchase of supplies. I consider the more money I am able to make the better member of the community I will be, able to do better by my family in the way of giving my little girl education, and in affording my wife more of the luxuries; all round, living better and spending more money in the community, yet still saving and making a little home for myself, and settling down as a good citizen of the country.

Lionel Terry, Alexandra, said: The presence of Chinese here has a tendency to keep whites out of the country. Two or three of my acquaintances have come out with the intention of taking farms in the country, and as soon as they found Chinese here they went off; they did not like Chinese; they preferred to quit British Columbia because of the Chinese. These were British subjects.

Alfred John Curle, Secretary of the Nelson Trades and Labour Council, with which fourteen Unions are affiliated, said: Our membership is about a thousand. The Labourers' Union of this city includes that class of labour that clears land, but there is not much of it to do. The wages for that kind of work would be \$2.50 for nine hours. We make every effort to get men to stand by the scale of wages fixed for the different trades. When I mentioned clearing land, that refers to clearing lots in the city. A man would clear for gardening or building purposes, and he would ask the Union rate of wages. White labourers do most of that work, but they are not engaged in market gardening, as the Chinese have a monopoly of that here. The cost of board here is from \$5 to \$7 a week. Many men live by themselves, called batching. The cost to them depends largely on a man's tastes and requirements. It will cost some men \$2.50 a week and others \$5 a week. A man does his own cooking and very often his own washing and tailoring here. Most of the bachelors have got little shacks of their own.

Frank E. Woodside, secretary of the Rossland Miners' Union, said: Through the Trades Council we have ascertained the number of Chinese in town. On November 21, 1900, there were 403 Chinamen in town, of those there were employed in laundries 116, in gardening 50, as woodmen 76, in the grocery business 39, hotels and restaurants 25, gambling 30, keepers of lodging houses 5, as domestic servants 62. The Union gave an expression of opinion upon the question of Chinese immigration in the form of a resolution that I have here, passed on February 6, 1901. It was carried unanimously at the meeting. I think the immigration of Chinese and Japanese into this province should be stopped, for the reason that they are either directly or indirectly in competition with the white people in this country throughout the mining camps in this province. As a rule there is a surplus of white labour here. The fact is, the Chinese and Japanese have the preference as domestics and cooks here, and would have the preference in other things but for the Unions; but for the Unions there would be more white labour idle than there is at the present time. No Chinese are employed working underground here. There is every class of people employed as muckers, except Chinese and Japanese. The majority of them within the last year, since April, 1900,

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have been Italians. A great many Italians have come in here within six months past, and they claim they have been replaced on the railway by Japanese: driven from the railway they came to this town and go into work in the mines as miners and shovellers; shovellers get \$2.50 a day; at timber and machine work they get \$3.50 a day. The common labourers around the mine on the surface get \$2.50 a day. I consider that Chinese and Japanese labour employed on the railways indirectly affects the muckers in the mine. Those men come in here and are employed as muckers, and finally they work themselves into being miners, and work themselves into competition with the machine men and timber men and replace them. They affect the surface men along the same line; they affect the ore-sorters as they affect everyone earning a livelihood in the mine.

I do not know that any other class of men coming in would affect the miners. It is the immigration of Chinese and Japanese that is causing us all this trouble. Foreigners coming here cause us a great deal of trouble. I call foreign labour European labour, oriental labour. There has been no effort made to prevent them coming in as free men, but when they come under contract there has been an effort made to prevent that; otherwise there has never been any protest at all.

John Valentine Cook, tallyman, lumber rater and inspector, of Vancouver, until recently employed at the Hastings Mill, said: In my opinion the employment of so many Mongolians tends to prevent eastern labour of that class coming here. They will not come and compete with that class of labour. My advice to those in the east is to stop where they are, as long as there are so many Chinese and Japanese in the country. I have written to twelve at least in the last two years, and have asked them to tell their friends not to come here because of the Chinese and Japanese being here.

Samuel L. Reid, clothier, &c., Victoria, said: Their presence (the Chinese and Japanese) has the effect of creating an unfair competition with white men; it has had the effect of driving a great many white men out of the country. White men, if they come here with their families, struggle along for a few months, then they have to leave town again. I have known of many cases of the kind. I myself have known many strong hard-working people who have come here, and they have had to leave and go to the other side, because they could not find employment owing to the competition of the Chinese.

Stephen French, of Kamloops, general labourer and wood cutter, said: Last winter the Chinese cut about half of the wood, I guess, and cut under me in price. They did it at a lower rate than I could. The price they were paying in this town was \$1.25 a cord, two cuts; that takes from two and one-half hours to five hours. They will do it for a dollar and pack it up, and if they see you are likely to get it, they will offer to do it for 75 cents. I am married and have two children; I have been in the country a year, came from England. I have had some digging and gardening and ditching to do. The Chinese are all around. If they find you ask \$5 to dig a ditch they will offer to do it for \$2.50. They always cut under you. The white man does not stand an equal chance with them. A white man cannot make a living in cutting wood when he comes into competition with the Chinese. The Chinamen can live on so little that it is impossible for a white man to compete with him. People who have wood cut are of course money in pocket by employing the Chinese.

## AMERICAN EVIDENCE.

F. V. Meyers, Commissioner of the Bureau of Labour Statistics, San Francisco, said: I should say that one-half at least of the Chinese in this city are of the class of unskilled labour, who have no trade, but engage in the fisheries or in fruit picking, or any labour such as digging or common work about the city. I think that Chinese competition does affect the earning power of white girls or women to a considerable extent, in the tailoring trade. That class of work is done in the east by white women, yet here it will be found probably that the Chinese get as much for the work, or more, than the women get in eastern cities for that class of work. I made an estimate of the number of people employed in the sugar beet fields and factories as accurately as I could; I estimated that there were employed in these industries 1,500 whites, Chinese



575, Japanese 1,000, Mexicans 850; total 3,925; that is in unskilled work. In the factories we estimated that there were 1,375 white people employed and ten Mexicans, and no Chinese or Japanese. The point I make there is, when it comes into the more skilled matter of labour, when it comes that some skill is required in the work, then white labour is called in.

William H. Middleton, Seattle, Representative of Labour Organization, said:

Q. For ordinary skilled labour are the Chinese sufficiently numerous to interfere with white labour here?—A. I do not think so, except in the canning industry; the Japanese have interfered in several branches and driven the white labourer out. They work around gardens, on railways, around lime kilns, and in these branches the competition of white labour comes in.

## II.—THE YOUTHS OF THE COUNTRY.

A. R. Milne, C.B., Collector of Customs at Victoria, said: A large number of our boys and girls are going into the United States. Many families have left here because of the lack of employment. Their girls could not even get employment making underwear, and other such things, and they have been driven to California where they can get work and earn good wages. We have many intelligent boys and girls here now attending our public schools, and as soon as they get through there all the prospect there is for them is to go to the other side. We are supplying the other side with the best labour and depleting our own country. There will be sufficient girls to supply the demand if there were no Chinese here. If the Chinese population is increasing, the outlook is a serious one. I do not think it is possible to establish a rule for immigration, that when there are so many white labourers there may be so many Chinese and Japanese.

John M. Duval, New Westminster, said: All avenues of labour except highly skilled labour are being closed to white people, and even the merchants are beginning to feel the competition of the Japanese. In four or five years there will be five thousand boys and girls in Vancouver looking for employment, and they cannot get it because their places have been filled by oriental labour.

Samuel M. Robins, superintendent for eighteen years of the New Vancouver Coal Company, Nanaimo, said: Most of our miners who have arrived at marriageable age are married. A great many own their own homes. Large numbers are permanent residents of Nanaimo. That raises the question that I have already referred to, the aversion on the part of children of white people to manual labour. Children are growing up here, their parents or head of the house working in the mine, and those children are not able to secure any employment, and it has become a serious question with parents what to do with their children. The presence of the Chinese deters children from seeking employment because of the Chinese being employed at certain work, and, as I say, the parents do not know what to do with their children, with the young boys and girls who are growing up in our community.

Dr. William W. Walkem, of Nanaimo, said: I am the father of a family. I have got two grown up boys and another one growing up, and the question is a very important one to me. I have to consider very seriously what I am going to do with my boys. All the avenues of ordinary employment are blocked. If they are not blocked for my class there are others blocked, and that class is taken up by another class. The Chinese take the place in certain work, and that presses people from that work into a higher class, until the thing works itself out. There are a great many people about our streets in search of employment and they cannot get it.

John Stewart Fraser, of New Westminster, employed in laying sidewalks, said: I know of 38 men having been turned away from the Hastings Mill last winter, in Vancouver, young able-bodied men willing to work for any rate of wages that would have afforded them a living, and at that time I counted 74 Japanese shovelling snow, yet a white man could not get work. My oldest son and two of my nephews have been in Vancouver since the fire until recently, and they have been driven from their own country by the Chinese and Japanese, compelled to seek a living in the State of Wash-



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ington. The conditions existing now alarm me. They alarm me because I have still in this province three sons, and I am very anxious for their future. When I see the Central School up here dismissed at noon and see the large number of fine boys coming out there, I stand and pause and think what are they going to do, where are they going to get work; they cannot compete with Chinese and live respectably. Some provision must be made for them, and if the Chinese and Japanese are allowed in this country those boys will be driven out of their own country and have to seek a living on the other side.

Q. You went to the Hastings Mill and found they were full up?—A. They were starting up after being shut down. They were to start up that morning, and the other 37 men went with the same object that I did,—to find work.

Q. And you found that they had previously made arrangements?—A. The labour market had furnished all they required, and there was nothing for us to do then. I at that time counted 74 Japanese shovelling snow, and I saw not a white man in the yard. They were employed that morning. We were there early to make application for work; we were there before 7 o'clock.

Q. Do you think there is anything extraordinary in that?—A. Nothing, except to show that the labour market was overstocked. I wish to show the conditions, that I unsuccessfully looked for work last winter. I looked unsuccessfully for work until Mr. Furness, the foreman for the Corporation of New Westminster, took compassion on me and put me to work in March; as a special favour he was generous enough to put me to work then.

Q. What is your business, regular business; have you a trade?—A. Building rail ways, tramways, streets, sidewalks, bridges, wharfs; in Manitoba I was working on the Canadian Pacific Railway.

In San Francisco their encroachment on the work of women and girls has created a problem which is thus described by the mayor of that city, who, as he assured us, has made a special study of the Chinese question. He says: The Chinese have been so long in domestic service that they have crowded out the white girls. It is one of the problems of the day to find places for our young women. I have helped myself within the last three months to establish a place from which families could get white women to work. We got a number of sewing machines and got white girls to make up women's work, but we had to give it up. The Chinese would bring their wares to the stores and sell it cheaper than we could produce it.

## SUMMARY.

The result of the evidence bearing upon this subject is beyond question. The conditions which result from the employment of Chinese and Japanese in every avenue of unskilled labour prevent many white immigrants from coming to the province, and induce many who have come to leave. The occupations which usually afford work for boys, girls and women are all occupied to a great extent by Chinese and Japanese, with the result that steady employment is largely closed to the youth of the country and to women who have to seek employment of some kind to earn their living, and apprehension is expressed, which we think well founded, by many prominent witnesses and heads of families of all classes as to the outlook for the youth of the country, and fear is expressed that as they grow up, they will have to seek a livelihood beyond the limits of the province.

## CHAPTER XXI.—MERCHANTS AND TRADERS.

The following statements prepared by the Chinese Boards of Trade show the volume of Chinese trade of the cities of Victoria, Nanaimo, Vancouver and New Westminster. In other towns and villages where there are any considerable numbers of Chinese there are also Chinese merchants, with whom they chiefly trade.

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Following these statements will be found the evidence of a number of merchants and other traders, giving their views upon Chinese immigration as it affects them.

CLASSIFIED statement of Merchants engaged in business in the city of Victoria, British Columbia.

Business.	No. of Firms.	No. of Partners.
Importers and manufacturers of opium.....	3	18
Dealers in dry goods and manufacturers of clothing.....	12	19
Butchers, provision and poultry dealers .....	7	15
Druggists and dealers in general merchandise.....	5	12
Manufacturers of Chinese clothing.....	2	3
Merchant tailors.....	14	17
Boot and shoe dealers.....	2	3
Restaurant keepers.....	9	15
Pawn broker.....	1	3
Jewellers.....	3	3
Tinware dealer.....	1	2
Cigar manufacturers.....	2	2
Rice millers .....	4	4
Greengrocers.....	1	4
Manufacturers ladies' silk underwear .....	1	2
Cannery contractors and importers .....	4	15
Importers silk fancy goods, curios and general merchandise.....	2	9
Wholesale importers general merchandise .....	14	64
Retail importers general merchandise.....	22	78
Total .....	109	288

Dated at Victoria, B.C., March 21, 1901.

TOTAL business done by all Chinese business firms in the city of Victoria, B.C., for one year last past ending February 17, 1901, \$1,059,805.12.

Gold.

Importations from China.....	\$ 107,594	78
Goods purchased in Canada, England and United States	464,369	35
Canada customs duties, wharfage, freight and drayage.	148,376	75
Revenue and road tax, assessment tax, business licenses (exclusive of labourers).....	7,804	85
Water rates, gas and electric lights.....	9,452	25
Insurance, fire.....	4,114	20
Rents paid to white landlords (exclusive of labourers' dwellings). .....	34,274	75
Postage stamps (exclusive of labourers). .....	1,511	60
Custom house brokerage.....	807	50
Real estate owned by Chinese in the city of Victoria, B.C.	296,090	25
Total capital invested in business in the city of Victoria, B.C.....	573,500	00

LEE CHEONG,

President Chinese Con. Ben. Association.

Dated at Victoria, B.C., March, 1, 1901.

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CLASSIFIED statement of merchants engaged in business in the city of Vancouver, B.C.:—

Merchants (comprising 47 firms) partners.....	143
Classified as follows:	
Importers and wholesale dealers.....	8
Retail grocers.....	7
Opium manufacturers.....	2
Greengrocers, butchers and poultry dealers.....	15
Rice millers.....	3
Dealers in silk and fancy goods.....	2
Merchant tailors.....	2
Manufacturing clothiers.....	8
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	47

TOTAL amount of business done by all Chinese business firms in the city of Vancouver for one year ending Feb. 17, 1901. \$518,051.50.

Importations from China.....	\$ 78,198	13
Goods purchased in Canada and England.....	193,176	95
Goods purchased from United States.....	2,655	05
Canada customs duties, freightage, wharfage, and drayage	95,760	92
Capital invested.....	256,600	00
Rents paid to white landlords.....	30,808	40
Water rates, gas and electric light.....	7,875	20
Business license taxes (revenue and assessment).....	5,109	75
Fire insurance.....	2,568	20
Postage stamps.....	1,801	50
Customs brokerage.....	833	80
Real property.....	124,058	10

Statement showing number of merchants in the city of Nanaimo, and the towns of Extension, Oyster Bay, Alexandra, Wellington, Chemainus and Duncans, B.C.:

Nanaimo merchants.....	14
Merchants in the six towns.....	24

Total business done by the above Chinese merchants for one year last past ending Feb. 17, 1901, amounting to \$162,930.

Goods purchased from white merchants.....	\$ 35,262	00
Property owned by Chinese.....	57,525	00
Business licenses and taxes (exclusive of labourers)...	378	50
Gas lights, water rates, wood and coal.....	3,884	00
Postage stamps (exclusive of labourers).....	384	00
Importations from China.....	27,857	00
Wharfage, drayage, and duty.....	33,111	00
Customs brokerage.....	335	50
Rents paid to white landlords.....	4,773	00
Total capital invested in business.....	104,300	00

Classification of merchants in the above-mentioned cities and towns as follows:

	No. of Firms.	No. of Partners.
Importers of provisions.....	9	
Butchers.....	1	
Butchers and provisions.....	4	
Druggists ".....	5	
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	19	49

Dated at Nanaimo, April, 1901.

## STATEMENT OF CHINESE MERCHANTS OF NEW WESTMINSTER.

The following statement represents the value of importations, business transacted, &c., for the year 1900.

Number of firms or businesses, 20.

Total value of goods imported from Hong Kong to New Westminster by Chinese merchants.....	\$ 31,950	33
Total value of goods imported from San Francisco.....	536	36
Total value of goods imported from Canada and the United Kingdom.....	155,662	50
Total.....	\$ 188,149	19
Amount paid duty on imported goods.....	26,119	53
" for freight, wharfage, and drayage.....	13,830	00
" in taxes, including city taxes, licenses, &c., for the same year.....	2,341	50
" for electric light.....	736	85
" gas.....	1,002	25
" water rates.....	643	82
" wood.....	1,759	57
" insurance premiums.....	2,849	95
" rents.....	3,888	50
" envelopes & stamps.....	537	05
" customs brokerage.....	96	25
" rent paid by Chinese gardeners.....	1,567	00
" taxes.....	52	00
Value of real estate and buildings owned by Chinese merchants.....	70,187	50
Capital brought in from China and invested in different businesses.....	76,455	50
Capital invested in cannery.....	30,000	00
Estimated amount paid in fares, local steamboat, trams, &c., about.....	4,000	00
Total business of Chinese merchants, including cannery.....	316,917	15

Number of merchants, 29.

David Spencer, dry goods merchant at Victoria, says : I employ about a hundred hands. I know of no industry dependent upon Chinese labour for its existence. I think there are enough Chinese here. They do not assimilate with the people of the country and do not form an integral part of the population of the country. They merely come here to see if they can make a little money, and go back with that money to China. I do not think the country can be built up with a people of that kind. The strength of a country depends to a great extent on the intelligence and physical strength and energy of the great mass of the people following the various trades and callings. I think the effect of favouring further immigration into the country will be very detrimental to the whole country. If their places were filled with white people that would increase the trade of Eastern Canada and make it better for all classes of mechanics and tradesmen. The fact of the working man knowing the Chinese were here, and were allowed to come here would not have any serious influence on anyone coming to the country one way or the other : that is to deter them. If the employment of Chinese was barred it would give a stimulus to some industries. I am selling goods, manufactured goods, I sell here irrespective of any Chinese conditions or competition, and I think I can still do it,—ladies' wear of all kinds. I do not think the Chinese had anything to do with the present development of the country except in the canneries. I would rather have the canneries with the Chinese if it could not be carried on in any other way. And the same with respect to the lumbering business. In my store I



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employ girls from \$15 to \$50 a month, some \$60 ; \$15 would be low wages. They board themselves. Girls earning \$15 a month generally live at home with their parents and are learning the business. The supply of that class of labour is not specially abundant now. The cause is, there are many who do not want to work. You cannot compel men to work if they can live without it. They will stay at any particular service until they get married. I think the country is able to keep pace with other parts equally as well without the Chinese. The Chinese patronize me quite a bit.

Robert Erskine, grocer, Victoria, says : I have been in business seventeen or eighteen years. The presence of Chinese I think does not decrease our business, but it certainly does not increase it as the same number of whites would do. I am in favour of restriction. It would tend to benefit the country. If white people came here they would bring their families with them and trade with grocers and others. They are in direct competition with me in some lines. They peddle a good deal ; they go around from house to house and sell tea and other articles. I think the restriction of Chinese would have a tendency to increase white immigration. Our business would be double, at least, what it is with the Chinese here.

Robert H. Johnston, seedsman and nurseryman, Victoria, says : I deal with the Chinese to a large extent in the sale of seeds, roughly speaking about \$400 a year. I favour prohibition or a tax that will amount to about the same thing. I would suggest a tax of about \$500. I do so, first, from a point of my own interest. If the Chinese were excluded my business would increase greatly in a few years. For intelligent work the white man is far better. I would prefer to have a white man any time to the Chinese. If the Chinese were excluded it would be better for me, because the white men would raise vegetables for themselves. They would buy seeds in small quantities and I would get better prices. I have a good deal of competition with the east. They send catalogues to everybody.

Hardress Clarke, grocer, of Victoria, says : The Chinese peddle fruit, vegetables and tea, but not to the same extent as some years ago. I deal in fruit and vegetables. They injure my business to a great extent. I am in favour of further restriction. I look at it from a British standpoint. They interfere with our labouring people and they confer no benefit on the country. They do not assimilate or take any part in our institutions. We have institutions to keep up, and if the Chinese were not here we would have white people in their places who would help to keep up those institutions and benefit the country at large. They will never unite with us. It would not be desirable if they would assimilate. Their presence here lessens the volume of my trade. We send nothing to 'Chinatown,' but we do to some Japanese institutions. The Chinese have their own stores for their own people.

Alexander G. McCandless, of Victoria, ready-made clothing and gents' furnishings, says : The presence of the Chinese affects my business very seriously, for the reason that they make ordered clothing for the price of a ready-made suit, and many people go to the Chinese instead of coming to us merchants. They compete directly with us. I consider that they have a very serious effect on everything. They drive white men out of the country. I consider the country would be much better without them. Take for instance this city, and other towns would be just the same. We must have at least three thousand Chinese in the city. We could get along in the city here without a single Chinese. If the Chinese were not here we would have at least five thousand more white citizens. These five thousand would mean a great many more families housekeeping. It would mean an increase in trade in every shape and form, clothing, dry goods and groceries. White men live better and spend three times as much as the Chinamen do. White men will have their families here, and that would mean that most of their earnings would be spent in the province.

Samuel L. Reid, of Victoria, ready-made clothing and gents' furnishings, says : The presence of the Chinese in our business has the effect of decreasing the volume of trade, and of creating an unfair competition with white men. As years go on they are getting more and more into different lines. The number of lines they are getting into is increasing. They are being employed in many more lines than they were a few years ago.

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Alexander Wilson, tinsmith and plumber, Victoria, says: There is one Chinese firm in my line of business. His competition does not injure my business. The Chinese buy some things from us. I do not employ Chinese. Most decidedly I prefer to employ men of my own colour. I favour restriction against the Chinese becoming naturalized, by an educational test and long residence in the province. I would favour legislation denying the right of naturalization. If we had been a couple of thousand miles from California and a thousand miles from the other side we would have had much more population. I mean by that, that we would have been in a position to grow everything that we require, and the country would have been developed faster if we had not the competition of California and the State of Washington. I would advise the immigration of Chinese to go on. Their work is very necessary at times. I do not believe in restriction at all. I am a freetrader. I do not believe in keeping goods or people of any kind out of the country. The Chinese live as well as they can. There is no question the white man who comes here and raises a family is much preferable to the transient gentleman who comes here and makes money and goes. It is all one thing whether a nigger or a Chinaman or a Scotchman starts up a business; if he makes a success he is a benefit to the country.

Robert F. Green, general merchant, Kaslo, member of the provincial legislature for Slocum, says: I am thoroughly convinced that were we able to prohibit the further incoming of this class of labour and substitute in its place as many white labourers who would come here with their families the province would have an era of prosperity such as it has never seen up to the present time, because the presence of these people here who would need supplies of all kinds, clothing, groceries, lumber for building, would give employment to so many mechanics and artisans, and the very fact that there would be no competition with a menial or servile class would be an important factor in producing a steady flow of immigration here to take the places of the servile Chinese and Japanese. There are comparatively few Chinese in my section of the country. We have two thousand people in Kaslo and the Chinese population numbers one hundred.

Thomas Lewis, clerk of the City Market, New Westminster, said:

Q. Do the Chinese do any business in the market?—A. They occupy themselves mainly in peddling; they sell small vegetables on the market, but I have nothing to do with the peddling. They sometimes handle bulk stuff. Once in a while they buy in the open market. Their regular business is raising that kind of stuff, and we all know they do a good deal in peddling. They usually sell out in peddling, but sometimes they bring a little to the market. Of course the white men would like if they were not there. They seem to do their own little business themselves. Personally I have never been able to see that their peddling through the city interfered with the prosperity of the market. The market is only held one day in the week. Some of the white men peddle.

Q. Couldn't you have two markets a week?—A. There is a difficulty in getting the ranchers to come in. There is such a wide district, it is difficult to get them to come in from Ladner and other places. The ranchers come in during the week sometimes and sell quite a lot of stuff in the city.

Benjamin W. Brown, of Victoria, fish, poultry and fruit merchant, said: The Chinese affect my business. There are as many as forty engaged at some seasons. I have two stores; am married and have a family. Chinese have no stores and no families. I favour restriction and exclusion. We get vegetables from California and other places, but as soon as Canadian vegetables come in we do not send to California for them. I am the only Canadian, occupying a store, in the fish business in the city.

George Gawley, of Victoria, engaged in fish, fruit and poultry business, says: The presence of the Chinese affects my business to a great extent. They sell at a lower price than we can possibly sell for. They usually peddle. There has been one Chinese store in the city. They buy fish in the market and peddle them around. Chinese fish-mongers do not pay rent for stores. At one time there were upwards of fifty of these peddlers. They peddle fruit in the same way as fish. There are probably ten white men engaged in my business in this city. There are probably two dozen Chinese

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engaged in the fruit business. There are more Chinese engaged in my business than white men. I am married and have a family of six children. The Chinese who engage in this business, if married, have not their families here. I find my business much encroached upon by them. The other white men who are engaged in this business have families, with the exception of one or two. I pay \$25 a month rent for the store. I cannot say it would be a benefit to the rest of the people if the Chinese undersell me in the market, because the white people receive no benefit from the Chinese in return. I do not know that it would raise the price to any great extent if my business were protected from the Chinese. I think the public would receive benefit instead of loss. I think if the whites replace the Chinese my sales would increase from thirty-five to fifty per cent. It might be profitable for me to peddle from house to house. It would not add very much to the cost, where we usually employ a man in taking orders. Fruit is principally imported, not a very large quantity being grown in the province. I buy my fish from Indians. During the winter months the vegetables come from San Francisco, but not after we grow vegetables here. I sell nothing to Chinese.

I do not think \$100 tax is enough to keep the Chinese out. I would favour their exclusion.

Lee Coy and Lee Lum, two Chinese peddlers, who were examined, gave evidence to the effect that they made about \$1 a day, some days more, and some less. They bought their fish from white fishermen.

## SUMMARY.

From the foregoing statements prepared by the Chinese Boards of Trade, it appears that there are 228 Chinese merchants in Victoria, comprising 109 firms, and that the volume of business done by them for the year 1900 amounted to \$1,059,812.

In Vancouver there are 143 merchants, comprising 47 firms, with a business last year amounting to \$518,051. At Nanaimo and vicinity there are 14 merchants, doing a business last year of \$162,930. New Westminster has 29 Chinese merchants, who did a business last year of \$316,917. And, speaking generally, there are Chinese merchants in business in every city, town and village in the province where there are a sufficient number of Chinese to justify their presence.

Their trade is chiefly with their own people who deal principally with them.

As the market gardening is chiefly done by Chinese, they also control the sale of garden vegetables, peddling them in baskets from house to house. In Victoria there are fifty such peddlars, and although there is there a fine market house, there is no public market, nor is there a market in any other town or city in British Columbia except New Westminster.

Among white traders the feeling is unanimously opposed to the Chinese.

## CHAPTER XXII—IS FURTHER RESTRICTION OR EXCLUSION DESIRED?

The following evidence is not intended to give the reasons offered by the witnesses in favour of exclusion or otherwise, as that has already been done in previous chapters, but rather to gather a consensus of opinion from witnesses representing all classes upon the question of further restriction or exclusion, and where offered, the views of the witnesses as to whether or not the Chinese and Japanese of the labouring classes who have come to this country are considered desirable immigrants. It will be noticed that comparatively few employees are included among the following witnesses, for the reason that both skilled and unskilled labour are unanimous in favour of exclusion; while among the other witnesses every profession, trade and calling is represented, especial care being taken to include employers of Chinese and Japanese labour.

The view of the witnesses as to assimilation is not quoted in this connection, for the reason that there is absolute unanimity with respect to the Chinese, that they would not assimilate and it was not desirable that they should. There was almost equal unanimity to the same effect with respect to the Japanese.



## VICTORIA.

Joseph D. Graham, Government agent at Atlin, said: I think it would be better for the white men if the immigration of Chinese into the country were prohibited.

Q. What distinction do you make between the Chinese and the Japanese?—A. I would rather deal with the Japanese: they are a more manly class of people.

Dr. Roderick Fraser, medical health officer for the city of Victoria, said: I think it would be in the interest of Canada if there were no Chinese here at all.

Q. Would you favour their exclusion?—A. Yes, I think it would be better to have white people in this country.

Dr. Alfred T. Watt, superintendent of Quarantine for British Columbia, said: Of course my own private opinion is we would be better off without these people (Chinese) in this country; I do not think they are beneficial.

Captain Clive Phillips-Wolley, former executive officer of the Sanitary Commission of the province, author, &c., &c., at present engaged in farming, said: I have passed a great many years in China.

Q. What effect do you think a large increase of immigration would have upon the welfare of this country?—A. It will have a disastrous effect. White labour cannot come in and compete with them. I say it is better to have one white man in the country than to have a dozen Chinese. We do not want the Chinese here.

I am very much prejudiced in favour of the Japanese. I do not want him, but I think better to have him than the Chinese, if we have to have either of them. He seems to be willing to live more or less the white man's life. He will live as a white man does, and he is cleaner in his surroundings. He is more like our own people in assimilating to our manners and customs and modes of living, and he is more civilized. He is more manly and gentlemanly. He is a more dangerous competitor with the white man. He adapts himself more easily to our civilization than the Chinese. The Chinese will do the lowest kind of labour and stick to it: the Japanese will get higher if he can, and he has brain enough to rise into any of the mechanical pursuits.

John Logg, a journeyman tailor says: I believe, unless the thing is stopped, unless Chinese immigration is prohibited altogether, that it will not only affect our trade, but it will affect every trade and calling in the province, and the labouring class: it will affect every class in the province, and instead of having an Anglo-Saxon community in the province of British Columbia we will have a British Columbia of Chinese and Japanese. There is a time coming when the labouring men of this country will fight for their rights, as they had to fight for responsible government; that time will not be long in coming if our grievances are not redressed.

Daniel Campbell, merchant tailor, said: I will say for myself, if the Chinese are allowed to come in here, if they are not prohibited from coming in here, I would simply have to pull up and go elsewhere to earn a living.

William Smythe, a shoe dealer, employs one Chinaman, said: I favour unlimited immigration. I think the numbers would be restricted by the Chinese themselves. When things are dull here the Chinese are not slow in advising those at home not to come here. I do not favour prohibition: I do not favour restriction.

I think white men ought to be able to compete with them on easy terms. We want the country filled up. There is no pressure as yet. We should have ten millions of people in this country. I would not say anything should be done until the pressure comes. I do not think there is any public demand for prohibition now.

Q. Do you not consider the Chinese and Japanese good citizens of the country?—A. I do not think they are.

Q. The Chinese do not become citizens except in very rare instances?—A. No, there would not be so much objection to them if they became good citizens.

Moses Lenz, clothing manufacturer and wholesale merchant, said:

Q. Would you favour the restriction of Chinese immigration?—A. In the present condition of our labour market I would not.

Q. Would you favour exclusion?—A. Not in the present condition of the labour market.



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Q. Are you in favour of any further restriction of Chinese immigration?—A. Well, I do not know I am sure. With the present labour market we would be at a great loss manufacturing in our line if there was any further restriction.

Q. Are there enough Chinese now to meet your demands at the present time?—A. Yes, we get all our work done without any difficulty.

Q. Supposing those remained that are here and no others came?—A. I suppose there would be ample labour.

I would not favour restriction or prohibition in the present condition of our labour market.

Ardwell M. Sandell, cutter in Lenz & Leiser's: the firm employs from thirty to thirty-five Chinese. He says: I think it would be better for the country in general to have no more Chinese come in. The present poll tax of \$100 is not sufficient. I am not in favour of having no Chinese; I am in favour of restriction, of keeping them out to a certain extent. I do not think disaster would follow if they were prevented from coming here. I think they discourage the immigration of white people to this province.

I am not in contact with the Japanese the same as I have been with the Chinese. I think the Japanese are a preferable race to the Chinese. They are not as desirable as Europeans are. I do not think the Japanese will assimilate with our people; it would not be desirable if they were inclined to.

Alexander F. McCrimmon, proprietor of steam laundry, says:

Q. Do you favour an exclusion act?—A. Yes, I think that would be the best way out of it. The Chinese would be a menace to British Columbia, if they were granted the franchise. They would control the legislation by their votes. The politicians would control them. I mean that corrupt politicians would handle them.

George Allen Kirk, of the firm of Turner, Beeton & Co., wholesale merchants and canners, said:—

Q. Are you in favour of any greater restriction in the immigration of Chinese?—A. Well, I think if you restrict it further it will make matters worse. If they are turned out altogether we would have to get coolie labour like the natives of India that are being taken to Jamaica and Australia. You have got to be able to produce your stuff at the same price as outside people. The country can only be developed by capital and cheap labour. If you can get other cheap labour turn out the Chinese altogether.

Q. Would you favour further restriction or not in the interests of the country?—A. That is a question I cannot answer. I cannot say whether it would be beneficial to restrict the Chinese or not.

Q. Do you think it would be better to let them come in?—A. It is a difficult question to answer; I have not given much thought to that. I would rather have restriction than prohibition. I do not think the \$100 tax will cut much figure, if they want to come in they will pay the extra \$50. All I want is to have cheap labour.

Robert H. Johnson, seedsman and nurseryman, said: I favour restriction; either prohibition or a tax that would amount to about the same thing; I suggest a tax of \$500.

I would say the Japanese are a greater menace to the country than the Chinese.

William Bull, foreman of brickyard, said: I favour exclusion; not to send those away who are here, that would disarrange trade too much, but to put a head tax to prevent any more coming here. As the Chinese decrease here white people would come in here and take their places.

There are many who regard the Japanese as more dangerous than the Chinese; they can adapt themselves more readily to the customs of the country, and they work for lower wages than the Chinese.

Andrew Strachan, fruit grower, said: I think the tax should be raised to at least \$500.

George Jooves, retired contractor, brickmaker and stonemason, said: I am in favour of keeping the Chinese out altogether. I do not believe in any \$500 tax, because I do not believe the Chinese do any good in this country, and they will never become British subjects.

I do not know as to the Japanese; I have never come in contact with them in any shape or form.

Frederick Stephen Hussey, superintendent of provincial police of British Columbia for the last ten years, said: I favour the exclusion both of Chinese and Japanese.

William Wilson, printer, ex-president of the Trades and Labour Council of Victoria, said: I would favour total exclusion, and I would tax every man who employs Chinese \$100 a year. I would not tax the Chinamen, but I would tax the man who employs them.

As to Japanese, I would favour restriction. I would favour the strict application of the Natal Act.

Morris Humber, builder, brickmaker and contractor, said: I think the tax of \$100 very good. Let a man go and come as he likes.

J. W. Balmain, civil engineer, said: The Chinese are a great disadvantage in British Columbia. If the Chinese are allowed to come in here as they have come in in the past it would become a very serious matter to the country.

What I have said as to the Chinese refers in a great measure to the Japanese; still the Japanese seem to be adopting the white man's customs and mixing more with the whites.

Arthur Samuel Emory, president of the Trades and Labour Council of Victoria, said: The Chinese are no good to the country as citizens, and they have driven many good citizens out of the province.

I think we could follow in the steps of the United States and exclude the Chinese, and the Japanese question could be worked out by treaty between the governments.

Alexander R. Milne, C.B., collector of customs for Victoria, said: I do not like to express an opinion as to the present Chinese population, but if that population is increased the outlook is very serious.

I think putting a restriction on immigration would only excite the Japanese, because they are very sensitive as to their status as a people and as a nation. I think the Japanese nation have reached the stage in which they want the same privileges and amenities as are given to a first class power.

William George Cameron, merchant, said: I am in favour of prohibition. I would not favour the Chinese being admitted to citizenship if they remained here.

I think the Japanese are a better class of people than the Chinese.

Samuel L. Reid, merchant, said: I am in favour of prohibition. As to the Japanese, they are not a desirable class of citizens, but they are more inclined to live like Europeans than Chinese. In a few years they will embrace European ways entirely.

John Piercy, wholesale merchant, said: I am thoroughly in favour of the exclusion of the Chinese. I have not drawn any distinction between the Japanese and Chinese; I may not have considered the question enough to express a definite opinion as to that. I think there should be restriction on them.

George Gawley, dealer in fruit, fish and poultry, said: I favour the exclusion of the Chinese. I do not favour granting the franchise to them at all.

The Japanese are a class of people who have come in here recently. I never came in contact with the Japanese.

Benjamin William Brown, dealer in fish, fruit and poultry, said: I favour further restriction to the extent of a heavier tax. I would like to see coolie or Chinese labourers kept out altogether. They are a great injury to the country.

John Bell, roofer and paver, said: I do not believe in a tax at all. I do not think they are fit to exercise the franchise, and I think they ought to be kept out altogether. I would like the Chinese to be kept out altogether. I believe in either allowing them in here fully and freely and giving them the full rights of British subjects, or else debarring them entirely.

Thomas Deasy, chief of the fire brigade, said: I am opposed to Chinese immigration. I have had very little dealings with the Japanese. I think they are a superior class to the Chinese, but I believe if the Japanese came here in as great numbers as the Chinese we would be in the same condition as regards them.

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James Edward Painter, wood dealer, employs Chinese cutting cordwood, said : I think \$100 is a very good thing to keep inferior labour out, and that is sufficient.

Alexander Gilmour McCandless, merchant, said : There may be difficulties in the way as to the Japanese. I think that they should both be excluded. If they cannot exclude the Japanese and can exclude the Chinese I would like to see them excluded. I would increase the \$100 tax to \$500.

Joseph Shaw, market gardener, said : I think the effect of Chinese on the country is ruinous ; there will have to be something done.

I think the Japanese are worse than the Chinese.

Hardress Clarke, grocer, said : I am in favour of further restriction of the Chinese.

Robert Erskine, grocer, said : I am in favour of restriction, it would tend to benefit the country.

As to the Japanese, they are a race that do to a certain extent ape the white race. They fall more in line with the methods of white people. Those in the province for a number of years are better than the Chinese.

John Kinsman, contractor, retired from business, said : The tax was increased to \$100, and it is my opinion that if that was tried for a year or two that would really stop a great many coming in here. If there were no increase in the number of Chinese it would be better. If at the end of two years the tax is not found to be sufficient it could be doubled.

Thomas R. Smith, of the firm of Robert Ward & Co., general commission merchants and cannery owners, said : It goes without saying that we do not want any more than we can help. It cannot be contended they are desirable citizens. From the standpoint of a citizen I should say further restriction is desirable. I should say the Chinese are the least undesirable (that is of the Chinese and Japanese). If I made restriction against the Chinese I would make restriction against the Japanese. I do not say that the Japanese is preferable to the Chinese. I think the general policy should be to keep the Chinese out and gradually to get white men in.

William John Taylor, barrister-at-law, said : The presence of the Chinese has had a detrimental effect on the province. I think Chinese labour should be entirely excluded. No more Chinese should be allowed to come in.

As to Japanese labour I think it would be advisable to exclude that also.

Charles F. Todd, wholesale grocer, and engaged in the canning industry, said : I think the Chinese have been a benefit to the country ; I am merely speaking of the canning business. I would not recommend that Chinese should be allowed to come in without restriction, it would be overdone. I should think unless the flow becomes greater than at the present time \$100 is sufficient. There are very few coming into the country now, that is as far as I know.

I am not in favour of an Exclusion Act with reference to the Japanese. I think restriction is quite as necessary with the Japanese as with the Chinese ; I should say as much as on the Chinese.

Albert Edward McPhillips, barrister-at-law and member of the Legislative Assembly, said : I do not think they (the Chinese) will ever become citizens of the country ; all their sympathies and desires are centred in their own country. I think it is very detrimental from a national point of view. I think the per capita tax should be increased. As a member of the Legislature I am in favour of increasing it to \$500.

As to the Japanese, there is difficulty there no doubt ; still, Canada, I think, could, without interfering with interests, cope with this matter by exclusion.

Joseph A. Sayward, manager of the Sayward Lumber Co., said : I am in favour of restriction. I do not believe we should have any more Chinese come into the country. I think what we have here is sufficient.

I think the same objections would apply to the Japanese.

Robert G. Tatlow, M.L.A., for Vancouver city, said : I think the influx of Chinese or Mongolian labour into the country is most decidedly a menace to the white people of this province and to the well-being of the community and the country generally. My view is for prohibition of the labouring classes ; I may say I am in favour of prohibition



as far as it can be got as to both Chinese and Japanese, with due regard to the existing treaty.

William H. Munsie, lumberman and in the sealing business, said: In regard to Chinese immigration, I prefer to exclude them, to exclude any further immigration. From the standpoint of the employer of labour I do not think the result of exclusion would be unfavourable.

That would, I think, apply with the same force to the Japanese.

William Harrington Ellis, provincial immigration officer for Vancouver Island, formerly business manager of the *Colonist*, referring to the Chinese, said: They are a serious detriment to the general prosperity of the community. They are not and cannot become citizens as we understand the term. The imposition of the head tax has not had the effect desired, in my opinion.

As a race the Japanese believe they are capable of taking an equal place among the civilized nations of the world. Do not consider them desirable from the fact that they do not and cannot assimilate.

Mrs. Mina Wheeler, public school teacher, said: I favour restriction; I do not think they do any good in the country.

Arthur L. Belyea, member of the board of school trustees, barrister-at-law, said: I would not care to have any more Chinese in the province than are here now.

As to Japanese, I do not think they are any more desirable than the Chinese. I qualify that only by saying that the Japanese catch on to our manners and customs faster than the Chinese. They imitate as far as they can European civilization, but when it comes to be a question whether they will be Europeans or Japanese, they are Japanese all the time.

Henry Atkinson, market gardener, said: I would favour prohibition of further Chinese immigration.

With reference to the Japanese, they are no better; I put them in the same category.

William A. Robertson, blacksmith and prospector, said: I am decidedly not in favour of further Chinese immigration; I would like to have it restricted, because it is detrimental to the country and it is demoralizing to the whole community.

Charles F. Moore, bill broker and notary public, said: I resided for twenty-five years in China. I was in the Chinese service. I was paymaster in the Chinese Government Office under Sir Roderick Dhu. I married a Manchu lady, quite different from the Chinese; the Manchus are far superior to the Chinese, quite a different race, a different language. I am decidedly not in favour of Chinese immigration, because I know the Chinese intimately, and I believe they are a great menace to our trade and to our people and to our families. I say that from my observation of them, from an intercourse of twenty-five years among them.

Hugh B. Gilmour, M. L. A. for Vancouver City, said: I am in favour of the prohibition of Chinese immigration. It is not desirable to have a class of people in the country who do not become citizens.

I would also prohibit the immigration of the Japanese.

Edmund James Palmer, manager of the Victoria Lumber Company at Chemainus, said: I am in favour of total exclusion. I think we have enough of the Chinese here now. If you are figuring to settle up a community and open up the country, Japanese are no good. They are less objectionable than the Chinese.

Henry Croft, manager of the Mount Sicker Copper Mine, forty-five miles from Victoria, said: I think there is a sufficient number of Chinese here now. I do not think it is necessary to permit any more Chinese to come into the country. I think there are enough of Chinese and Japanese here at the present time.

Q. Do you think there would be any necessity for their further immigration?—A. Certainly not.

Q. To what extent would you restrict immigration?—A. It would all depend on the progress of the country.

Q. I am not speaking of excluding those who are here, but of stopping the further immigration of Chinese?—A. As far as that goes I should advise the stoppage of immi-



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gration from the orient in the future. We have enough oriental labour in this province now.

Q. Would you exclude further Chinese immigration to the country?—A. No, I would simply raise the per capita tax on their coming in, and have fewer come in than come in now.

Q. If there are enough Chinese here now why do you require any more?—A. I cannot say any more are required; that is to be decided yet. I should prefer to keep the tax just as it is.

Q. Do you say you favour restriction?—A. Yes, to a certain extent; we do not require any more Chinese or Japanese here at present. I favour restriction, and that might be relaxed to a certain extent as they were required from time to time.

I think there is a sufficient number of Japanese here now to meet the demand. I do not think you can restrict the Japanese.

Major Charles F. J. Dupont, capitalist, said: I think it is only for a transient period of time we want them at all. We do not wish them to assimilate, and I do not think they are in such numbers here as to be at all an interference with the white labourer, and I do not think any further restriction is required. I do not think they will ever become what may be called Canadians. It is merely an economical question as to labour having them here at all.

I have had no experience with the Japanese. I can see a marked difference between them in their habits; I think the Japanese are better in their habits than the Chinese. They conform more to the manners and customs of European nations. I think the danger of Japanese assimilation is greater, but we do not wish them to assimilate.

Dr. Owen Meredith Jones said: I believe in restriction on immigration of Chinese still further. It would be a good thing for the country at all events. They are not capable of building up a nation.

I think the Japanese coolie immigration ought certainly to be restricted. I think they are both objectionable.

The Rev. William Leslie Clay, Presbyterian Minister at Victoria, said: Their presence here in large numbers is certainly not desirable, nor do I think it desirable that even those who are here should be allowed to continue their residence here for any length of time. I do not think it is to the best interests of the country from any point of view that they should be here. I think there are quite enough here now. I do not think their numbers should be recruited. I think they can never become part of the body politic, and if they did I do not think it would be desirable. I would not give them the franchise. I certainly would be opposed to any naturalization of the Chinese.

The current idea as to the Japanese is simply this, that they, with the Chinese, will not and cannot assimilate with us. They seem to adopt western methods of living, but I do not think they will ever assimilate and become an integral part of our race.

The Rev. Elliot Sproule Rowe, Methodist minister of Victoria, said: I think it is very injurious to the country to have any class of people in the community who will not assimilate, who have no aspirations, who are not fit to live in social and political relations with our people.

It seems to me that restriction can only be temporary in its effects. I think that in the meantime there should be prohibition. Speaking from a national standpoint, I think the general sentiment of the people of Canada would be in favour of the exclusion of the Chinese. I think Canada would be stronger by the exclusion of individuals of the Chinese race of the coolie class.

Q. Do you draw any distinction between the Japanese as a class and the Chinese?—A. Well, the difference in the numbers here is so great that, speaking from my present information, I would be in favour of the Japanese, but that is speaking from very imperfect data. My preference would be due to the fact, that there seems a greater tendency on the part of these people to adopt our customs; that is speaking entirely from a national standpoint, I have more respect for a man who comes to a country with the intention to settle there and adapt himself to the country and its people, than to a man who simply comes here to make money and take it out of the country.

Hezekiah George Hall, police magistrate for the city of Victoria, said: From my experience of the race I hardly think the Chinese will ever make desirable citizens in the broad sense of the word, Canadians proper. I would think it was desirable to prohibit the further immigration of Chinese.

Miss Frances Kate Morgan, teacher and evangelist in the Chinese Girls' Home, Victoria, which has existed for fourteen years in Victoria, for the rescue of Chinese and Japanese girls from houses of ill-fame, said: I don't think immigration unrestricted is advisable: it is not so to the Chinese, and I know it is bad for the country. I see no signs of the Chinese adopting our mode of life: I think they are a menace to the public from their way of living, the way they herd together.

In Japan they have individual homes. The Japanese practice polygamy; they call them concubines. The children of the concubines are thought as much of as the children of the wife.

Joseph Hunter, M.L.A., for Cariboo, vice-president and general superintendent of the E. and N. Railway, said: I hardly like to express any opinion as to further restriction of Chinese immigration. I do not think they are desirable citizens. I believe this would be a better country without them. I do not want to moralize too much on that point. If we could get along without them the country would be better off, I believe. Whether it could or not I am not prepared to say. My opinion is if the Chinese were prohibited from coming in in large numbers or prohibited from coming in altogether, it would not make any great difference in the industries of this country. If you restrict the Chinese I do not think you should allow the Japanese to come in.

W. W. Perrin, of Victoria, Bishop of the Diocese of Columbia, said: I think the present immigration is not a desirable one for the country, because they are not the best representatives of the race. The presence of a transient population is inimical to the best interests of the country. The encroachments of these people on the ordinary occupations of the people of our country is also a dangerous and objectionable condition. Honest labour should be respected and is always respectable. I do not think they should be allowed to come as they have been coming.

I do not think the Japanese are likely to degrade our own people.

*To Mr. Cassidy:*

Q. Is there anything which renders them objectionable from any standpoint but that of labour, or that their mode of life is likely to degrade our people?—A. I do not know of anything of the kind against them in this country.

David Spencer, Dry Goods Merchant, said: I think further immigration of Chinese into the country would be very detrimental to the whole country. I am not in favour of further Chinese immigration.

I think the Japanese would assimilate more with Europeans. I think them a better class of immigrants.

Robert F. Green General Merchant, of Kaslo, M.L.A., for Slocan, said: I am of opinion that it would be better for the Dominion Government to restrict immigration entirely. My opinion is that the Japanese are worse than the Chinese. I say that from the fact that I have made some little study of the question.

Edward Musgrave, farmer, who has other means and does not make his living by farming, said: Under present circumstances I would have no restriction at all with reference to the Chinese.

As to the Japanese, I do not see any necessity for restriction as far as it has gone.

Rev. Canon Beanlands, Clergyman of Church of England, said: I think the Chinese will always remain servile labour. It has been found in the interest of every country nearly, at some period or other, to have a servile class employed in its development. It was chiefly servile owing to the presence of what might be almost called absolute slavery, and the nearest approach to slavery in our country is the servile Chinese, the coolie class of Chinese that we have here. I think the Chinese are preferable to the Japanese because they are non-assimilative. I think there is greater danger from the Japanese than from the Chinese, and I think there should be some restriction.

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Noah Shakespeare, postmaster of Victoria, said: I do not think the Chinese make for the interests of the country. It is the very opposite I think. They are an objectionable class of people for a new country, or for any country.

Captain Edward Berkley, R.N., said: I am not in favour of Chinese in this country; God forbid I should be in favour of anything of the kind, but he is required temporarily. He is far more decent than he is given credit.

Michael Finerty, farmer, said: I do not think they are desirable in the country at all; the quicker we get rid of the Chinese the better.

I do not object to the Japanese as much as I object to the Chinese, but still I want white people to come into the country and make homes for themselves.

Alexander Wilson, plumber and tinsmith, said: I do not believe in restriction at all; I am a freetrader. I do not believe in keeping goods or any people out of the country.

## NANAIMO

At Nanaimo thirty-three witnesses were called, including the general manager of the New Vancouver Coal Company, lumbermen, tradesmen, miners, mechanics, medical men, the president of the board of trade, the mayor, and other prominent citizens, and the result of the evidence shows a practical unanimity for either high restriction or total exclusion of the further immigration of Chinese.

There are comparatively few Japanese in Nanaimo, and while they were regarded as likely to become keener competitors in the labour market, they were viewed somewhat more favourably by some, inasmuch as they were said to more readily adopt our habits and customs.

## CUMBERLAND AND UNION MINES.

At Cumberland and Union Mines fifteen witnesses were called, including the general manager of the Wellington Colliery Company and the local manager of the Union Mines the mayor, police magistrate, and other citizens. The general manager of the Wellington Colliery was in favour of free immigration of Chinese labour; the local manager favoured partial restriction; all the other white witnesses called favoured either higher restriction or exclusion, except the Presbyterian Missionary to the Chinese, who did not consider a head tax just, and considered that the fact of the Chinese being in the country was evidence that they were required.

There did not seem to be much distinction in the views presented between the Chinese and Japanese.

## VANCOUVER.

John Murray, government timber agent, said: I think we have enough Chinese here now.

As to the Japanese, I think just the same; we have enough of them here now; we do not want any more.

Robert James Skinner, timber inspector, said: Personally I am in favour of the exclusion of the Chinese and Japanese. From an individual point of view I am of opinion that it would be the best thing for the country, and now is the best time I think to introduce it; I mean total prohibition for both Chinese and Japanese.

Robert Marrion, health inspector of the City of Vancouver, said: I prefer to have men here who spend their money in the country and intend to live in the country and make good citizens.

I feel that the Japanese immigration is far more of a menace to the country than the Chinese.

Robert T. Burtwell, dominion fisheries guardian, said: I think it would be a good thing for the country if Mongolians were excluded from coming here. If they are allowed to come here any further the result will be the driving of the white man out of the



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country. I think it would be better for the country if there were fewer Chinese and Japanese here, and we had more of a white population: white population is what we want.

Dr. I. M. MacLean, Medical Health Officer for the City of Vancouver, said:

Q. Do you favour the exclusion of the Chinese from this country?—A. Not as a whole, not in a general way; I favour the exclusion of the lower class of Chinese.

Q. You mean the Chinese labouring class?—A. Well, with some exceptions. Of course there are many of our Chinese here that I think it would be unfair and wrong to exclude.

Q. It is not the intention to send those home who are here?—A. Well, the ordinary class I would have them excluded.

Q. Does the same rule apply to the Japanese?—A. Not so strictly.

Q. Well, from the standpoint of the interest of the nation, how do you look at it?—A. I am only speaking now from the standpoint of sanitation altogether.

Albert Edward Beck, registrar of the Supreme Court said: I think it expedient to prevent further immigration of the Chinese of the coolie class. I believe the Japanese should be restricted.

Richard Henry Alexander, manager of the Hastings Lumber Mill, said:

Q. Are you in favour of further immigration of the Chinese?—A. I think that information should come from some person who employs them.

Q. Would you care to express an opinion on that subject?—A. No. If you want to know my opinion from a political aspect I say personally I should far rather prefer to have white men as citizens. I would not like to see the Chinese and Japanese obtain the franchise. I would not like to see our country governed by them. I should not like to see any further immigration of them to enter into competition with white men. They would not adapt themselves to our political economy. There is no chance of their becoming citizens in the real sense of the term.

The Japanese do assimilate to a greater extent than the Chinese.

Henry Depencier, Lumber Mill Manager, said: There is sufficient Japanese labour here now. I do not employ Chinese.

James W. Hackett, partner in the firm of Hackett and Robertson, Sawmill and Sash and Door Factory, said: I would not like to see the country overrun with Chinese. I think there are more Chinese in the country now than are properly employed. I do not think \$100 will keep them out. I have no particular view on the subject. I have tried during the time I have been in the country to keep clear of them as far as I possibly can. I do not think it desirable that the lower class of common labour should be filled with people who do not assimilate with the white race. I think the present is the most favourable time to change. There are enough of Chinese here now. I suppose you have to be guided some by public opinion; you know it is very strong in this country—public opinion—especially on the Chinese and Japanese question it is very strong.

Havelock H. Spicer, manager of the Spicer Shingle Mill, said:

Q. Do you think any further restriction should be imposed?—A. Well that is another question. The probabilities are in the present condition of the industry, if the present numbers were kept up, we might experience no difficulty, but we certainly must have a certain kind of cheap labour to do that work.

James A. McNair, shingle and lumber manufacturer, said: I think if the Chinese were allowed to increase the same in proportion as the whites it would be all that was required, but that I am afraid is not possible unless other industries spring up faster than they are doing. Looking at it from a national point of view I would rather see all white men here.

Edward H. Heaps, of the firm of E. H. Heaps & Co., lumber and shingle manufacturers and merchants, said:

Q. Do you favour any further restriction on the immigration of Chinese?—A. I think if we have protection all through the country in every line of business, men who have only their labour as their capital ought to be protected too. I would not have any objection to the restriction of Chinese, to the restriction of any more coming in, but we have to have a certain number here for the labour that we have to offer



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now. I think we have a sufficient number of Chinese here now. I think \$100 is sufficient now. I am satisfied with it as it is.

Robert Charles Ferguson, manager of the Royal City Planing Mills, said :

Q. Do you favour restriction?—A. I do not know whether I would or not. It may be well to restrict for a time, but a man has to be governed by the wants of his business.

John Valentine Cook, tallyman, lumber rater and inspector, said : I favour restriction both of Chinese and Japanese. My idea is that the Japanese are more dangerous than the Chinese. It is my opinion that \$100 does not prevent them very much from coming in.

Q. Why would you exclude them?—A. Because I think we have enough white labour to do the work they are doing, and white people make good citizens and the Chinese and Japanese do not.

Stephen Ramage, saw-filer, said: I think it would be a benefit to the country if more restriction were put on; I think it would have a tendency to stop the immigration. I think there is a sufficient number of them here to supply all the demands of labour for some years to come.

The Japanese are fast becoming a greater menace to the white population than the Chinese will ever get to be. The Japanese are more able-bodied and they are quicker to adapt themselves to their surroundings.

Arthur C. Gordon, shingle manufacturer, said : I favour restriction on Chinese immigration; I think we have enough of the Chinese here now. That applies to the Japanese more than to the Chinese. I favour the exclusion of both Chinese and Japanese. I think as the white population increases the Chinese and Japanese population should decrease, and finally there will be no more Chinese or Japanese here.

Stephen N. Jarrett, manager of the Vancouver Sash and Door Factory, said :

Q. Are you in favour of restriction so far as the Chinese are concerned?—A. I am to a limited extent. I would be in favour of a heavy head tax; I would say \$500 apiece. If they wish to pay that let them come in. If no more Chinese and Japanese come in I do not think there would be any serious inconvenience.

William C. Dickson, formerly bookkeeper and yard foreman in the Royal City Mills, said: I am in favour of further restriction on Chinese immigration to the extent to keep them out entirely: that applies to Japanese as well. I think the presence of Japanese here injures the labouring man fully as bad, if not worse, than the Chinese.

Alfred Totterman, fisherman, said: In regard to race, they are a class of people who are apart from the white race altogether. They do not associate with white people; they cannot assimilate with white people; they are detrimental to white people, especially to the labour element in our community. There is a wide difference between them and the whites. They enter into a very unjust competition with the white people, and their presence here and their mode of living is bringing down the standard of living here so low, that white people cannot go to work and compete with them. This refers to both Chinese and Japanese.

Captain John L. Anderson, fisherman, said: The present head tax may keep out a few, but not many. I do not know that you can exclude them altogether according to national law, but if there is any way to exclude them, either by increasing the tax to \$500 or in any other way, I say they ought to be excluded altogether.

The Japanese are certainly a greater menace than the Chinese to the white race; they are taking the places of white men in all branches of business.

James Thomas Smith, farmer, said: The immigration of Chinese and Japanese retards the development of the country. I certainly think if they were replaced by a white population it would tend to develop the industries of the country faster than it is being developed by the Chinese and Japanese now. Granting them the franchise would likely lead to rebellion.

This witness gave strong evidence opposed to the Chinese and Japanese.

John McCarthy, contractor and stevedore, said: I think we ought to stop further immigration of the Chinese. All Captain Anderson said in regard to the Chinamen is perfectly correct; I confirm it. They are taking the place of the whites. We have got

a large area of country here, and every man in the country would benefit by white people being here in place of Chinese and Japanese. I prefer the whites whenever I can get them. I have no use for the Chinese and Japanese.

Peter Smith, fisherman, native born half-breed, said: I complain that people who are born in this country are being driven out of it by the Chinese and Japanese. We cannot live as they do; we have to live on wholesome food. \*

George Gill, brickyard foreman, said: I do not look upon the Chinese as desirable citizens. Their presence will drive the white labouring men out of the country. I favour absolute exclusion. My opinion is the sooner the Chinese go from the country the better.

Abel Wemkem, proprietor of the 12th avenue brickyard, said: I prefer exclusion, not restriction. I would not permit them to come into the country at all. White men should be protected. I do not see that there is any difference between the Chinese and Japanese.

Francis Williams, journeyman tailor, said: When I came to the city twelve years ago I certainly was in sympathy with both Chinese and Japanese because I had heard in my own country of the hardships they suffered in their own country and the extreme poverty they lived in, and I thought they had as much right as anybody else to better their condition by coming here. I still have sympathy for both of those people, but they should act so as others could live as well as they can in the country. If they would require the same remuneration as white people do there would be no trouble at all. Observing the circumstances as I have done for the last few years, I have come to the conclusion that unless this oriental immigration into the province is stopped we will have to face race questions such as have had to be faced in the south and in other places. That, gentlemen, I wish you to understand is my firm conviction, and I am further persuaded that should there come a number of years of bad trade in the province, that serious results will probably follow. These results would not be long delayed, and the sooner the immigration of this oriental people is stopped the better it will be for the country, and I think that all legitimate means should be employed to prevent serious trouble in the future.

The Japanese are more to be feared than the Chinese as competitors.

William Daniels, farmer, said: I used to farm about 67½ acres, but after a while I rented it to a Chinaman. I own that amount of land. I just work five acres myself now. I rent between thirty-five and forty acres to the Chinaman; I get \$415 cash a year.

Q. Are you in favour of any further restriction against any more Chinese coming here?—A. No, sir.

Q. You think \$100 a head is tax enough?—A. That is for the Government to say; I cannot express any opinion at all on that. This is a new country. I do not think the \$100 tax enough. I think I have signed a paper to go to Ottawa to put on a tax of \$500. I think there were enough Chinamen in the country then and I think there are enough in the country now.

Angus M. Stewart, of Clubb & Stewart, clothing manufacturers, said:

Q. Are you in favour of further restriction being imposed on the Chinese?—A. I have no use for them here. I do not think the present restriction is sufficient. I favour exclusion. I do not think they should come in here at any price. I believe in treating them well when they are here, but I do not want any more to come here.

As to the Japanese, I would be in favour of keeping them out just as much as I am in favour of keeping out the Chinese, because if they are not restricted they will very soon become as great a nuisance as the Chinese as far as I can make out.

J. H. Watson, boiler-maker by trade, officer of Customs, Vancouver, said: Certainly, things are connected with the Chinese and Japanese immigration which I do not consider are right, and the sooner the Government does something to right this thing the better, or our province will soon be depleted of the best of our white men.

William Lawrence Fagan, provincial assessor and collector for the County of Vancouver, said: I regard the present restriction as sufficient.

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Q. Are you in favour of further restriction of Japanese?—A. If you had something to put in their places I would restrict more of them coming here, but not until we have other men to take their places. The Japanese do not seem to care about making homes here; they do not take up land; they do not seem to care about settling here; they come here and make a few hundred dollars and then go back to Japan.

Johannus Buntzen, manager of the British Columbia Electric Railway Company, said:

Q. Are you in favour of any restriction on Chinese immigration?—A. Well, I never thought the matter over sufficiently to say; I cannot say. We do not employ them.

Truman Smith Baxter, ex-alderman, student-at-law, said: I am in favour of prohibition of further immigration of Chinese. This applies to both Chinese and Japanese.

John M. Bowell, collector of customs, said: I am a civil servant and do not care to give an opinion. I am in favour of the Natal Act.

Benjamin P. Rogers, manager of the Sugar Refinery, said:

Q. Do you favour the exclusion of Chinese?—A. I would hate to be without a cook.

Q. Would you favour the passing of an Exclusion Act to prevent them coming here?—A. No I would not, because we require them as cooks.

Q. Would you favour an increase in the head tax?—A. I cannot answer any question of that kind.

Q. Would you favour an Exclusion Act applied to the Japanese?—A. It would be impossible to exclude the Japanese. The Imperial Government would never agree to that.

Andrew Linton, boat-builder, said: I would favour an Exclusion Act for the Chinese.

I put the Japanese on the same basis. I think they are more dangerous to the country than the Chinese.

Henry Munden, boat builder, said: I favour the exclusion of both Chinese and Japanese.

Alfred Wallace, ship and boat builder, said: I would be in favour of further restriction: I would be opposed to further immigration of either Chinese or Japanese.

Richard Marpole, superintendent of Coast Division Canadian Pacific Railway, said:

Q. Have you any view to express on the question of Chinese immigration, as to whether that should be restricted or not?—A. I do not think I would care to express an opinion.

Q. Have you any view in regard to the Japanese?—A. I do not care to express an opinion as to either of them.

Alfred Raper, miner from Texada Island, said: I favour the exclusion of Chinese. I consider them a detriment to the growth of the country. I look upon Chinese and Japanese in the same way.

The Rev. E. E. Scott, pastor of the Homer Street Methodist Church, Vancouver, said: I really think it would be the part of wisdom to have them (the Chinese) remain in their own country. In the interests of British Columbia I think it is necessary for our Government to do something for the protection of white labour. This is his natural home and it should be protected for him.

Q. Do you hold the same view with regard to the Japanese in respect to immigration?—A. Yes, I think it is not a desirable immigration.

Rev. R. G. McBeth, Presbyterian Minister, said:

Q. What is your view as to Chinese immigration or restriction?—A. In regard to the immigration I have observed coming to western Canada as a general thing, any alien race coming here that remains separate and distinct and refuses to adopt our manners and customs is more or less of a menace to the country, the menace being in proportion as that nationality remains isolated. I would prefer not having any more of them here.



What I have said applies practically with equal force to Japanese. I cannot say I see much difference between them, as some people seem to see.

The Rev. John Reid, Presbyterian Minister, said : My opinion is that it would be preferable to exclude for a season all Chinese immigration into this particular province. There might come conditions in which it might be advisable to relax the exclusion, but at the present time I am of the opinion from all that has come before me that we are not assimilating the foreign element now in our midst to such an extent as to justify our continuing to receive this element, if it is possible to avoid it.

Q. Do you make any distinction between the Chinese and Japanese?—A. I have formed a more favourable opinion of the Japanese as a class : to me they are a better class of people than the class of Chinese we have here on the coast.

Rev. Dr. Roland D. Grant, formerly of Boston and afterwards of Portland, Oregon, said : If you go down to the root of the matter it must centre itself in the question of the family ; the Chinese coming here as they are coming, without families, must have a deteriorating tendency, and the conditions under which the Chinese live here do not favour the introduction of their families. Restriction has a tendency to develop the family more in the long run. I do not think the introduction of an Exclusion Act would produce any serious shock, not at all. The operation of such an act would be very gradual ; it would not be rapid. Its effect upon the Chinese themselves would be beneficial. Its effect upon the Chinese Government I do not think would be injurious at all. I have had a good deal of conversation with many of the prominent Chinese that I came in contact with in the United States, and I never found any of them find any fault with the Exclusion Act in the United States ; I mean that is the feeling among the higher class of Chinese. I do not think it would have any effect upon the commercial relations between the two countries.

John Morton, carpenter, secretary of the Parliamentary Committee of the Trades and Labour Council, said : The membership of the unions affiliated with the council that were communicated with by circular as to Chinese and Japanese immigration represented 24 different unions with a membership of 1,800. The result was strong opposition to the Chinese and Japanese in every case. As far as I can make up from the gist of the communications, they were all in favour of exclusion. If something is not done very soon there will be developed such a feeling as was developed in New South Wales many years ago when the conditions were not nearly so bad as they are in British Columbia to-day. No one wishes to see anything of the kind take place here, but much as I would regret it, my impression is it will take place if something is not done very soon to alter existing conditions.

Walter Taylor, fruit canning, said : I am in favour of further restriction on Chinese immigration ; \$100 is no good. I think it ought to be higher than that. Whatever would prevent them coming in freely I would favour that. I think we have too many Japanese here now.

Frank Burnett, president of the United Canneries Co., Ltd., said : Sentimentally I am in favour of restriction, but from a business point of view I would favour restriction to a certain extent. I do not think the increase of the tax from \$50 to \$100 amounts to anything. I think a higher poll tax would be advisable. It would not absolutely exclude Chinese but it would prevent such a large number coming in. I am inclined to think too many have come in. It is hard to say what to suggest ; \$300 I think would certainly tend to keep a large number from coming in. I do not think it would keep them from coming in altogether.

I think there are enough Japanese here now. I think the same remarks I made about the Chinese apply to the Japanese, that is regarding the numbers. I think the desired further restriction of Japanese could be obtained by negotiations.

Henry O. Bell-Irving, manager of the Anglo-British Columbia Packing Company, that have canneries on the Fraser River, Skeena River, Rivers Inlet, Puget Sound and Alaska, and manager of the Automatic Can Factory, said :

Q. You would prefer to see restriction taken off?—A. Yes, I do not think it is good to have any restrictions put upon the labour of the country. Supposing restriction were introduced, further restriction, as long as we had the present supply of cheap



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labour we could get along. If there was exclusion I think it would make the conditions very acute within the next few years.

Q. Would you favour restriction of the Japanese?—A. I am rather for free trade in labour for some time to come; I believe it would be the best policy.

I look upon the Chinese as an instrument for the development of the country and the advancement of the white men. I look upon them the same as I look upon machinery, steam engines and any other machinery to aid in the development of the country.

Samuel McPherson, merchant tailor and member of the Merchant Tailors' Association, said: I am in favour of further restriction; we can get on very nicely without any more of them.

As to the Japanese, as far as this province is concerned, I think it would be a good thing if they were restricted.

Alexander McCallum, merchant tailor, member of the Merchant Tailors' Association, said: The Merchant Tailors' Association as a whole are opposed to further Chinese immigration, and to Japanese immigration as well. I may say we did not discuss that so particularly. I am opposed to further Chinese immigration. I do not think the Chinese are desirable citizens.

John W. Hay, in charge of the social operation of the Salvation Army for Vancouver, to furnish food and shelter and temporary employment for the unemployed, said: If white men only could get a chance I sincerely believe they would come here. I would not wish to see any of my folks coming here unless they were pretty sure of something substantial and lasting.

Donald M. Stewart, proprietor of the Pioneer Steam Laundry, said:

Q. Are you in favour of further restriction of Chinese immigration?—I am in favour of getting them out altogether.

The Government should give the same restriction on the Japanese.

Gordon W. Thomas, gardener and rancher, presented resolution passed at a meeting of the Farmers' Institute of Cedar Cottage District: That it is a serious detriment to the successful prosecution of our industry as farmers to have so many Chinese here.

I think something should be done and done at once to stop the further flow of Chinese and Japanese into this country. The one is just as injurious to the settling of the country as the other.

W. A. Cum Yow, a Chinese born in British Columbia, interpreter, corresponding foreign secretary of the Chinese Empire Reform Association of Canada, said: It seems to me that the Orientals are enabling the capitalists to carry on business which directly benefits all classes in the community.

Nicolai C. Schou, assistant editor of the *Daily News Advertiser*, Vancouver, and for nine years reeve of Burnaby, said: Personally I would favour almost total exclusion. I believe from my experience in England and here that if there was an exclusion of the Chinese and Japanese a large amount of cheap white labour would flow in gradually, sufficient to meet all commercial requirements. I would favour an increase of the poll tax to the Australian limit of \$500.

The danger I apprehend is mainly the driving out of ordinary white labour from our province. Personally I think the Japanese will settle the Chinese question by coming in here in such numbers as to drive the Chinese out. I think that the future will be Japanese in place of Chinese. The Japanese difficulty will be a constantly increasing element. I would rather see two Chinese come in than one Japanese. I would like to see further exclusion, but I think a country like Japan might reasonably be asked to consider that. I think that from four hundred to five hundred per annum of the Japanese of the labour element can be absorbed without detriment. I am simply suggesting that as my opinion. I cannot say my opinion is based on very close calculation.

The Honourable James Reed, Senator, Cariboo, said: I do not wish to express an opinion as to whether there should be further restriction. I am under the impression that restriction would have very little effect. If you put on \$500 it would have a restrictive tendency.

As to the Japanese, I think as far as labour is concerned they are a greater danger than the Chinese. I think if restriction is applied to the Chinese it should be applied to the Japanese as well.

NEW WESTMINSTER.

James George Scott, mayor of New Westminster, lumber and shingle manufacturer, representing nine shingle mills for the sale of their output, said: The Chinese will never become good citizens of the country. I have a strong objection to the Chinese which my residence on the coast has not removed. I think they are an undesirable element both from a national and a sentimental point of view. I think the feeling against the Chinese is much stronger than that against the Japanese. I think the poll tax of \$100 will have no effect whatever.

Q. Having regard to the various industries, in the interests of the country which is more desirable?—A. In the interests of the country a \$500 tax will be more desirable.

Alexander Cruickshank, who has a contract to settle a large tract of land on the Fraser, said: I would be in favour of any measure in the direction of exclusion. I draw no distinction between Chinese and Japanese.

Alexander Ewen, canner, said:

Q. Are you in favour of any restriction on Chinese immigration?—A. I do not interfere with matters of that kind at all. Politics is not my business. The Chinese do not hurt me.

I have no view to express because I cannot tell whether it would be good or bad.

James Anderson, canner, said: My opinion is to get rid of both the Chinese and the Japanese if the conditions will allow it. I think you could do better without the Japanese than you can without the Chinese. I would like to see nothing but white labour in the country. I am speaking personally, not from a business standpoint. We would build up the country much quicker with white labour. The Chinese supply a certain class of cheap labour that you cannot now fill with white men, but that would soon remedy itself. I say there is no time like the present. The remedy will have to come some time. I suppose you may as well begin now.

Lewis A. Lewis, manager of the Brunette Sawmill, said:

Q. What is your own view in regard to further Chinese immigration?—A. Well, I do not think we could get along without the Japanese in the lumber business.

Q. What do you think about the Chinese?—A. I do not want to give an opinion on that, because it does not concern me. I think I could get along without the Chinese. I am speaking from a mill standpoint. Of course, Chinese are as important to some mills as Japanese are to us. I do not care to express an opinion as to Chinese immigration.

Robert Jardine, manager of the Royal City Planing Mills, New Westminster, said: Speaking generally, I prefer white men to Chinese or Japanese for our work.

Q. Why would you prefer the white people?—A. Because they are our own people. I consider it would be an advantage to the people, and that would be one very good reason.

Q. If the immigration of Chinese was restricted, if there was a further restriction, would it affect your trade, your industry here?—A. I really cannot say. We have got to have a certain amount of cheap labour; it does not matter whether Chinese or Japanese or what it is, under existing conditions.

Alexander Philip, secretary of the Richmond Farmers' Institute, it embraces Richmond municipality, Burnaby, South Vancouver, and North Vancouver and northwards on the coast. He said: I have a resolution from the section represented by Central Park. From personal knowledge of various members of the institute, from personal interviews with them, it expresses the general view very well. I may say there is a somewhat strong consensus of opinion among them regarding the matter. It expresses my own view as well. The resolution contains this clause: 'We believe that there should be a tax of not less than \$500 on each person of either race (Chinese and Japanese) entering the country, and also a rigid educational test.'

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Henry Thomas Thrift, secretary of the Settlers' Association of British Columbia, its object to assist in re-settling the lands that are at present vacant; there are seventeen branches scattered all over the province, with a membership of 700 or 800. He said: I am sufficiently acquainted with the views of the members of the association to express their views on the question of Chinese immigration. As far as I have learned from the members, the majority of them are decidedly against any increase in oriental immigration. Any distinction as far as I have been able to decide is that the Japanese are more dangerous than the Chinese, on account of their superior intelligence.

William James Brandrith, secretary of the fruit growers' association, said: I may say I do not appear here to-day as representative of the fruit growers' association, but from my associations with the members I believe they are all in favor of total prohibition of any further immigration of that class here. It applies equally to the Chinese and Japanese. I regard them as a very undesirable class to be in the country from any standpoint.

Edmund A. Atkin, reeve of Coquitlam, said: I think \$100 ought to be nearly sufficient to keep them out. It is just this way, if we go to work to get all the Chinese and Japanese out of the country, it will raise the wages to such an extent that the farmer cannot possibly live. You have got \$100 of restriction, but then you should have an educational test as well.

John Armstrong, reeve of Surrey, said: Have lived here for twenty-two years. I believe the general view is in favour of restriction or exclusion. Heretofore they have not been a great detriment to the farmer, but now the opinion held is almost universal that absolute restriction would be advisable. White labour would be more easily got if there was a less number of Chinese and Japanese in the country.

Q. Does that apply to Japanese as well as Chinese?—A. Oh, yes, fully as much. I believe the Japanese will adapt themselves more quickly to our modes of living than the Chinese will.

The Rev. John Perry Bowell, minister of the Methodist Church, said: I consider the immigration of Chinese and Japanese to be detrimental to the labour interests of the country, mainly because a great many avenues of industry where white people used to be largely employed are now being monopolized by Chinese and Japanese. Their presence has the effect of practically stopping white people coming here. From a national standpoint they are very undesirable. They will never form any part of our nation. The sooner the remedy is applied the better.

Q. Do you make any distinction between the Chinese and Japanese as to their injurious effect?—A. I do; I think from the fact that the Japanese is better qualified to adapt himself to the conditions prevailing here makes him a greater menace than the Chinese to our own labouring people.

A number of fishermen and labourers gave evidence, who were all in favour of the exclusion of Chinese and Japanese.

We were attended by the Indian chiefs representing the principal tribes of the coast Indians, who protested vigorously against the immigration of both Chinese and Japanese. As they were affected principally by the encroachment of the Japanese in the fisheries, reference may be had to the chapter on that subject for a fuller statement of their views.

We have quoted so large a number of coast witnesses upon this subject because we did not desire to leave it in doubt as to what was the prevailing opinion with regard to further restriction or exclusion of Chinese immigration. With regard to the upper country we do not deem this course necessary because, having examined a number of witnesses at Kamloops, Revelstoke, Vernon, Rossland, Nelson, Kaslo and Sandon, comparatively few of whom were labourers, but who represented the leading business men and employers and professional men of these localities, we found the opinion to be almost unanimous that further immigration of Chinese was not desirable, and that if possible it should be excluded, either by a higher head tax or total prohibition of the labouring class of Chinese.

The Rev. Dr. J. C. Thompson, who has charge of the missionary work to the Chinese at Montreal, has favoured the Commission with a letter which contains the following:



As to the Chinese Exclusion Law, having seen its workings over many years in Canada, the United States and China, my conviction is that it is wrong in principle, contrary to the Golden Rule, unjust and short-sighted in policy, and the cause of very much evil; and similarly of the \$100 tax. If an evil, why tax instead of prohibiting? Their immigration is natural and a right all others enjoy; and that the Dominion Government should have forced from such specimens of suffering humanity a sum approaching \$2,000,000 as a tax, knowing as I do their poverty and stricken circumstances, is to my mind a cause for repentance rather than any thought of increase or exclusion. The true and natural solution, and one at hand, is the development of China by Canada and other countries,—not forgetting that China shows greater changes in the past fifty years than any other country excepting Japan probably, also that not much longer than that ago at the birth of Queen Victoria there was not an inch of railway in progressive Great Britain.

The Chinese church membership in Montreal in the various churches is thirty-three, with a number received into church connection after leaving Montreal, and some dozen probationers, in the time of the mission—seven years: number of baptisms twenty-six, with a Christian Endeavour Society having a roll of forty-three members.

There are about one hundred Chinese Christians east of Winnipeg, six just baptized at Toronto and five at Calgary during the month, with a number of candidates at some points in my district. A dozen have been in attendance at our public schools, with about a dozen more in eastern Canada.

Their transitory character, inability of most to comprehend a regular discourse, and opportunity of attendance frequently upon several classes on Sunday, and their desire for the acquirement of English, makes the Sunday school, therefore, the training class and a notable feature in eastern Canada, where the churches manifest such commendable interest in the enlightenment of these strangers—our language the arrow, religion its point. Such classes are found across Canada, some two hundred, eighteen in Montreal, seven in Toronto, three in Ottawa, two in Quebec, Halifax, Winnipeg, &c.

#### EXHIBIT 12.

Colonel Francis B. Gregory, of Victoria, said: That the strength of the several corps in the province of British Columbia is as follows:—

5th Regiment, Canadian Artillery, headquarters, Victoria.....	354
6th Regiment Rifles, headquarters, Vancouver.....	253
"                    "                    New Westminster .....	101
"                    Rocky Mountain Ranges, Rossland ..	45
"                    "                    "                    Nelson ..	45
"                    "                    "                    Kamloops..	45
"                    "                    "                    Kaslo ....	45
"                    "                    "                    Revelstoke	45

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Individual inquiry would be necessary to ascertain the occupation of the members, but I verily believe that as to the 5th Regiment, Canadian Artillery, about one-fifth are labourers, a large proportion mechanics and artisans, and the others clerks in offices and business houses. I have no knowledge of the occupation of the members of the other corps within the province.

#### CHINESE OPINION.

W. A. Cum Yow, a native born Chinese of British Columbia, presented a carefully prepared written statement from the point of view of the Chinese in British Columbia; it is as follows:

I was born at Port Douglas in this province in the year 1861. My parents are both Chinese. They have lived in the province for nearly 45 years. I was educated



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in the province. I am corresponding foreign secretary of the Chinese Empire Reform Association of Canada. I have been in close touch with the Chinese all my life, and I am familiar with their modes of living and of doing business. There has been no systematic importation of Chinese into this province since the construction of the Canadian Pacific Railway. At that time a large number were engaged and brought over. This was done by the Chinese contractors who were working under Mr. Onderdonk. Some of these men went back, but others had no means to pay their way back, and many who remained were in great straits for a long time. These men were all voluntarily hired, and were in no sense serfs. Serfdom is not practised among the Chinese. All who come here come free men and as a rule pay their own boat fare and entry tax. These are paid in Hong Kong to the steamboat agents before they start. I am certain none of the Chinese labour contractors here have sent money to pay for a number of Chinamen to come here. Occasionally, Chinamen have sent money to bring out relatives or personal friends, but that is the extent to which this is done. There is never any bond given for repayment of such advances, but where there is an understanding that repayment will be made it is always faithfully done. Chinese merchants have sometimes taken action to limit the number of those coming when they find there are too many here. They do this by communicating with the merchants in China, who have great influence with the labouring classes. They took this course two years ago when the labour market was over-supplied owing to the number of Japs who had come in. There are not so many Chinamen or Japs here at present as there were a year ago. Many of those who were here have gone over to the States where liberal wages are being paid them, and they can do much better than here. Others have gone to the West Indies and settled there. Many of the Chinamen who previously went to the West Indies have made lots of money, and some of them have intermarried with the native races. There have been cases of importation of Chinese girls for immoral purposes, but not many. This has been the work of unscrupulous men, who, by gross misrepresentations, and a free use of money have led poor people to entrust them with the care of their daughters. Proportionately, I believe, there is nothing like the same number of such cases among the Chinese as among white people, but there are wicked and unscrupulous men among the Chinese as among other races. I do not think any Chinese parents would willingly give up their daughters for such purposes. The Chinese who are here usually congregate in one part of the city. The chief reason for this is for companionship. Besides the Chinese know that the white people have had no friendly feeling towards them for a number of years. This has been most apparent since the Canadian Pacific Railway construction days, and it has been accentuated by those who since then have come into the province from all parts of the world, many of whom were not in touch with the Chinese before. This unfriendliness and want of respect has caused a feeling of want of confidence among the Chinese, and it certainly has not tended to induce them to abandon their own ways and modes of life. It was very different before the date referred to, when a feeling of mutual confidence and respect prevailed, and all were able to work in harmony. This system of doing business also tends to keep them together, as it enables them the better to have their own social functions and meetings. They have their own Board of Trade and other meetings as to their trade interests. We have not here the faction element which prevails to some extent in San Francisco. There are now in this province strong branches of the Chinese Empire Reform Association of Canada. This association has been incorporated. Its objects are duly set forth in the accompanying copy of the constitution and by-laws. The Reform Association has branches all over the world where there are Chinamen. They wish to elevate the Chinese and to promote the prosperity of the old land. The work is carried on here largely by public meetings and addresses. Some of the members are most eloquent speakers. This work cannot be carried on yet in China itself, but we hope for great good to China from the movement, and also to be able to do something for the good of the Chinese who are here. The association has also arranged for the translation of some of the best books in the English language into Chinese for distribution among Chinamen in China and other parts of the world. They are also sending students to different seats of learning to be educated. The Chinese have always a very

high regard to their home land, and a strong filial affection. They sacrifice a great deal for themselves to be able to send money home to sustain their parents or their families, and if by any piece of good fortune or by success in gambling they make a large sum at any time, the larger part of that money will usually be sent to China for the use of their families. They do not spend it on themselves. There is proportionately a large amount of gambling among the Chinese. Some do gamble for large amounts, but more commonly the play is for amusement only, and for small sums to pass the time, as this is done in the common room of the boarding house, where all are assembled, though differently occupied. If a police raid is made and any are caught playing, all are arrested for gambling or looking on. If the same course were pursued in relation to white men, gamblers could be caught in some of the bar rooms, and of course all who were at the bar or in the room would be arrested as onlookers. Chinese use intoxicating liquors, but not often, and usually in moderation. They use all kinds of liquor. They sometimes use a Chinese wine, which serves as a tonic for the system. They very seldom get drunk or drink to excess. They regard all who are excessive drinkers as barbarians and beneath contempt. So strong is the feeling among them, that if any one should indulge too freely, they are heartily ashamed of it, and they at once go to bed. A certain number indulge in opium smoking, but only a small percentage of the whole. The habit is induced by companionship with those who use it. I have seen white men in the Chinese quarter using opium, but not many of them here. The opium smokers realize the evil of the habit, but they are unable to break it off. The Chinese have a hospital for the treatment of sick men who are without means. It is a charitable institution, and is supported by voluntary subscriptions, contributed chiefly by the merchants. They have a Chinese doctor of their own, and he does the work for charity. The patients are cared for by the janitor of the hospital, and by their own friends. I have known of some cases of recovery there, but they generally go there as a last resort, hence the large percentage of deaths. In the boarding houses the attention is given to the sick. Of course those who have money secure better treatment than those who have none. It is not the case that any of the sick are neglected. They are cared for up to the ability of their friends, and after death they are given a proper burial by the undertakers at the friends' expense. I have never known a case of concealment of infectious disease among them.

The Chinese have a very high regard for the marriage relationship. They usually marry at from sixteen to twenty years of age. Many of those who are here are married and have wives and children in China. A large proportion of them would bring their families here, were it not for the unfriendly reception they got here during recent years, which creates an unsettled feeling. Both spouses are, as a rule, faithful to each other, and the wife stays with the husband's relations, the money sent home by the husband is of use to them all. Often the family property has to be mortgaged to help the son to come here, and the first thing he does is to try to lift the mortgage. Divorce is unknown in China, and it is a very uncommon thing for spouses to separate their relations on any ground. As a nation, the Chinese are very anxious that their children be well educated. There has been no serious attempt in China to teach other than the Chinese language until recently. Now English is largely taken up, as they are coming more and more into contact with the English-speaking people. The desire to learn is not confined to any one class. The labouring or farming class are as anxious for education as the others, and they stand the same show to get it. The Chinese here are all anxious to have their children taught the same as other children are taught here. Regarding prospects of assimilation, I do not think this will be easily or soon brought about. I do not favour the idea of intermarriage, as the modes of life of the races are different in several respects, and it would not conduce to happiness. There are exceptional cases, such as where the parties have been brought up together or under similar conditions, but this seldom happens. Assimilation can only come through those who are born here, or at least are brought here in infancy, and are separated from the ideas of the old land and the mode of life there. For work, the Chinese are not so physically strong as the white people. This is due to the diet they take, but they are very patient and persevering workers, and they are quick in action. It therefore follows, that for

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light work they excel the white people, but for heavy work white men have the advantage. Their wages vary considerably. In the canneries they get from \$45 to \$50 a month, but the month must consist of 26 days of 10 hours each of actual work. As day labourers they get about \$1 per day. Chinese farmers and laundrymen usually get from \$10 to \$20 per month and their board and lodging. In the cannery boarding-house the bosses supply the food and each is charged in proportion to the cost of it. This will amount to from \$9 to \$10 per month for each. The rule in regard to laundries applies to some other lines of light work. The boots and shoes and a large proportion of the clothing used by Chinamen are made in Canada or the United States. The silk goods and silk shoes come from China. They get some of their food stuffs from China, such as rice, which cannot be grown here. Rice is one of the essential parts of their dietary. The Chinese are especially suited for such light work as in the laundries, cooks in hotels or camps and in domestic service. They have been engaged in such work as long as I can remember, and always received with favour by the employers. They are quick in action, and ready to do what they are told, and able to do a greater variety of work than a girl can do in domestic service. In all my experience I have not heard of a Chinaman being indecent in his relation to the household where he works. As a rule they can be relied on and are very attentive to duty. The Chinese have been engaged largely in market gardening in this province for over thirty-five years, and they have during all those years been the chief source of supply of vegetables for our markets. They work late and early on their ground, and have it in a high state of cultivation, hence they can make a good living off ten acres of land. They have been engaged in the fish-canning work since the beginning of the industry over twenty-five years ago. They are thoroughly trained in all the different inside departments. I cannot see how they can be dispensed with, as so many hands are required, and all need a special training for the work. As a fact it would take years to train a sufficient number of white men or children. These could better do the work now done by Indians, but of course the Indians would resent this inroad on them. A great feature of their character is their frugality. In fact this is one of the chief complaints against them. They are trained to be frugal, and it seems to me a virtue rather than a cause of offence. True it enables them to save money and to send some of it to China to help their families there, but that is also a virtue. They are willing also to undertake work at a small wage rather than be idle, and they are very careful to live within their income, whether it be large or small, that they may have some provision for idleness or illness. In this respect it seems to me, that they are superior to many white men who will not work unless they get a high pay, and are extravagant and even reckless in their expenditure of the money they earn, who never think of providing for the future, and have very little consideration, even for their own wives and families. To some extent this may be due to the privileges the white men have of friendly and charitable societies to rely upon which are not available for the Chinaman. My opinion is, that if the Chinese were accorded the same respect as others here, they would prove themselves to be good citizens, and they would settle in the land with their wives and families. Being thrifty they would save money, and that money would be judiciously used in the country. Certainly, if their families were here, they would have no occasion to send their money away. It is no pleasure for them to be separated from their families (in a good many cases for 15, 20 and 25 years). They come here to improve their circumstances, and they would only be too glad to have their families to enjoy with them any improvements that are available. Many of the chief opponents of the Chinese are comparatively new arrivals in the province, who have very little idea of the facts of the case. Some of these men are unwilling to work themselves, and they mispend the earnings they do make, yet they are eager to run down the Chinese who are willing to work and who do work hard, and are very careful of their hard-earned money. Men are coming here from all parts of the world and of all nationalities. As regards industry and thrift, the Chinese will compare favourably with any of them. In many respects they are greatly superior to many of the men who come here during the canning season and claim the privilege of being British subjects. Some of these are wild, lawless drinking men who are a discredit



to any community. During the canning season, though a large number of Chinese congregate at Steveston and other points, they are all very orderly and obedient to the laws. Referring to cannery work, it is well known that the Chinese contractors each year enter upon very onerous contracts with the canners for labour, and that under these contracts large advances are made by the canners to the contractors before the work of the season begins. I do not know of one single instance where a Chinese contractor failed to carry out his contract in full. I know of many instances where they have done it at a heavy loss to themselves, but they did it honourably. As regards further immigration, I think the matter will always fully regulate itself. The Chinese merchants will always take care that too many do not come. It is a serious burden on them if they come and do not get plenty of work. The head tax also presents a substantial barrier against them coming in present circumstances. I do not favour the existence of this tax. I think the same end could have been reached by diplomacy, as was done by the United States. I quite approve of certain conditions being attached to the granting of the franchise, such as are provided in the Natal Act, and that it be applicable to Japanese, Galicians, Italians and others all alike. I do think, however, that if the Chinese pay admission to this country, and if they have educational qualifications they should not only be allowed the privilege of the franchise, but be treated otherwise as men and as British citizens. Already the Chinese have done good work in placer mining, as they are content to work up claims deserted by the white miners, if they yield even \$1.25 to \$2 per day. There are great areas of such properties, and the reclamation of this gold is a valuable provincial asset, which would otherwise remain worthless. Besides mining this province has a vast territory, and many other undeveloped resources. It has, therefore, opening for a very large industrial population, and as the Chinese are, as already stated, industrious, thrifty and persevering, and always amenable to the laws of the land, as far as they understand them, they should make valuable citizens and greatly aid in the development of this great country. This is particularly true of the opening up of the agricultural land, as the Chinese are born agriculturists and are accustomed to make the very best of the soil. Their experience should therefore in agriculture be most valuable to enable this province to provide for its own wants as well as to become an exporting country. In view of the agitation being carried on by politicians and professional agitators against the Chinese here, it is a mystery to me as it must be to other observers that so many people in all ranks of life are so ready to employ Chinamen to do their work. Many of them are thus employed, and some at fairly high salaries, and this seems to nullify the allegations that they are either offensive or detrimental to the development of the country. It is as a fact a valuable testimonial of merit and proves that they are needed in the country.

In conclusion, my firm conviction is that the agitation which has arisen in connection with the orientals is more directed against the capitalists than against the Chinese themselves. They seem to think that the capitalists are benefitting from the labour of the orientals in a special manner; whereas it seems to me that the orientals are enabling the capitalists to carry on businesses which directly benefit all classes in the community. It is true there are also those who seem to dislike the appearance of the Chinamen and their oriental ways of living and dressing, and there is a large unthinking class who condemn them because it has become a custom to do so. I have always urged the Chinamen to adopt the British mode of dress and living; and, judging from the experience of the Japanese, I am satisfied the Chinese would greatly benefit if they did so.

The Rev. Tom Chue Thom, native Chinese missionary at New Westminster, also prepared a statement, which will be found in chapter 5.

A number of Chinese merchants also expressed their opinions on the question of Chinese immigration, and which are given below.

Lee Cheong, president of the Chinese Board of Trade of Victoria, said:

Q. Are you opposed to any further increase in the head tax?—A. No; I do not approve of it; I would rather have it taken off altogether.

Q. You are opposed to any further increase in the tax?—A. Yes; I would rather have it taken off altogether, because we are a large nation and good friends with England.



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Lee Mon Kow, Chinese Interpreter at the Custom House, Victoria, said:

Q. If no more Chinese were allowed to come here, would it be better for those here?—A. In a way it might be better; but of course it would affect the commercial business.

Q. If the tax were put up \$200 more would it stop immigration entirely?—A. I should say so; the immigration would stop altogether. A tax of \$200 more would stop them altogether.

Yip On, merchant, and Secretary of the Chinese Board of Trade, Vancouver, said:

Q. I suppose the Chinese do not want to be excluded from this country?—A. No.

Q. Wouldn't that make wages better for those who are here?—A. I do not know; I do not think it has affected the merchant or the labourer; the numbers here have not been increasing and some have gone back.

Law A. Yam, secretary of the Chinese Board of Trade of New Westminster, said: I have some statement I would like to make to the Commission; I know what I want to say, but I do not know that I can express myself very well in English. I want to speak about the \$100 poll-tax the Chinamen coming into Canada have to pay. The Dominion Government used to collect a tax from 1886 down to January 1 last of \$50 from each Chinaman coming into British Columbia; they were going to allow a six months' certificate to go home to China, and when they ran out they would have to pay \$50 more. On January 1, 1901, this tax was increased to \$100. I know myself many of other nations come into Canada and pay no head tax at all; I think myself they ought to put a tax on the others if they put it on the Chinese; I do not understand why there should be a tax on my countrymen and not on the others. You say, some say, the reason why they tax the Chinese is, that too many Chinese come here and they work too cheap, and that is the reason they try to stop them altogether; I understand the Imperial Government make a treaty with our Government, the Chinese Government, to let all the Chinese who wish, go into any part of the British Empire, in commercial work of any kind; the British people can go into China and do the same thing, but they say there are too many Chinese here, and that they work too cheap, and so people do not like them much. They say the Chinese come into Canada and work too cheap and hurt the country. I say no, I believe the Chinese in this Canada is a benefit to the country, and a benefit to the Government. What is the reason they benefit the Government; well, they paid \$50 for each Chinaman who came in here, and from January 1 last they pay \$100, and that benefits the Government, because the Government gets the money from them, and the Chinese come in here to work for the benefit of the country. I hope the Government will not further increase the tax on the Chinese.

Kwong Wing Chong, merchant, of Nelson, said:

Q. Do you think the \$100 tax plenty to keep out Chinese?—A. It keep out Chinese all the same.

Q. Would you like to see plenty of Chinese coming to this country?—A. Me don't care.

Q. Suppose no more Chinese come you get better wages?—A. That is better for me.

Q. Would you like that?—A. Yes.

Q. Do you think a \$300 tax would keep them out altogether?—A. I cannot say.

Q. Do you think a \$500 tax would keep them out altogether?—A. The \$500 tax in New South Wales keeps them out.

Q. You do not care whether they keep them out or not?—A. No.

Chong Lee, merchant, Kamloops, said:

Q. Do you think the \$100 tax too much?—A. I think it is too much.

Q. Do you think lots of men would come here supposing there were no \$100 tax?—A. They would come easier, I suppose.

Q. Do you think \$100 keeps lots of men out?—A. Yes, they wont come here and pay \$100.

## SUMMARY.

The following facts have been made clear:

1. That the Chinese do not assimilate with the white race in British Columbia, and it would not be desirable if they did.

2. That it is not desirable to give them the franchise, as they are not and will not become citizens in the proper sense of the term or an integral part of the nation.

3. Of the witnesses called less than half a score were in favour of unrestricted immigration. Of the rest, a few took the view that the tax now imposed was, for the present, at all events, sufficient, but the general consensus of opinion was in favour of higher restriction, or total exclusion, a few favouring the Natal Act.

Reference must be had to the chapters dealing with the various industries, so far as the question concerns them; but the undoubted fact remains that the great mass of the white people of British Columbia of all professions, trades and callings, and the Indians, are not favourable to the Chinese, and desire further immigration of the labour class excluded. It is entirely erroneous to suppose, as has been in some quarters suggested, that this view obtains mainly with the labouring classes. In the foregoing evidence referred to in this chapter, it will be seen that comparatively few of that class have been called, for the reason that their views were well known, and it was considered especially desirable to bring out the views of other classes of citizens.

Of the 131 witnesses quoted in this chapter, 40 are employers, 44 professional men and others, of whom 9 are ministers, 18 merchants, 14 farmers and market gardeners, and 15 employees. Of the total number 77 were in favour of exclusion, 36 higher restriction, 5 for the statu quo, 7 declined to express a definite opinion, and 6 in favour of unrestricted immigration.

The following analysis will indicate more accurately the views of citizens. Of the witnesses called, not quoted, even a larger proportion favoured exclusion or higher restriction.

Of the employers 11 were in favour of exclusion, 15 of higher restriction, 4 leaving the matter as at present with \$100 head tax, 4 in favour of no restriction, and 7 who declined to express an opinion. Of the merchants, 11 favoured exclusion, 4 higher restriction, 1 leaving the tax as at present, and 2 favoured unrestricted immigration. Of the professional class and others not employers and employees, 35 favoured exclusion, 4 higher restriction, 2 the present tax, and 2 unrestricted immigration. Of the farmers and market gardeners, 8 favoured exclusion, 5 higher restriction, and 1 non-restriction. Comparatively few farmers were called because they were represented by their various societies, all of which favoured exclusion or higher restriction. The employees, skilled and unskilled, favoured exclusion or higher restriction, and it may be noted that the ministers were decided in their expression of their opinion, that the Chinese were an undesirable class and, with one exception, favoured the prohibition of further immigration of the labouring class of Chinese.

## CHAPTER XXIII.—TRADE WITH CHINA.

Our total trade with China in 1896 amounted to \$1,690,456. It had fallen in 1900 to \$880,740.

The imports which in 1896 were \$1,030,698 (\$342,071 dutiable, \$688,627 free) had dropped in 1900 to \$624,433 (\$211,730 dutiable, \$412,703 free). The exports which were \$659,758 in 1896, had fallen to \$256,307 in 1900. Doubtless the war in China may in part account for this, but an examination of the tables throws further light upon the question.

In 1896 we imported \$71,642 of sugar and molasses; in 1900 only \$8,143. In 1896 we imported \$676,388 worth of tea, which had fallen in 1900 to \$391,411. These two items make nearly the whole difference in imports. The other two principal items of import are rice and opium, the first of which increased from \$54,000 in 1896 to \$81,000 in 1900, and crude opium which dropped from \$123,690 in 1896 to \$1,541 in 1900. The falling off in tea and sugar was probably fully accounted for by larger imports from other countries.

In 1896 we imported \$221,000 worth of tea from British East India, in 1900, \$1,148,000 worth. We imported sugar in 1896 from the United States \$244,000; in

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1900 over \$1,000,000; in 1896 from Belgium a little less than \$400,000, and in 1900 over \$2,250,000. The two chief items of exports are cotton manufactures and lumber. In 1896 we exported \$549,000 worth of cotton and cotton manufactures, and \$88,000 of lumber, making a total of \$637,000 out of a total export trade of \$659,000. In 1900 the cotton manufactures had fallen to \$101,000, and lumber had increased to \$116,000. There was also a falling off in metals and their manufacture. Other exports slightly increased. There is no export of wheat or flour, and the exports of the produce of the farm does not amount to \$5,000. The imports are more than double the exports, and the goods admitted free are double of the dutiable goods.

The trade of the United States with China has an indirect bearing upon this question. The imports from China into the United States have increased from \$22,000,000 in 1896 to nearly \$27,000,000 in 1900, and the exports have increased from a little less than \$7,000,000 in 1896 to over \$15,250,000 in 1900. The increase is especially noticeable in two items, cotton and wheat flour. The exports of the former increased from \$300,000 in 1896 to \$460,000 in 1900, and the export of wheat flour increased from \$45,000 in 1896 to \$298,000 in 1900. The coast states are large exporters of wheat. The wheat yield of Oregon alone is from 20 to 30 millions a year, and California far exceeds that.

Lee Choong, a prominent Chinese merchant of Victoria, and president of the Chinese Board of Trade, in reference to export trade, said: In British Columbia we have not got any flour mills, and if we want to export flour we cannot get it. In regard to price the flour is cheaper in the United States than in British Columbia. I would like to export goods to China from British Columbia, but I see no way of doing it.

Q. Is the American flour cheaper than the flour from eastern Canada?—A. United States flour, I do not know why, is cheaper and better flour than the flour which is manufactured here.

Q. Then no matter whether Canada increases the tax or prohibits the Chinese labourer coming in here from China, it would not make any difference to the trade coming from China or going to China? It would not increase or decrease the exports?—A. My opinion is this: If Chinese or other cheap labour comes in here and opened up the country in farming and so on, and you get the flour a good deal cheaper, then we could see large business between British Columbia and China, and that would increase the trade.

Q. So in that way you would like to have the Chinese come in here and give us cheap labour so as to improve the trade?—A. Of course. I would rather have our people come here and so have cheap labour and open up all the country. If you have large farms all over, then the exports would improve.

This witness further said: Speaking of my own business, of the goods imported from China 97 per cent are sold to my own countrymen and 3 per cent sold to white people.

Thomas R. Smith, of the firm of Robert Ward & Company, general commission merchants, &c., &c., said:

Q. Do you look forward to the development of trade between China and Canada?—A. Yes.

Q. And Japan?—A. Yes. It is only a question of time when development will come about, but in what way it is difficult to explain. The Chinese in the course of time will require more European goods, and the Japanese are very progressive. The Japanese always seem to be open to cultivate trade relations here, and of course steam-boat facilities will increase.

Q. Would the exclusion of Chinese or Japanese prevent the rapid development of trade between China and Canada?—A. Well, so few Chinese are here, such a small fragment of the population of China is here, it would not make much difference. I do not think it will have any effect in regard to trade, the exclusion of the Chinese.

Q. Would a restriction upon Japanese prevent trade between the two countries?—A. I do not think it would have any effect.

Robert James Skinner, provincial timber inspector, Vancouver, said:

Q. Would restriction, increased restriction or exclusion of the Chinese and Japanese tend to curtail any trade (lumber), any possible trade between these countries and here?—A. I think it would.



Q. Is the trade of these countries at the present time sufficient to keep a large number of men employed in connection with the lumber mills in British Columbia?—A. It would keep a certain number employed; I would not say a large number.

Edmund James Palmer, manager of the Victoria Lumber Company at Chemainus, the largest exporting mill in British Columbia, referring to the effect of the exclusion Act on American trade, said: At the time they (the United States) had trouble with the Chinese the export of lumber did not amount to more than fifteen million feet, and to-day that has increased to two hundred million feet. I think exclusion would do no harm; it would be a great benefit. I am in favour of total exclusion. I think we have enough of the Chinese here now.

Hugh B. Gilmour, member of the Local Legislature for Vancouver, referring to the Canadian Pacific steamship line, said: I might explain that matter shortly. The Canadian Pacific Railway does not live on the Chinese and Japanese coming to British Columbia; the biggest travel is going to another country. A large number of Chinese come here by steamers and are going through in bond to other countries. I take it from the number of Chinese in this country, if they had not been brought here, that would not have stopped the steamers from running, but I think we would be better off without the line of steamers running than to give away our country to the Chinese and Japanese. I do not claim that Chinese passenger traffic is necessary for the success of any steamship line.

Q. Has the Exclusion Act had the effect of driving the steamship lines out of business in San Francisco?—A. No, the lines have increased.

A. E. McPhillips, member of the Legislature for Victoria, said: As a member of the Legislature I was in favour of increasing the per capita tax on Chinese to \$500. I do not think it would affect the interests of the Dominion at large in the trade with China. I think most of that trade has been produced or brought about by our own people or European people, residents in China, and it would not be affected in any way by restriction or exclusion of the labouring classes of either China or Japan. I do not think that Japanese trade would be affected by preventing Japanese immigration.

At present British Columbia has not much to offer in the way of flour for exportation, but I consider as time goes on we will have a large amount of flour to export of a class that seems to command trade in the Orient, made from softer wheat than that of the North-west. From millers I understand that they use flour made in Oregon and Washington, and that is made from soft wheat. They have not been educated up to the Hungarian flour made from hard life wheat. I would allow free intercourse of the merchants and educated classes of Japan.

Richard Marpole, superintendent of the Coast Division of the C. P. R., said: I cannot speak of the extent of the trade that exists at present between Canada and China and Japan; the possibilities are immense. Take our steamship service and today we have two extra steamers in commission. The trade is so increasing that it will necessitate an increase in the number of our ships, which I hope to see shortly. The fact that Mr. Hill of the Great Northern is going to put on much larger steamers as freight carriers is an answer to that question. I think the traffic is reciprocal to a great extent.

Q. You spoke about the business being on the increase in the steamers and so on—do you think it would have a tendency to stop the steamship lines if there were no Chinese or Japanese here?—A. The freight is more to us than the men.

Truman Smith Baxter, ex-alderman of Vancouver, said: There is one matter I would like to mention; it is claimed that if we stop this immigration here of Chinese or Japanese that trade will suffer. The United States passed an Exclusion Act, I think it was the year 1893, to keep the Chinese out of the United States. I will give you the result of their trade until 1897, which is the last I could get. My figures are taken from the Commercial Bulletin, published by the Treasury Department Bureau of Statistics for the United States, and signed by A. T. Austin, chief of the Bureau of Statistics.

In 1893 the United States exported to China goods to the value of \$3,900,000; in 1894, \$5,862,000; in 1895 the exports were reduced to \$3,603,000, but that was at the time that the Chinese and Japanese war was going on. In 1896 the United States exported to China goods worth \$6,921,000 and in 1897 the exports rose in value to \$11,-



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924,000. So that the trade grew from 1893 to 1897 from something like four million dollars to twelve million dollars. This I think shows that it is not likely that the trade with China at least will be hurt by the bringing into force of the Exclusion Act.

Richard Henty Alexander, manager of the Hastings Lumber Mill, the second largest exporting lumber mill in British Columbia, said: Since the trouble in China very little lumber has gone from this coast there. If the trouble was settled in China there would be a large market there indeed. We ship principally rough lumber. Trade with Japan is increasing. As their lumber gets scarce I think it is likely to increase. Both the trade with China and Japan are well worth cultivating. There is less competition in China and Japan than in any of the other countries. The only competition we have there is with our friends on Puget Sound. The mills here do not ship as much lumber as the mills on Puget Sound.

George Owen Buchanan, sawmill owner, Kaslo, said: I think exclusion would react against us in China. I think we should cultivate the friendship of China and Japan as we are bound to have large dealings with them later. We have about 25,000 tons of lead to go in, which would have to be refined here. The market for the lead in China and Japan is not as large as is generally supposed; it is about 20,000 tons per annum. With the opening up of China consumption of lead is liable to increase rapidly, also of lumber. The chief competitor of Canada in China is Australia. United States is also a competitor. I have observed the increase of trade between the United States and China. Thought the restrictive measure passed by the United States had resulted in ill-feeling between China and United States. Present indications are that relations between United States and China are as friendly as that country's relations with any other power.

## AMERICAN EVIDENCE.

J. W. Clise, president of the Chamber of Commerce, Seattle, Washington, said:

Q. Do you think the law of exclusion has interfered with your intercourse with China?—A. Not at all. I understand it is against the policy of the Chinese Empire to allow them to come here. They come here from Hong Kong. Our ships do not run to China. They do not call at Shanghai or any other Chinese port.

Q. It has never been argued or stated here then in regard to your commercial interests that this law of exclusion was injurious to your trade?—A. Oh, no, it has not been.

Q. I suppose with the end of this war in China the trade with China will largely increase?—A. Yes. A great many things enter into our trade with China. The volume of trade is largely increased and is continuing to increase. Flour is the chief thing we send there. We send about 100,000 barrels of flour per month to China and Japan; we send that largely from Oregon and California.

Q. How far east of the Rockies does the flour come from?—A. It is Washington flour we ship. Our flour is cheaper than that of the Mississippi Valley.

Q. Do you find any opinion or suggestion that trade would have been larger but for the Exclusion Act?—A. Not at all. Trade has grown and we are willing to let it alone. I do not think there is any strong feeling amongst the Chinese either way, and I do not think the exclusion of the Japanese would injure trade, when the exclusion of the Chinese did not and does not.

Q. I suppose that is quite an important factor in arranging with the Japanese?—A. Yes, I think so.

Q. There is a large commerce between Puget Sound and China?—A. About five millions or six million dollars in a year. But something has to be said in favour of the Chinese; we do not get a fair idea from the Chinese here of the Chinese in general. In Japan we get a better class of people, and they come here to learn our ways and enter into our trade and everything.

Theodore Ludgate, sawmill owner, Seattle, said:

Q. Is the export (lumber) business in a satisfactory shape?—A. We find it very good. I am speaking of the export business to Hong Kong and Japan. Vessels are

coming here all the time, and another steamship company is going to build docks just outside of here. The market in Japan is improving for good lumber, but not much to speak of.

Q. Do you think it (exclusion) would interfere with the extent of trade likely to develop between this country and Japan?—A. I do not think it would have much influence. All the influence would be on the politicians of this country, and they would be almost entirely ruled by the labour organizations, and exclusion would be brought about in some way or other.

S. E. Masten, secretary of the Board of Trade and Commerce, Portland, Oregon, said :

Q. I want to ask you whether the introduction of the Exclusion Act had any effect on business?—A. I do not think so. I do not think that any action that has ever been taken against the Chinese here has ever affected our trade in any way. I am only speaking from my own personal observations. I know it has never interfered with our business.

H. S. Rowe, mayor of Portland, Oregon, said :

Q. Do you think the introduction of the law of restriction and that of exclusion in any way interfered with your trade with China to any appreciable extent?—A. Not at all. I have resided here for many years, and my observation is that the trade with China has increased rapidly since the enforcement of the Exclusion Act.

T. M. Crawford, labour agent, Portland, Oregon, said : The Japanese have three steamers running here. There are other lines running to Japan, the Occidental and Oriental, that is a United States line ; and there is the Pacific Mail Line, that belongs to the Southern Railway ; and the Santa Fee railway have steamers running over there, and there are a great many tramp steamers.

Henry Fortman, president of the Alaska Packers' Association, San Francisco, said : A few of our canned salmon go to China and Japan.

Q. The trade of this country with Japan is extending?—A. Yes, it is extending very materially.

Q. Much more rapidly than the trade with China?—A. I do not think so. I think the trade with China is increasing more rapidly than our trade with Japan.

Q. The Exclusion Act does not prevent trade increasing?—A. No ; they buy a great many American goods in China.

#### SUMMARY.

There are several facts disclosed in regard to the trade with China that have an important bearing upon this question.

1. Canada's total trade with China in 1896, was :

Imports.....	\$1,030,698
Exports.....	659,758
Total.....	\$1,690,456
1900 Imports.....	624,433
Exports.....	256,307
	\$880,740

2. The falling off in imports relates chiefly to two items—sugar and molasses and tea. The falling off in exports is principally covered by one item—cotton and cotton manufactures.

3. It will be noticed that imports are more than double the exports and the goods admitted free are double the dutiable goods.

4. Notwithstanding that an Exclusion Act has been in force for many years in the United States, their trade with China has largely increased. The increase in exports is noticeable especially in two items—cotton and wheat flour. The opinion of a number of prominent Americans, including the president of the Chamber of Commerce, Seattle,

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the secretary of the Board of Trade and Commerce, Portland, and the mayor of Portland, was that the Exclusion Act has not interfered with the trade of the United States with China.

5. Having regard to the evidence adduced before us and the experience of the United States in this regard we are of the opinion that further restriction or exclusion will not appreciably affect the trade of Canada with China.

## CHAPTER XXIV.—ANTI CHINESE LEGISLATION ELSEWHERE.

It is a fact worthy of consideration in dealing with this question that in other countries to which the Chinese have emigrated, their presence has given rise to dissatisfaction, resistance and agitation for their exclusion, and as far as possible a policy of restriction and exclusion has been adopted.

The growth of this sentiment and consequent legislation in the United States, Australia, New England and Tasmania is outlined in this chapter.

## THE UNITED STATES.

In 1876 a joint committee of the Senate and House of Representatives was appointed to investigate the character, extent and effect of Chinese immigration. A very full investigation was made by this committee (full quotations from the evidence of which were given by the Canadian Chinese Commission of 1884).

The following quotations from the majority report will show the result arrived at.

In the testimony will be found that of lawyers, doctors, merchants, divines, judges and others, that the apparent prosperity derived from the presence of Chinese is deceptive and unwholesome, ruinous to our labouring classes, promotive of caste and dangerous to free institutions. That the Chinese have reduced wages to what would be starvation prices for white men and women, and engrossed so much of the labour in the various callings, that there is a lack of employment for whites, the young men are growing up in idleness, while young women, willing to work, are compelled to resort to doubtful means of support. The hardships resulting from these causes bear with a special weight upon women. It is also shown that this distinctive competition in some branches of labour operates as a continual menace and inspires fears that the establishment of these ruinously low wages will extend to all employments and degrade all working people to the abject condition of a servile class. From this cause, amongst others, has sprung up a bitterly hostile feeling toward the Chinese.

As the safety of Republican institutions requires that the exercise of the franchise shall be only by those who have a love and appreciation for our institutions, and this rule excludes the great mass of the Chinese from the ballot as a necessary means to public safety, yet the application of the rule deprives them of the only adequate protection which can exist in a republic for the security of any distinctive large class or persons. An indigestible mass in the community, distinctive in language, pagan in religion, inferior in mental and moral qualities, and all peculiarities, is an undesirable element in a republic, but it becomes especially so if political power is placed in its hands.

They can subsist where the American would starve. They can work for wages which will not furnish the barest necessities of life for an American. They make their way in California as they have in the Islands of the Sea, not by superior force of virtue or even industry, although they are as a rule industrious, but by revolting characteristics and by dispensing with what have become necessities in modern civilization. To compete with them and expel them, the American must come down to their level or below them, must work so cheaply that the Chinese cannot compete with him, for in the contest for subsistence he that can subsist upon the least lasts the longest.

The presence of the Chinese discourages and retards white immigration to the Pacific States. This clearly appeared in evidence and probably arises from their

monopoly of farm and mechanical work through the low price of their labour, making subsistence difficult to procure by the poorer classes of immigrants.

From all the facts that they have gathered bearing upon the matter, stating fairly the testimony for and against the Chinese, the committee believe that free institutions founded upon free schools and intelligence can only be maintained where based on intelligent and adequately paid labour. Adequate wages are needed to give self respect to the labourer and the means of education to his children. Family life is a great safeguard to our political institutions. Chinese immigration involves sordid wages, no public schools, and the absence of the family. We speak of the Chinese as they have exhibited themselves on the Pacific Coast for twenty-five years past, and as they are there at the present time. They show few of the characteristics of a desirable population and many to be deprecated by any patriot. This problem is too important to be treated with indifference. Congress should solve it, having due regard to any rights already accrued under existing treaties and to humanity; but it must be solved in the judgment of the committee, unless our Pacific possessions are to be ultimately given over to a race alien in all its tendencies, which will make of it practically provinces of China rather than States of the Union. The committee recommend that measures be taken by the Executive, looking toward a modification of the existing treaty with China, conforming it to strictly commercial purposes, and that Congress legislate to restrain the great influx of Asiatics to this country. It is not believed that either of these measures would be looked upon with dissatisfaction by the Chinese Government. Whether this is so or not, a duty is owing to the Pacific States and territories which are suffering under a terrible scourge, but are patiently waiting for relief from Congress.

Senator Oliver P. Morton, the chairman of the committee, made a minority report in which he quotes Articles 5, 6 and 7 of the United States treaty of China concluded in 1868, commonly known as the Burlingame Treaty, and reached the conclusion that labour must needs be free, and have complete protection, and be left open to competition. He says: Labour does not require that a price should be fixed by a law or that men who live cheaply, and can work for lower wages shall for that reason be kept out of the country.

In 1878 the committee of the senate of California issued an address to the people of the United States upon the social, moral and political effect of Chinese immigration. (This lengthy document will be found in State Papers, 45 Congress, 1st Session, Misc. Doc., No. 9.)

After setting forth their view of the then conditions, conclude their address as follows:

In view of these facts thousands of our people are beginning to feel a settled exasperation, a profound sense of dissatisfaction with the situation. Hitherto this feeling has been restrained, and the Chinese have had the full protection of our laws. It is the part of wisdom to anticipate the day when patience may cease and by wise legislation avert its evils. Impending difficulties of this character should not in this advanced age be left to the chance arbitrament of force. These are questions which ought to be solved by the statesman and philanthropist and not by the soldier.

In 1878 a committee of congress on education and labour made a report on education and labour (*see* No. 3 United States Documents, relating to immigration), in which they find:

1. That the presence of the Chinese has had a tendency to degrade and dishonour labour.
2. Their personal habits, peculiar institutions and lax morals render them undesirable members of society.
3. They cannot and will not assimilate with our people, but remain unalterably aliens in habits, morals, politics and aspirations.

The principal facts upon which these three propositions rest will be briefly considered:

1. The Chinese labourer, in some respects, is desirable. He is frugal, thrifty, patient, cheerful and obedient. He readily learns his trade and expertly performs any



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species of light work. Chinese cheap labour has worked great national benefit to California in its early history, digging its canals, delving in its mines, reclaiming its tule-lands, building its railroads, and in various other ways contributing to the rapid development of its wonderful natural resources. If, therefore, moneymaking were the only question involved in this contest between the American and Chinese races, it would in its industrial or labour phase be promptly decided in favour of the latter. The material advantages of this kind of labour, however, sink into insignificance when compared with the personal considerations at stake—the comfort, the self respect and decent, honourable living of the labourer himself.

The Chinese labourer does not come up to the American standard of industry. The central idea of our system is, that the labourer shall possess courage, self-respect and independence. To do this he must have a home. Home is the mould in which society is cast. There the habits are formed which give character. There the zest and wakeful interest of living centre. There the fires of patriotism are kindled. There free institutions find their source and inspiration.

The Chinese who come to this country have no homes. They have neither home feelings nor home interests in any true acceptance of the words. With the conditions of their mode of life they never can have homes. They are willing to work for less wages than will secure homes or comfortably support white labour. In their own country they work patiently and obediently during twelve or thirteen hours for less than one-tenth of what the poorest class of American workingmen receive. In the Pacific States they are willing to work for about one-half the price paid to American operatives. They are able to live upon rice, tea and dried fish, costing upon an average from 20 to 30 cents per day. Underclothing is a luxury almost unknown to them. What clothing they wear is of the cheapest, simplest and coarsest character. They bring with them neither wives, families nor children. One hundred Chinese will occupy a room which, if subdivided, would not accommodate five American workingmen with their families. In such a small space they are packed like sardines in a box, and here they both sleep, eat and cook. Such a place does not deserve the name of home. No tender and loving interests cluster around it and dull habit alone endears it to them. An enlightened statesmanship would suggest that no material advantages, however great, arising from Chinese frugality and industry, can compensate for the loss of the homes, the comforts and the appliances of personal civilization, which have always been enjoyed by the labouring classes of America, and from which springs that spirit of self-respect and manly independence which is the highest result and best security of our political system.

II. Another and more serious objection urged against the Chinese is that their personal and moral habits make them undesirable members of society. The crowded condition in which they live renders the observance of hygienic laws and sanitary regulations almost an impossibility. Neatness and cleanliness is the exception. The air of their apartments is filled with noisome smells and pestilential vapours, threatening disease and death. Property occupied by them is consequently lessened in value and the locality itself is avoided by the white population.

Not only their personal habit but their moral ideas, methods and institutions directly antagonize our own. What we love they hate, what we admire they despise, what we regard as vices they practice as virtues or tolerate as necessities.

The religious ideas even of the higher and titled classes in China are pre-eminently wretched, their superstitions numerous and ludicrous, their educational system exceedingly defective, and their civilization effete and decaying. Among the labouring or 'coolie' classes the grade of morals is very low. One illustration of this is seen in their treatment of woman. Her birth is commonly regarded as a calamity. If not destroyed, which is not unusual, she is regarded as a slave and suffers privation, contempt and degradation from the cradle to the tomb. Instances are frequent of the sale for debt by parents of their daughters and by husbands of their wives, and that too for the worst purposes. Infanticide of girls is practised to some degree in all parts of the empire, and in some sections to an alarming extent. Concubinage is a recognized institution. The sanctity and obligation of an oath are disregarded, and the torture is often employed to extort the truth.

Such are some of the characteristics of the class from which nine-tenths of our immigrants come. Respectable persons are deterred both by law and prejudice, and as a rule, only the most indigent and desperate consent to leave their native country. The female immigrants are bought and sold like chattels and practice the most revolting vices and immorality. Born and brought up under these heathenish influences, with these low ideas of law and virtue, coming to our country for the sole purpose of making money, without homes and families, without domestic affections or interests; with no high incitements to duty or strong dissuasives from wrong doing; with no adequate sense of special obligation; with no property to pay a fine, and with no fear of imprisonment, since it brings no greater discomfort or confinement than his usual mode of life; with blunted or erroneous perceptions, groveling thoughts, gross passions, parsimonious and degrading habits, the Chinaman in America cannot be considered a desirable member of society either from a physical or moral standpoint.

III.—The third and principal objection, however, to the Chinese is the fact that they do not assimilate with our people, but remain a distinct and alien element. In this respect they differ from all other voluntary immigrants. The German, the Irishman, the Frenchman, have sought our country as a permanent home for themselves and their posterity. Promptly and cheerfully adopting our habits, customs and political institutions, devoted to our people, to our government and the laws, they speedily become our worthiest and thriftiest citizens, vindicating in the council chambers of the nation their knowledge of our political principles, and illustrating upon every battlefield where liberty has been attacked the patriotism which such knowledge inspires.

It is not so with the Chinese. They have been in this country over a quarter of a century. Their employment as house servants and labourers has brought them into close and immediate contact with our people, but no change in them has been produced. What they were when they came here they are to-day—the same in dress, the same in disposition, the same in language, the same in religion, the same in political feeling. They indicate no desire, either by word or action, to become identified with us. They came to us not because they were dissatisfied with the social or political institutions of their own country, but because they believed they could better their condition in life. To make money was their sole object. Even when they have accomplished this they do not invest their earnings in land or homesteads, but return with them to their native China. They come with no desire or purpose to make this their permanent home. So strong is their feeling in this respect that the poorest labourers stipulate, as a part of the contract by which they sell their services, that their dead bodies shall be carried back to China, and thousands have been thus exported. They have no conception of our judicial or legislative system. They cannot be relied upon to perform military duty. They are incompetent as jurymen. Indeed, the only purpose in society for which they are available is to perform manual labour. They bring with them neither wives nor families, nor do they intermarry with the resident population. They have an inferior intelligence and a different civilization from our own. Mentally, morally, physically, socially and politically they have remained a distinct and antagonistic race.

Nor, in view of their strong national prejudices, is there any hope that the future will be different. Instances are numerous where an inferior race has been absorbed and improved by a superior one, but the condition precedent to such a result is the acknowledgment on the part of the lower race of such inferiority. Nations, as well as individuals, must conclude that they need help, before they are willing to ask or receive it. The Chinese have not and never will, come to such a conclusion. Their inordinate vanity leads them to believe their country to be the center of the terrestrial system, and they therefore call it the 'midland or central nation.' They boast a civilization which antedates the birth of Christ; they point with pride to a philosopher, Confucius, whose maxims, as the perfection of wisdom, have become their code of laws. They obey a government which, in their faith, is heaven-descended—an absolute despotism, vast, awful, and impressive, whose tremendous and mysterious power regulates their lives or decrees their death, and under which liberty is an unknown idea.

Thus intrenched behind national prejudices, they are impregnable against all influences, and remain a great, united class, distinct from us in colour, in size, in features, in

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dress, in language, in customs, in habits, and in social peculiarities. A nation to be strong should be homogeneous. All the elements that attach themselves to its society should be assimilated rapidly into one harmonious and congruous whole. It is neither possible nor desirable for two distinct races to live harmoniously in the same society and under the same government. If this single proposition be true, the conclusion is sound, that Chinese immigration should be restricted or prohibited. This conclusion, however, is strengthened by the facts already stated, showing its evil effects upon the industrial and social interests of our people.

But admitting this, the mode of securing it demands careful consideration. The great majority of the immigrants embark from the port of Hong Kong, a British colony. A change or abrogation of our present treaty with China will not, therefore, check the evil. The joint action of both China and Great Britain will alone be effective. In view of the fact that the well-known policy of the Chinese Government is adverse to the emigration of its citizens, and that Great Britain has already, without offence to China, absolutely prohibited immigration to several of her colonies, it is believed that similar action on our part will not destroy or disturb the friendly commercial relations now existing. But were it otherwise, the harmony and perpetuity of our social and political institutions cannot be weighed in the same balance with mere material or commercial advantages.

Your committee, therefore, unanimously recommend that immediate correspondence be opened upon this subject by our government with the Governments of China and Great Britain, and present, accompanying this report, a joint resolution to that effect.

Legislative action was taken by Congress in 1879 by an Act to restrict the immigration of Chinese into the United States, the effect of which was to limit the number to fifteen for each vessel entering any port of the United States, with further provisions for effecting the object of the Act. This Act was, however, on March 1, 1879, vetoed by the President. (*See* No. 7 U.S. Documents relating to immigration above referred to).

By treaty concluded November 17, 1880, and duly ratified and proclaimed October 5, 1881, between the United States and China, it is provided by Article 1, that whenever in the opinion of the Government of the United States the coming of Chinese labourers to the United States, or their residence therein affects or threatens to affect the interests of that country, or to endanger the good order of the said country, or of any locality within the territory thereof, the Government of China agrees that the Government of the United States may regulate, limit or suspend such coming or residence, but may not absolutely prohibit it. The limitation or suspension shall be reasonable and shall apply only to Chinese who may go to the United States as labourers, other classes not being included in the limitations. Legislation taken in regard to Chinese labourers will be of such a character only as is necessary to enforce the regulation, limitation or suspension of immigration and emigrants shall not be subject to 'personal mal-treatment or abuse.'

Article 2 expressly excludes teachers, students and merchants, together with their body and household servants, and Chinese labourers who were then in the United States from the effect of the treaty.

Article 3 provides protection for Chinese permanently or temporarily residing in the United States. (*See* U. S. compilation of treaties in force, page 118.)

In 1882 an Act of Congress was passed giving effect to the above treaty. This Act was amended in 1884, which provides, Section 1, that from and after the expiration of ninety days next after the passage of this Act, and until the expiration of ten years next after the passage of this Act, the coming of Chinese labourers to the United States shall be, and the same is hereby suspended, and during such suspension it shall not be lawful for any Chinese labourer to come, or having so come after the expiration of the said ninety days, to remain within the United States.

Section 2 imposes a penalty of \$500 upon the master of any vessel who shall knowingly bring within the United States on such vessel any Chinese labourer, and further provides that such master of a vessel may be also imprisoned for a term not exceeding one year.



Section 3 exempts labourers then in the United States, and the Act makes further provision for giving full effect to this law. (See United States laws, Exclusion of Chinese, page 8, 22nd Stat., page 58, 23rd Stat., page 115.)

In 1888 an Act was passed prohibiting the immigration of Chinese labourers 'from and after the date of the exchange of ratifications of the pending treaty between the United States and the Emperor of China.' (25th Stat., page 476.)

It will be observed that this Act declared it unlawful for any Chinese person, whether a subject of China or any other power, to enter the United States except as therein provided.

In the same year (1888) a further act was passed prohibiting the return of any Chinese labourer who at any time theretofore had been or then, or thereafter might be a resident within the United States, and who had not returned before the passage of the Act. (25th Stat., page 504.)

In 1892 a further Act was passed continuing all laws then in force, regulating the coming into the United States of Chinese persons for a period of ten years from the passage of the Act, and making provisions for deportation for breach of the law. (27th Stat., page 25.)

In 1892 a further Act was passed declaring that resident labourers must register and making further provisions therefor. (28th Stat., page 7.)

In 1894 the Act was further amended by declaring that in every case where an alien is excluded from admission into the United States under any law or treaty now existing or hereafter made, the decision of the appropriate immigration or customs officers, if adverse to the admission of such alien, shall be final, unless reversed on appeal to the Secretary of the Treasury. (28th Stat., page 390.)

#### UNITED STATES EXCLUSION TREATY AND LAWS AFFECTING CHINESE IMMIGRATION.

By treaty between the Government of the United States and the Government of China, dated March 17, A. D. 1894, and ratified December 7, 1894, it is declared as follows :—

Article 1. The high contracting parties agree that for a period of ten years, beginning with the date of the exchange of the ratification of this convention, the coming, except under the conditions hereinafter specified, of Chinese labourers to the United States shall be absolutely prohibited.

Article 2 provides for the return of registered Chinese labourers under certain conditions and limitations.

Article 3 declares : That the provisions of this Convention shall not affect the right at present enjoyed of Chinese subjects being officials, teachers, students, merchants or travellers, for curiosity or pleasure, but not labourers, coming to the United States and residing therein. To entitle such Chinese subjects as above described to admission into the United States they may produce a certificate from their Government, or the Government where they last resided vised by the diplomatic or consular representative of the United States in the country or port whence they depart. And provision is also made for transit of labourers across the territory of the United States in the course of their journey to or from other countries, subject to such regulations as may be necessary to prevent said privilege of transit from being abused.

Article 4 provides that Chinese labourers or Chinese of any other class either permanently or temporarily residing in the United States shall have for the protection of their persons and property, all rights that are given by the laws of the United States to citizens of the most favoured nation, *excepting the right to become naturalized citizens.*

Provision is also made by Article 5, for the registration of resident labourers, reports to be furnished to the Chinese Government.

Article 6 of the Convention declares that the treaty shall remain in force for ten years from the date of ratification, and if six months before the expiration of the said period of ten years, neither Government shall have formally given notice of its final termination to the other, it shall remain in full force for another period of ten years.



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The above treaty was the result of nearly twenty years' agitation, legislation and negotiation, a short account of which will be found instructive.

By a joint resolution of July 7, 1898, it was declared that there shall be no further immigration of Chinese into the Hawaiian Islands, except upon such conditions as are now, or may hereafter be allowed by the law of the United States, and no Chinese by reason of anything herein contained shall be allowed to enter the United States from the Hawaiian Islands. (*See* U. S. Stat. 1897-98, page 751.)

The above Acts and Treaties with the regulations to enforce the same, constitute the present law of the United States with respect to Chinese Immigration.

In the Report of the Philippine Commission, 1900, Volume 2, page 432, there is a memorandum on the Chinese in the Philippines, and coming from a source so eminent and trustworthy deserves special mention. (For full report see Appendix.)

We quote : The principle of political economy is well known, which lays down the rule that in order for a country to obtain advantages from immigration the immigrants should bring in capital, new industries, or superior knowledge to perfect industries already in existence, or at least that such immigrants should apply their energies to pursuits productive of gain, not only to the immigrants themselves, but to society in general in the country in which they have established themselves, or that they finally become assimilated with the people of the country, thus giving, although indirectly, stimulus to certain professions and industries whose progress is a consequence of the increase of the number of the inhabitants of the town. Chinese in coming to the Philippines do not comply with any of the conditions of this well-known condition of political economy, which are desirable points to be looked for in immigrants. Why then should they be allowed to immigrate in such great numbers when their presence in the Philippines is not a guarantee of prosperity and progress for the rest of the inhabitants of the Archipelago ? And again, 'the Chinese are one of the principal causes of the commercial and industrial backwardness of the Archipelago. It is impossible here, on account of the competition which they make, to attain a position in the middle class of society. This class is a protector and promoter of great enterprises which do not promise immediate dividends and which must be perfected by means of shares which represent a great capital, that is to say, by the collection of the funds of many contributors.' And further, 'It is the custom of the Chinese to consume as far as the necessities of life are concerned, the food, clothing and other articles which they import from their own country for this purpose.'

## AUSTRALIA.

The Australian colonies prior to the formation of their present commonwealth had passed restrictive legislation against the Chinese.

Victoria, as early as 1855, passed a law imposing a tax of £10 for all Chinese arriving by ship, and limiting the number to one to every ten tons of the ships burthen, and imposing a penalty upon the master of the vessel of £10 for each passenger so carried in excess.

In 1857 a residence license of £1 was imposed, which was increased to £4 in 1859.

In 1862 provisions relating to residence fees were repealed.

In 1881 Victoria passed a new Act, limiting the number of Chinese to one to every one hundred tons of the ship's burthen, and imposing a penalty of £100 for breach of the law, and imposing a tax of £10 for each immigrant arriving by vessel.

Similar legislation was passed by Queensland, South Australia, New South Wales, New Zealand, Western Australia and Tasmania.

At a meeting of representatives from the different Australian governments, held at Sydney in the month of June, 1888, it was, amongst other things, resolved that it was desirable that the laws of the various Australian colonies for the restriction of Chinese immigration should be assimilated upon a basis at such meeting approved. The resolutions arrived at by the conference, and which have been embodied in a draft Bill, are as follows :

1. That in the opinion of this conference, the further restriction of Chinese immigration is essential to the welfare of the people of Australasia.

2. That this conference is of opinion that the desired restriction can best be secured through the diplomatic action of the Imperial Government and by uniform Australasian legislation.

3. That this conference resolves to consider joint representation to the Imperial Government for the purpose of obtaining the desired diplomatic action.

4. That this conference is of opinion that the desired Australasian legislation should contain the following provisions :

(1.) That it shall apply to all Chinese, with specified exceptions.

(2.) That the restriction should be by limitation of the number of Chinese which any vessel may bring into any Australian port to one passenger to every 500 tons of the ship's burthen.

(3.) That the passage of Chinese from one colony to another, without consent of the colony which they enter, be made a misdemeanour.

The first and fourth resolutions were endorsed by all the colonies except Tasmania, who dissented, and Western Australia, who did not vote, while the second and third were carried unanimously. As a whole, therefore, they faithfully represented the opinion of the parliaments and peoples of Australia.

In conclusion the conference would call attention to the fact that the treatment of Chinese in the Australian colonies has been invariably humane and considerate; and that, in spite of the intensity of popular feeling during the recent sudden influx, good order has been everywhere maintained.

In so serious a crisis the Colonial governments have felt called upon to take strong and decisive action to protect their people; but in so doing they have been studious of Imperial interests, of international obligations, and of their reputation as law-abiding communities. They now confidently rely upon the support and assistance of Her Majesty's Government in their endeavour to prevent their country from being overrun by an alien race, who are incapable of assimilation in the body politic, strangers to our civilization, out of sympathy with our aspirations, and unfitted for our free institutions, to which their presence in any number would be a source of constant danger.

#### VICTORIA, AUSTRALIA.

In pursuance of these resolutions an Act was passed by the Parliament of Victoria, Australia, on December 22, 1888, whereby it is declared :

Sec. 6. No vessel shall enter any port or place in Victoria having on board a greater number of Chinese than one for every 500 tons of the tonnage of such vessel.

If any vessel enters any port or place in Victoria having on board any Chinese in excess of such number, the owners, master or charterer of such vessel shall on conviction be liable to a penalty of £500 for each Chinese in excess of such number.

The Act contains fourteen clauses.

The Governments of South Australia, Queensland, and Western Australia, passed a similar Act in 1888 and 1889.

#### NEW SOUTH WALES.

On August 3, 1898, an Act was passed by the Parliament of New South Wales on the lines of the Natal Act, the 3rd clause of which provides :

The immigration into New South Wales by land or sea of any person of the class defined in the following sub-section hereinafter called 'prohibited emigrant' is prohibited, namely, any person who when asked to do so by an officer appointed to do so under this Act, shall fail to write out in his own handwriting in some European language and sign an application to the Colonial Secretary in the form set out in schedule 'B' of this Act or in the form of a similar purport proclaimed from time to time by the Governor in substitution of the form set out in such schedule.

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By section 8 : The master and owners of any vessel from which any prohibited emigrant may be landed before such emigrant is passed by an officer appointed for that purpose by the government, shall be jointly and severally liable to a penalty of £100 in respect of the landing as aforesaid from his vessel of any prohibited emigrant, and to a further penalty of £20 for each such emigrant so landed in excess of the number of five—the total penalties not to exceed £5,000—the vessel to be liable for such penalty.

The Act contains other provisions to make it effective.

## NEW ZEALAND.

In August, 1888, an Act was passed by the Parliament of New Zealand amending the Act of 1881 and limiting the immigration of Chinese in the proportion of one to every 100 tons of the tonnage of such vessel, and in 1896 was further amended by increasing the poll tax of £10 to £100, and in 1899 the Immigration Restriction Act was passed on the lines of the Natal Act, and assented to on July 20, 1900.

## TASMANIA.

An Act was passed by the parliament of Tasmania on October 29, 1898, reserved, and royal assent proclaimed on February 27, 1899. This also was on the lines of the Natal Act, and declares :

Section 4.—The immigration into Tasmania is prohibited of any person described in the following paragraphs of this section.

1. Any person who on being asked to do so by any collector of customs shall fail to write out in his own handwriting in the presence of such officer in some European language and sign an application to the chief secretary of the colony in the form set out in schedule 2 of this Act, or in a form of a similar purport prescribed from time to time by the governor in substitution of the form set out in the said schedule.

2. Any person being a pauper or likely to become a public charge.

3. Any idiot or insane person.

4. Any person suffering from an infectious or contagious disease, or of a loathsome or dangerous character.

5. Any person who not having received a free pardon has within two years previously to the time of his arriving in Tasmania been convicted of a felony or infamous crime or a misdemeanour involving moral turpitude, and not being a mere political offence.

Fines and imprisonment are imposed for contravention of the Act, and other provisions made for giving it full effect.

As early as 1888 the Australian Colonies urged upon the Home Government that diplomatic action should be taken to obtain from China a treaty similar to that concluded November 17, 1880, between China and the United States. The following correspondence was had in reference to the matter, but it does not appear that any progress was made in the effort to obtain the desired treaty.

In a memorandum dated April 24, 1888, by the Attorney General and submitted by the Premier of Tasmania in answer to the Secretary of State's circular on the subject of Colonial Legislation action representing Chinese immigration occurs the following :—

4. The reference made by His Excellency the Chinese Minister to Her Majesty's international engagements induces me to observe that the exceptional legislation that has been adopted by the majority of the Australasian Colonies on the subject of Chinese immigration does not violate any recognized rule of international comity ; on the contrary, it is a fundamental maxim of international law that every State has the right to regulate immigration to its territories as is most convenient to the safety and prosperity of the country, without regard to the municipal law of the country whence the foreign immigration proceeds. (See Ferguson's *Manual International Law*, vol I, page 130, and Calvo's *Droit Intern.*, vol. I, liv., viii.)



7. Both the virtues and the vices of the Chinese are bred in them by a civilization stretching back in an unparalleled fixedness of character and detail to an age more remote than any to which the beginnings of any European nation can be traced, and the experience of both America and Australasia prove, that no length of residence amidst a population of European descent will cause the Chinese immigrants who remain unnaturalized, to change the mode of life or relinquish the practices that they bring with them from their native country. It is consequently certain that if the unnaturalized Chinese should at any time become as numerous, or nearly as numerous, in any colony as the residents of European origin, the result would be either an attempt on the part of the Chinese to establish separate institutions of a character that would trench on the supremacy of the present legislative and administrative authorities or a tacit acceptance by them of an inferior social and political position which, associated with the avocations that the majority of them would probably follow, would create a combined political and industrial division of society upon the basis of a racial distinction. This would inevitably produce in the majority of the remainder of the population a degraded estimate of manual labour similar to that which has always existed in those communities where African slavery has been permitted, and thereby call into existence a class similar in habit and character to the 'mean whites' of the Southern States of the American Union before the civil war. Societies so divided produce particular vices in exaggerated proportions, and are doomed to certain deterioration.

8. The alternative supposition that the Chinese immigrants would apply for and obtain letters of naturalization and so acquire political equality with the remainder of the population, suggests a result equally menacing to the permanence of the civilization and structure of society now existing in these colonies, inasmuch as the indurated and renitent character of the habits and conceptions of the Chinese immigrants make their amalgamation with populations of European origin, so as to become constituent portions of a homogeneous community, retaining the European type of civilization, an impossibility.

9. The foregoing considerations invest the restrictive and prohibitory measures of the Australasian Colonies against Chinese immigration with a sanction that Her Majesty's Government cannot fail to recognize as sufficient to promote its intervention to obtain from the Court of Peking a co-operation in the prevention of the immigration of its subjects to the Australasian Colonies similar to that which it is stated has been obtained by the government of the United States in regard to the immigration of Chinese into America. (See Blue-book, Australasia Correspondence *re* Chinese Immigration, July 1888.)

In the same blue pamphlet, No. 78, we find a telegraphic despatch from Lord Carington (New South Wales), to Lord Knutsford, June 14, 1888, in which he says:—

June 14.—At the Australasian Conference held in Sydney on the 12th, 13th and 14th instant, at which the colonies of New South Wales, Victoria, South Australia, Queensland, Tasmania and Western Australia were represented, the question of Chinese immigration, and your cablegram to the Governor of South Australia in connection therewith, were fully considered. The members of the conference are sensible of the wish of Her Majesty's Government to meet the views of the colonies, and have specially deliberated upon the possibility of securing legislation which, while effective, should be of a character so far as possible in accordance with the feeling and views of the Chinese Government. They have not overlooked the political and commercial interests of the Empire, nor the commercial interests of the colonies. The suggestion that any restrictions which are to be imposed should be of a general nature, so as to give power to exclude European or American immigrants, has been very carefully deliberated upon, but no scheme for giving effect to it has been found practicable. As the length of time to be occupied in negotiations between the Imperial Government and the Government of China is uncertain, and as the colonies in the meantime have reason to dread a large influx from China, the several governments feel impelled to legislate immediately to protect their citizens against an invasion which is dreaded because of its results, not only upon the labour market, but upon the social and moral condition of the people. At the same time, the Conference is most anxious that Her Majesty's Government should enter into communication with the Government of China with a view to obtain-



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ing, as soon as possible, a treaty under which all Chinese, except officials, travellers, merchants, students, and similar classes should be entirely excluded from the Australasian Colonies.'

In a despatch by the Marquis of Salisbury to Sir J. Walsham the resolutions of the Conference were inclosed, and in which he says amongst other things :—

'The recent conclusion of a treaty between China and the United States of America, for the exclusion of labourers from China, seems to have increased the feeling in Australia in favour of more stringent regulations in the colonies of that continent, and the working classes are represented to be strongly opposed to any further introduction of labourers on a large scale. Chinese immigrants are, it appears, objected to not only on account of their vast numbers and their competition as wage-earners, but on the ground that they do not become assimilated with the British population, and that they rarely, if ever, settle permanently as colonists : but, on the contrary, remain essentially aliens in manners, customs, and religion, and generally return to China when they have saved sufficient money in the colonies for their wants in their native country.'

At a public meeting held at Sydney on March 27, it was unanimously resolved, that the almost unrestricted influx of the Chinese into Australia will, if continued, threaten the political and social welfare of the colony, and that the time has arrived for the imposition of substantial and effective restrictions on their further introduction.

The meeting further declared its strong objection to any action of the government of China in the assistance or encouragement of Chinese immigration into Australia, and it called upon Her Majesty's government to maintain the right of the Australian colonies to frame such laws as they may consider necessary to ensure in Australia the preponderance and supremacy of the British race.

I inclose copies of the resolutions of the Conference which have been embodied in a draft bill, and I have to instruct you to place yourself, without delay, in communication with the Tsung li Yamén, and urge upon them, with the explanations and arguments which, in your judgment, are most likely to further the object in view, that, in pursuance of the considerations which I have described in this despatch, and which are more particularly set forth in the printed correspondence which I transmit herewith, the Chinese government should adopt a course similar to that which they followed in the case of the United States, and enter into a convention with Her Majesty's government to the effect indicated in the inclosed resolutions of the Conference held at Sydney.

## SUMMARY.

Agitation against the Chinese commenced in California in the early sixties, but no definite action was taken by Congress until 1876, when a joint committee of the senate and house of representatives was appointed, and after making an exhaustive examination of the question, the committee recommended that measures be taken by the executive looking towards a modification of the existing treaty with China, conforming it to strictly commercial purposes, and that Congress legislate to restrain the great influx of Asiatics in this country.

Legislation by Congress followed in 1879, but was vetoed by the President.

By treaty concluded November 17, 1880, and ratified and proclaimed October 5, 1881, between the United States and China, the government of China agreed that the government of the United States might regulate, limit and suspend the coming of Chinese labourers to the United States, whenever in the opinion of the Government of the United States the coming of Chinese labourers to the United States or their residence therein affects or threatens to affect the interest of that country or to endanger the good order of the said country, or of any locality within the territory thereof.

In 1882 an Act of Congress was passed giving effect to the above treaty, and suspending the coming of Chinese labourers to the United States until 10 years next after the passing of the Act.

In 1888 an Act was passed prohibiting the immigration of Chinese labourers 'from and after the date of the exchange of ratifications of the pending treaty between the United States and the Emperor of China.'

In 1892 an Act was passed, continuing all laws then in force regarding the coming into the United States of Chinese persons for a period of 10 years from the passage of the Act, &c.

By treaty between the Government of the United States and the Government of China, dated March 17, 1894, and ratified November 7, 1894, it is declared by the high contracting parties that for a period of 10 years the coming of Chinese labourers to the United States shall be absolutely prohibited.

By a joint resolution of the Senate and House of Representatives of July 7, 1898, it was declared that there should be no further immigration of Chinese into the Hawaiian Islands, except upon such conditions as are now or may thereafter be allowed by the laws of the United States, and no Chinese by reason of anything therein contained shall be allowed to enter the United States from the Hawaiian Islands.

In the report of the Philippine Commission, 1900, it is declared that the Chinese are one of the principal causes of the commercial and industrial backwardness of the Archipelago.

In Australia legislation against the Chinese commenced as early as 1855, which increased in stringency until 1888, when a meeting of the representatives from the different Australasian governments was held in June of that year, resulting in the following resolutions:—

1. That in the opinion of this conference the further restriction of Chinese immigration is essential to the welfare of the people of Australia.

2. That this conference is of opinion that the desired restriction can best be secured through the diplomatic action of the Imperial Government and by uniform Australasian legislation.

3. That this conference resolves to consider a joint representation to the Imperial Government for the purpose of obtaining the desired diplomatic action.

4. That this conference is of opinion that the desired Australasian legislation should contain the following provisions:—

(1.) That it shall apply to all Chinese with specified exceptions.

(2.) That the restriction should be by limitation of the number of Chinese which any vessel may bring into any Australian port to one passenger to every five hundred tons of the ship's burthen.

(3.) That the passage of Chinese from one colony to another, without the consent of the colony which they enter, be made a misdemeanor.

The first and fourth resolutions were endorsed by all the colonies except Tasmania, which dissented, and Western Australia, who did not vote; while the second and third were carried unanimously.

This conference was followed by legislation by Victoria, South Australia, Western Australia and Queensland, giving effect to the resolutions arrived at. In New Zealand amendments were made from time to time until in 1896 the law stood limiting one emigrant to every one hundred tons of tonnage, and increasing the poll tax from £10 to £100; and a further Act on the lines of the Natal Act was introduced in 1899.

In 1898 New South Wales and Tasmania each passed an Act on the lines of the Natal Act.

On December 6, 1901, the Alien Immigration Restriction Bill was passed by the parliament and senate of the Australian commonwealth.

## CHAPTER XXV.—EFFECT OF EXCLUSION IN THE UNITED STATES.

By the United States census of 1900 there were enumerated 25,767 Chinese in Hawaii, 3,116 in Alaska, and 304 at military and naval stations abroad; and 89,863 in the United States proper, and of the latter number 67,729 were found in the Western States and Territories.

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The following table shows the distribution in those States and also in British Columbia for the years 1900, 1890 and 1880 :—

	1900.	1890.	1880.
Arizona.....	1,419	1,170	1,630
California.....	45,753	72,472	75,132
Colorado.....	599	1,398	612
Idaho.....	1,467	2,007	3,379
Montana.....	1,739	2,532	1,765
Nevada.....	1,352	2,833	5,416
New Mexico.....	341	361	57
Oregon.....	10,397	9,540	9,510
Utah.....	572	806	501
Washington.....	3,629	3,260	3,186
Wyoming.....	461	465	914
British Columbia, exclusive of Cassiar and Cariboo.....	14,532	8,910	4,350

It will be seen that in twenty years the Chinese population of California has decreased from 75,000 in 1880 to 45,000 in 1900, while in Oregon it has slightly increased, from 9,000 to 10,000; and in Washington it has also slightly increased in twenty years, namely, from 3,186 in 1880 to 3,629 in 1900; and in British Columbia it has increased from 4,350 to 14,532, exclusive of Cassiar and Cariboo, which would, at a fair estimate, bring the total number up to 16,000.

A comparison of the population of the States of Washington, Oregon and California and British Columbia, at the last three censuses taken :—

	1900.	1890.	1880.
Washington—			
Total population.....	518,103	349,390	75,116
Number of Chinese.....	3,629	3,260	2,186
Oregon—			
Total population.....	413,536	313,767	174,768
Number of Chinese.....	10,397	9,540	9,510
California—			
Total population.....	1,485,053	1,208,130	864,964
Number of Chinese.....	45,753	72,472	75,132
British Columbia—			
Total population.....	177,272	98,173	49,459
Number of Chinese.....	16,000	8,910	4,350

Mr. Stetson, of the firm of Stetson & Post Milling Company, Seattle, said :

Q. What would you say is the prevailing feeling in the city as to the exclusion law; is it in favour of the law being continued in force as it is, or would the general feeling favour the abrogation of the exclusion law?—A. It never comes up. The question is settled. No industry has ceased because of it that I know of. The law has been enforced and its action has passed out of recollection.

This company employs 125 men, none of whom are either Chinese or Japanese.

W. H. Perry, assistant general manager of Moran Brothers Lumber Company, who employ 100 men, but no Chinese or Japanese, states that there are no Chinese or Japanese employed in the lumber mills in the city of Seattle or its neighbourhood.

Q. Is there any desire among what might be called the capitalistic interests to abrogate the Exclusion Law or are they satisfied with it?—A. I think they are satisfied with it and desire it to continue. I think they are in favour of Chinese exclusion as a rule, although there are some small sections where they might favour the Chinese, where they think they require low priced labour, but I think the number is very small.



Q. What is the feeling in the city and in the State in regard to exclusion?—A. I think it is overwhelmingly in favour of the exclusion of Chinese. They are not considered a desirable element in the community for the reason that they do not and will not assimilate with us, and I do not think it would be desirable if they would assimilate. They do not take any interest whatever in our laws or institutions. They contribute very little to the general good of the community. They pay a very small proportion of taxes for the business that they do.

J. W. Chise, president of the chamber of commerce, Seattle, when asked whether there was any feeling in favour of the abrogation of the Exclusion Act said: It is something that in recent years I have not had to give any serious consideration to. The Exclusion Act is in force and the question is one which is regarded by most of the people as settled and done with. There are some of the large institutions I think would have liked to have had the law a little modified at the time of its passing, but I think it has given general satisfaction. Our people are opposed to the Chinese and Japanese. In Tacoma they expelled them. Here there was a great agitation and the military had to be called out, and the city put under marshal law. That was the result in 1886 of the non-enforcement of the Exclusion Law. The white people found it difficult to get a living: they found they were being interfered with everywhere, and that they would have to leave the country if the Chinese were allowed to come in here, and they demanded that the Chinese should be expelled. In Seattle they sent out two hundred out of six hundred, and we have never come up again to the original number. We have got now about three hundred in Seattle. Since the city has grown so rapidly they do not constitute a serious menace.

A. H. Grout, labour commissioner, Seattle, who had lived fourteen years on the coast and seemed to have a thorough knowledge of the question, said:

Q. Did the introduction of those laws (Restrictive and Exclusion Acts) cause any serious inconvenience to the different industries?—A. None that I am aware of.

Q. Did the change cause any injury to trade or did it interfere with the prosperity of the different industries?—A. No.

Q. Was it complained of by employers?—A. Not that I am aware of. I have been in this position five years, but did not make it a study before that time. I was engaged in the lumber industry before that time.

I think a large majority of our citizens would be in favour of continuing the law as it is in force at present. I think the majority of employers are in favour of continuing the law as at present. I do not think there is any industry in our State or in this city that suffered by reason of the Exclusion Act.

Theodore Ludgate, lumber merchant at Seattle, formerly of Peterborough, Ontario, employs 150 men: no Chinese or Japanese employed.

Q. Do any of the mills with whom you come in competition employ Chinese or Japanese labour?—A. Not in the city or its neighbourhood. The only mill employing Japanese is the Port Blakeley Mill, nine or ten miles across the Sound from here.

When asked as to the prevailing opinion as to the Chinese and Japanese.

A. They are not desired here at all.

(For fuller quotations from this witness see the chapter on the lumber business.)

William H. Middleton, secretary of the Central Labour Union, Seattle, said: The people generally, are in favour of the continuance of the enforcement of the Exclusion Act. We had Chinese riots in 1886, and they came near driving all the Chinese out of the city. The Government had to call out the military, and the Government kept them (the Chinese) in town, but usually they kept in a part of the town called 'Chinatown'.

A. S. Martin, secretary of the Puget Sound sawmill and Shingle Company, Fair Haven, Washington; the company employs 265 hands and never employ either Chinese or Japanese, he said: The sentiment here is opposed to both Chinese and Japanese. They were not permitted here at all until the canneries started. If the question were put to a popular vote not a Chinaman or Japanese would be allowed in town. Chinese have never been employed in these mills. There are no Japanese here. There are not fifty Chinese in the country outside the canneries. The Chinese in the canneries all come from Portland for the season, and return at its close. This labour is furnished under contract by Chinese contractors of Portland.



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W. T. Harris, of the Whatcom Falls Mill Company, that employs 75 men, but no Chinese or Japanese; they manufacture lumber and shingles,—said: Chinese are not employed at Whatcom at all. We don't see them here at all. The population of Whatcom is about ten thousand. We experienced no difficulty in getting common or skilled labour. The principal industry at Whatcom is lumbering. The coal mines are several miles from town. They employ all white labour.

W. Sherman, Manager of the Bellingham Bay Lumber Company, said: We employ about 350 men; no Chinese or Japanese. We export lumber to South America, Australia, Hong Kong and Japan, also to San Francisco and east of the Rockies. There is no difficulty in getting labour. We buy our logs.

Henry F. Fortman, president of the Alaska Packers' Association, said:

Q. As far as your observation goes do Chinese become Americanized? Do they become citizens in the proper sense of the term,—taking an interest in your laws and institutions?—A. Well, they cannot become citizens unless they are born here. They take great interest in the country.

Q. Are they looked upon by the people generally as a class out of which to make good citizens?—A. Well, no. The average Caucasian does not care about them, and white people do not associate with them in any way. It was owing to the general feeling of the American people that the Exclusion Act was passed and brought into force.

(See further extracts from the evidence of this witness in the chapter on canneries.)

S. E. Masten, of Portland, secretary of the Board of Trade and Commerce, and Theodore Wilcox, stated that the number of Chinese had diminished very much in the last ten years. Mr. Masten then stated that his assistant, Mr. Wilcox, was much more familiar with the whole question than he was, and placed the Commissioners in communication with Mr. Wilcox who said that the present population of Portland was between ninety and a hundred thousand, and that there were not over 2,500 Chinamen in the city. Twenty years ago with a population of twenty-five thousand there were twice as many Chinamen in the city.

Q. I wish to ask you whether the introduction of the Exclusion Act had any effect on business?—A. I do not think so. I do not think that any action that has ever been taken against the Chinese here has ever affected our trade in any way. I am only speaking from my own personal observation. I know it has never interfered with our business.

Q. What is the general feeling of the community here; are the people in favour of the immigration of coolie labour or are they in favour of the continued enforcement of the Exclusion Act?—A. We would rather not have the coolie class here. We would rather not have Chinese or Japanese labourers coming in here at all. The railways in the past employed a good many Chinamen, but they do not employ as many now as they did a few years ago. I have been on the Northern Pacific Railway and they do not employ as many now as they did a few years ago. I have been on the Northern Pacific Railway several times lately and have not seen any Chinese.

A. A. Bailey, secretary of the Federated Trades, Portland, said: I do not know that the Chinese or Japanese do a great deal of good here. Whatever money they earn very little of it is spent in this country. The labouring men of America spend their money here and people in business here get the benefit of it. The Chinese come here working for low wages and the money they earn they send the most of it out of the country to China. Their cost of living is very small and all the money they have over the actual cost of living is sent to China.

The American working man earns all the money he can. Whatever money he earns he spends it here and the business community have the benefit of it. That is one reason why merchants and a great many of the business men are in favour of the Exclusion Act. The only people I have found in favour of letting down the bar are men requiring a large amount of unskilled labour, and they think they can get that cheap by the Chinese coming in here, and that they can do as well with the Chinese as with white labour. They do not care about what comes of the country if they have their work done cheaply, such as the building of railroads and other large works. They are in the business to make as much money out of it as possible. They do not give a

cent for what becomes of the country. They are contractors who come in here to build railways and all they care for is to make large profits for themselves. They are the men who favour the immigration of the Chinese, whereas the people who live in the country, the merchants and the business men, and the citizens of the state generally, those who make their homes here, are all in favour of the Exclusion Act being continued in force.

Q. What proportion of the people are in favour of the law as it stands?—A. I should say eighty per cent is a very conservative estimate. At the time the Exclusion Law was brought into effect quite a number took the view that all men were entitled to come to the country and live here under whatever conditions they chose, but there was such an outcry from the whole of the people that they did not want the Chinese here that our representatives in Congress supported prohibition, and the Exclusion Act has been ever since regarded as a settlement for all time of the question. It was then the almost universal opinion that to open our doors and let large numbers of these people come in would be ruinous to the working people of the United States.

J. M. Lawrence, city editor of the *Oregonian*, Portland, stated that he had resided in Portland for thirteen years. In 1890 the State of Oregon had a population of 313,767, of whom only three or four thousand were Chinese, so that the number of Chinese here in proportion to the population was very small. Fourteen years ago there was an agitation against the Chinese all around the coast. There was an agitation to run them out of Oregon. At that time the Chinese were run out of Tacoma and other places on the coast, and they were collected chiefly in the towns, mostly in Portland, and I have no doubt a great many of the Chinese left the country then. At that time there were about 150 Chinamen in a woollen mill and they were driven out of that employment. It caused inconvenience for a little while. I believe it took a little time for them to get in white hands accustomed to the work. I think the people are in favour of the law as it stands.

Q. There were a large number of Chinese here up to the time of the Exclusion Act going into force?—A. Yes, but it is a little difficult to estimate the population at that time, for this reason,—that the contractor who was centered here might have a thousand men on hand today and in a week most of them would be sent to Puget Sound, to the fisheries, or to the hop fields, and the Chinese population might vary two or three hundred in the course of a week. Even to this day some Chinese are sent from here to Alaska in connection with the fisheries. I have known of three or four carloads being sent up to Alaska at one time. You might call these people still residents here. That would raise my estimate of the Chinese population, and the Chinese population might go up to seven thousand or eight thousand.

As to the industries, I do not think they were established by reason of the presence of the Chinese or the Japanese. I think the industries would have been established all the same, although their development may not have been so rapid. In the past the Chinese may have served Oregon very well, but they are not required here now. We can get on very well without them. We have no prejudice against the Chinese, except, as I say, they come in unfair competition with our own people. They are not desirable as citizens. They do not assimilate with our people, and it would not be desirable if they did assimilate.

H. S. Rowe, mayor of Portland, said: I was superintendent of the Oregon Navigation Company. The general feeling of the whole community is in favour of the law as it stands. The change was gradual; when the Exclusion Act was put in force there was nothing like a shock nor any inconvenience suffered; the change was gradual. I do not think any inconvenience was suffered by anyone. Our trans-continental lines were completed, and we were able to get in all the white labour we wanted from the east.

Walter Honeyman, merchant, cannery and fishing supplies, of Portland. This witness stated that only the working people and the trades unions were in favour of the Exclusion Law.

Q. How does it come that the people did not protest against the law if the feeling in the community is as you say it is?—A. That was all worked up by the trades' unions.

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Q. We have been told that the feeling is unanimous now, or almost unanimous in the community, against the Chinese coming in?—A. Not among the merchant people.

Q. Would the merchants prefer to see the Chinese coming in?—A. Yes.

Q. Without restriction?—A. They fill a want, I think, here as domestics, doing gardening work and cutting wood around the city.

Q. The mayor of the city gave us the opinion that the working of the law was satisfactory to the community in general?—A. Well, I do not mix so much among the tradespeople as he does.

Q. Is the mayor in business?—A. He used to be one of the superintendents of the railway.

Q. What is the line of your supplies?—A. Gill-nets, seines and traps.

Q. Do you regard the Chinese as a people who would make desirable citizens?—A. I have never known anything about the Chinese but that they are always peaceable and law-abiding and would make good citizens.

Q. To settle here?—A. I do not know.

Q. Would you give them a vote?—A. No, I do not believe in giving them votes unless they are educated.

Q. If they are good citizens why not give them votes?—A. They are a good deal better than some who have votes.

Q. Do they become Americanized?—A. Very few.

Q. Do they take an interest in your laws and institutions?—A. Very few.

I was born in Scotland and am an American citizen. I think the exclusion of these people has retarded the development of the country. I am not interested in the canneries, except in selling them supplies.

F. V. Meyers, commissioner of the Bureau of Labour Statistics, San Francisco, said: The Chinese have to a certain extent become Americanized, to the extent of having labour unions of their own and having fixed prices for certain work, as our unions have. The Chinese question has been considered a dead issue. It is a closed issue now under the Exclusion Act. I have expressed that on page 15 of my report as to alien labour in the State of California. The Exclusion Law will expire I believe in 1902, and public opinion in the state will certainly favour the Exclusion Act being continued in force. The general feeling is to make it still more exclusive, and to include the Japanese. Let me say here that in giving you that as the feeling of the community, in voicing a sentiment of that kind I am not speaking of that now from a partisan point of view. I am not indicating if I have opinions of my own what these opinions are. I am simply stating the fact, that the general feeling of the community is in favour of the continuance of the Exclusion Act in regard to the Chinese, and to have the same measure of exclusion extended to the Japanese as well. In so far as public feeling is concerned I think you will find that is the fact. Of course you will understand all such questions are agitated through the medium of the newspapers, but they are finally settled at the ballot box. The sentiment of the labouring classes is decidedly against the Chinese and the Japanese, and the organizations are very strong at the ballot box. It is said by some that a larger amount of that kind of labour, cheap labour, would be a benefit to the industries of the State and would induce more capital to come in to develop it; that a low class of labour is required to do the unskilled work necessary in carrying on the different industries; that the different industries would be developed, and therefore would afford more work for the higher class of labour. That idea is entertained by some, but the general feeling of the community is just as I have stated. I do not think the change in favour of the Chinese would be appreciable. The method adopted did not cause inconvenience or injury to any appreciable extent. If the Chinese had been bodily sent away—had been taken from the various avocations—some industries might have had to close up for a little time. The expulsion of the Chinese would have caused a considerable jar, because there would not have been sufficient white labour to take their places. Quite likely some of the industries would have been inconvenienced and hampered for a time; no question about that. I think the Exclusion Act is more thoroughly in force now than it was at first.



James D. Phelan, mayor of San Francisco, said: I do not believe there was any appreciable jar or that there was any loss appreciable by the introduction of the Exclusion Act. I believe the companies are in favour of the re-enactment of the law, or the enactment of a more exclusive law. They look upon it in this way—I am pretty familiar with the sentiment of the people on the subject; I have made a study of the subject, and have come to the conclusion that we will be far better without the Chinese or Japanese; and that without them we will still have a great development in our State, and the industrial conditions will be improved all along the line. The presence of the Chinese means the exclusion of white men; the Chinamen come here alone; families of Chinese are very rare here. They are no use at all to the community; they injure our civilization. If we were rid of the Chinese their places would be filled with white people and their families, and the State and the country would be benefitted largely. They have so encroached upon the different trades and callings, so far that it may be termed that there has been an industrial revolution, and if they go any further there is no limit to the injury they will do. If the barriers were let down, there would be such an expression of opinion that in a very short time there would be no doubt a re-enactment of the Exclusion Law; and the Exclusion Law would be rendered so as to apply to other nationalities from the east.

They are mostly of a servile class; and that is entirely antagonistic to the American idea of equality. The whole thing is fundamentally wrong; and they have demonstrated strongly that an Exclusion Act is necessary, if our country is to develop, and if our civilization is to keep pace with the civilization of Europe.

J. H. Barber, connected with the Immigration Office, San Francisco, said:

Q. Is there any sentiment now against the Exclusion Act, or do you regard the question as settled?—A. Yes. It has acted so satisfactorily that I do not think there can be said to be any great number in the city or in the State who would favour the abrogation of the Act.

Q. From your personal observation or from information within your knowledge can you say whether the Exclusion Act when it was put in force caused any shock to business?—A. No, I do not believe it did. The only thing is that there is a scarcity of domestic help. That is the only place I can think of where the Chinese are missed. Of course they were used on the gardens and on farms.

Q. To what extent were they used?—A. Not to a great extent. The Japanese are used now where they can be got. The demand is so great that they can use all the Chinese and all the Japanese available. The Japanese cannot supersede the Chinese. People prefer the Chinese when they can get them.

Q. Is the labour market well supplied; is there an abundance of labour in the city?—A. There is an abundance of labour here just now.

#### SUMMARY.

The effect of restrictive legislation and the Exclusion Act in the United States has been to gradually decrease the number of Chinese upon the coast, the greatest reduction having taken place in California, from 72,472 in 1890 to 45,753 in 1900.

The population of Washington State has increased from 75,116 in 1880 to 518,103 in 1900, while the number of Chinese has only increased from 3,186 in 1880 to 3,629 in 1900. While the population of British Columbia has increased from 49,459 in 1880 to 177,272 in 1900, the Chinese population has increased during the same period from 4,550 to 16,000.

Again, Seattle with a population of over 80,000, has less than 500 Chinese; while Victoria with a population of 20,000 has over 3,300 Chinese.

In the Coast States the overwhelming opinion, as far as we were able to gather it, is in favour of the present Exclusion Law, and this opinion is shared by employers as well as employees, and other citizens. The Exclusion Law caused no shock to the various industries; the change was so gradual as not to be noticed.

The Chinese are largely employed in the cannery business, but they are not employed in the other large industries such as lumbering, the shingle business and coal



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mines, nor are they to any considerable extent engaged in farming, except at certain seasons of the year, when they are employed in hop-picking and berry-picking, &c.

Their mode of living is and always has been similar to that which obtains in British Columbia. Each city in which they are found has its 'Chinatown.' The white people do not associate with them, nor do they assimilate in any way with the white people. They are not regarded as a desirable class. Fifty years has made very little change as to their habits of life.

The question is regarded as closed, and we could learn of no considerable class that were in favour of changing the Exclusion Law as it now exists.

## CHAPTER XXVI.—RESUMÉ.

The following resumé gives in outline the results of the foregoing chapters, to which reference must be had for a complete statement of the facts and evidence bearing upon the question of Chinese immigration and its relation to the great industries and its effect upon the Province and country at large.

## CHAPTER I.—REPRESENTATIONS BY BRITISH COLUMBIA.

For over ten years British Columbia has made persistent efforts to further restrict or exclude the immigration of Chinese into the provinces; by addresses of the Local Legislature to the Lieutenant Governor in Council transmitted to the Dominion Government; by numerous acts of the Local Legislature, endeavouring to limit immigration or discourage it by excluding Chinese from public works and the passing of the Natal Act; by over seventy petitions in 1891 to the Dominion Parliament, and from year to year repeated, the province of British Columbia has endeavoured to press upon the Dominion Parliament the necessity of saving this province to the Dominion and the Empire from the invasion of this alien race, claimed to be non-assimilative and a menace to the present and future well-being of the province.

## CHAPTER II.—THE CHINESE IMMIGRANT.

Except a slight falling off after the building of the Canadian Pacific Railway, the number of Chinese has steadily increased in the Province of British Columbia from 4,483 in 1880 to 8,910 in 1891, and 16,000 (estimated) in 1901.

These immigrants are mostly of the coolie class, or farm labourers, whose earnings in their own country would not average more than three to seven cents a day of our money, upon which commonly a family of from two to five people have to be supported. They are poor below our conception of poverty, always bordering on the line of want. This is the class of immigrants that come to British Columbia. They are chiefly adult males who come. Take Victoria as an instance most favourable to the Chinese, as being the oldest settlement: Of 3,272 less than 100 had their wives with them and of these 61 are of the merchant class, leaving about 3,000 labourers, of whom 28 had wives living with them. The others who are married have their wives in China.

In the whole province, with a population of 16,000 (estimated) Chinese, 122 Chinese children attend the public schools.

## CHAPTER III.—THEIR UNSANITARY CONDITION.

Medical men, health officers and sanitary inspectors with one accord regard them as a menace to health, because of their overcrowding and persistent disregard of sanitary conditions and regulations. It is not surprising, therefore, to find that consumption is especially prevalent among them.

## CHAPTER IV.—CRIME STATISTICS.

Crime statistics are not unfavourable to the Chinese. This may arise from the undoubted difficulty of securing conviction. There is strong evidence that they conspire to conceal crime.

## CHAPTER V.—THE MORAL AND RELIGIOUS ASPECT OF THE CASE.

The presence of Chinese, who have an entirely different standard of morality to that of the white population, without home life, schools, churches or religion, tends to lower the moral sense of the community, especially of the young. They are undoubtedly looked upon by the great mass of the people as a servile class.

The young despise the Chinaman and look upon the employment in which he is engaged as degrading, and as he is employed in nearly every avenue of unskilled labour, this evil is widespread, and its effect was everywhere observable.

A reference to the views of ministers and clergy shows that missionary work among the Chinese in British Columbia is surrounded with great difficulty, and the progress made, having regard to numbers only, exceedingly slow. The consensus of opinion seems to be that conditions for missionary work were not as favourable here as in China, 'possibly' (as one witness put it) 'because I doubt whether Christian practices and Christian theories would not baffle the Chinese intelligence.'

## CHAPTER VI.—THE PROPORTION OF TAXES PAID BY CHINESE.

The Chinese bear no fair proportion of the burden of taxation, either municipal, provincial or dominion.

## CHAPTER VII.—LAND CLEARING AND AGRICULTURE.

While the Chinese have contributed as labourers to the clearing of land, their presence has been seriously detrimental to its settlement by a white population. The white settler who earns his living from the land by his own work is strongly opposed to further immigration. He is in many cases isolated and every incoming Chinaman adds to his isolation. To the extent of their numbers the Chinese discourage churches, schools and social intercourse. They prevent incoming settlers and drive out those who are there. They are a deterrent, sure and effectual to the settlement of the lands, encouraging land monopoly and discouraging small holdings.

## CHAPTER VIII.—MARKET GARDENING.

This very important branch of industry that ought to be a help to small holders and farmers is entirely in the hands of the Chinese. It is impossible to compete with them. Their control of this branch of industry retards settlement and severely cripples the small land holders and farmers who, while clearing the land might otherwise look to their market gardens to assist them in supporting their families.

## CHAPTER IX.—COAL MINES.

Chinese are not employed in coal mines except on the coast.

At the new Vancouver Coal Company, of a total of 1,336 men, 175 are Chinese. The rest are whites. The Chinese are employed only above ground at this mine.

At the Dunsmuir Union Mines 877 men are employed, of these 363 are Chinese, and they are employed above and below ground.

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At the Dunsmuir Extension Mine 1,000 men are employed, of whom 164 are Chinese and these mostly above ground.

The general superintendent of the New Vancouver Coal Company favours the total prohibition of further immigration, and thinks the remedy should be applied at once.

The general manager of the Wellington Colliery Company (the Dunsmuir Mines) thinks there should be no restriction whatever.

The Hon. James Dunsmuir, president of the above company, in an official communication to the Dominion Government, dated October 9, 1900, favours 'an increase of the per capita tax in such measure as to surely limit the number of immigrants, and by enactment of legislation similar to the Natal Act to regulate their employment while in the country.'

The present supply of Chinese labourers is sufficient to meet the demands of this industry for years to come. The evidence of those chiefly affected is in favour of the view, that no appreciable inconvenience or loss will be suffered by this industry by further restriction or even exclusion.

## CHAPTERS X AND XI.—PLACER AND LODE MINES.

The value of the mineral output of British Columbia, including coal and coke, for the year 1900 amounted to over sixteen millions, and for the year 1901 to over twenty millions, and of these amounts the Lode Mines (gold, silver, lead and copper) in 1900 yielded ten millions, and the Placer Mines, including hydraulic, over one and a quarter millions; and in 1901 the Lode Mines yielded fourteen millions and a quarter and the Placer Mines less than a million.

Chinese are not employed in the Lode Mines in the interior, and only in one or two instances on the coast. They are not employed in the Atlin district, nor are they employed in the Cariboo Consolidated. They are employed, however, in the other Placer Mines to the number probably of one thousand or over, about one-half of whom work for themselves, either on royalty or under lease, on old placer claims or new claims; and the other half work for companies who are engaged in placer mining, including open hydraulic.

Out of a total yield of \$11,347,000 from Lode and Placer Mines in 1900 they assisted in contributing approximately from \$300,000 to \$400,000.

The exclusion of further immigration of Chinese will not affect these industries.

## CHAPTER XII.—THE LUMBER INDUSTRY—EXPORT TRADE.

Three mills contributed 97 per cent of the eighty-four million feet of lumber exported last year.

The principal exporting mill is the only one that employs Chinese to any extent, except as cooks, and the manager of this mill is in favour of exclusion. It is clear, therefore, that so far as this branch of industry is concerned the exclusion of further Chinese immigration would not injuriously affect it.

## CHAPTER XIII.—LOCAL AND EASTERN TRADE.

The owners and managers of the non-exporting mills are largely in favour of further restriction or exclusion of Chinese. Chinese are not employed to any considerable extent in the woods.

If Chinese and Japanese both were deported, it would put the owners to serious inconvenience and loss, but if no more Chinese are permitted to come in the supply is ample, and the change will be so gradual as in no wise to impair the business. The Chinese are not employed in any lumber mills on the Sound.

## CHAPTER XIV.—THE SHINGLE AND BOLT BUSINESS.

This important industry employs over a thousand men, of whom more than half are Chinese and Japanese: the Chinese being employed in the shingle mills and the Japanese in getting out bolts.

There are sufficient Chinese to meet the demand in this trade for years to come. Neither Chinese nor Japanese are employed in this business on the American side, and they are not essential to its success here, but being available and conveniently employed by Chinese boss contractors, they have become a part of the machinery of production, which would for a time be thrown out of gear if they were discharged. They are at present more convenient, but not essential. They displace, however, boys who could well do this work, and by whom it is chiefly done in the east and on the Sound, the fact being that while there are plenty of boys who might be employed they are left in idleness, because the Chinese are preferred. In this regard this business affords a marked illustration of the permanent injury that is being done to the youth of the country. While the Chinese are here they will be employed.

## CHAPTER XV.—CANNING INDUSTRY.

The Chinese have become experts in salmon canning. They are employed as a rule by Chinese bosses, who contract with the canners at so much a case. They are used in all canneries. The number required has been greatly lessened in proportion to the pack by the introduction of machinery.

Formerly all the cans used were made by Chinese: now an automatic canning factory, run by white labour, at New Westminster, has a capacity to meet the entire demand of the province, but only about one-tenth are so supplied, the rest being made by Chinese at the various canneries. In the process, also, machinery has greatly reduced the numbers employed.

Chinese labour is preferred because it is always available, easily handled, efficient and cheap.

Cheap labour and large profits invited many to engage in the business. Canneries increased, the river became crowded with fishermen, competition appeared from Alaska and the Sound, and profits were reduced. Nearly all agree this industry is being overdone, both in the interest of the canneries and the fishermen, and that a depletion of the supply is threatened.

Opinion is divided among the cannerymen who testified as to the expediency of prohibiting further immigration or exclusion. Only two favoured the removal of all restriction: one declined to express an opinion; one thought the present restriction sufficient. All agreed that the Chinese labourer does not make a desirable citizen and ought not to have the franchise.

Without an exception the canners who testified stated that the industry, at the present time and under existing conditions, could not be carried on successfully without the aid of Chinese.

Having regard to the views generally expressed by witnesses as to a maximum development having been reached, and the possible depletion of supply and the number of Chinese now in the province, there are sufficient Chinese already in the province to meet the demand for years to come. The change will be so gradual as to be all but imperceptible, and may be met by the employment of whites and Indians.

On the Sound and in Alaska Chinese are also employed in the canneries, and this industry has there developed chiefly during the period since the Exclusion Act came into force. It has not only not retarded development, but expansion has taken place chiefly during this period. Many millions have been invested therein within the last three or four years.

There is nothing disclosed in the evidence as it affects this industry which renders it inexpedient, if otherwise desirable, to exclude the further immigration of Chinese into the Dominion.



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## CHAPTER XVI.—DOMESTIC SERVICE.

Chinese, and of late Japanese, supply the demand largely for domestic servants. There is no doubt that under present conditions it is exceedingly difficult to obtain white domestic servants in British Columbia, though there were many prominent citizens who declared that it was purely a question of wages and mistress, and that they had never had any difficulty in obtaining and keeping white girls as domestic servants. The cause of this exceptional scarcity is quite apparant. This kind of help is usually largely drawn from the families of unskilled labourers who in this way assist their income. If then the work of unskilled labourers is done by Chinese and Japanese, who take the places of fathers of families from which under normal conditions domestic servants would be drawn, the source of the supply is cut off, and every Chinaman who comes into the country, displacing a white labourer, increases the difficulty.

The Chinese first create and then fill the want. With six thousand white labourers, or even half that number with families in the four coast cities, (having regard to the number of Chinese that are actually employed as domestics, being less than a thousand all told) it is altogether probable that the supply would meet the demand, at least to the extent that it is generally met with in the east. So long as unskilled white labour is displaced so long will it be difficult, if not impossible, to get white girls for help.

It was found in Seattle that very few Chinese were employed as servants. None are employed in the city of Tacoma, very few in Portland. As white labour took the place of Chinese, white servants filled the place of Chinese servants.

The fact is established that with an Exclusion Law and Chinese excluded from mills and factories, Seattle with a Chinese population of about four hundred, is fairly supplied with servant girls, while in Victoria with three thousand Chinese employed in the mills, &c., servant girls are rarely employed. The lesson is plain: as long as you have Chinese for unskilled labour you cannot expect to have white girls for domestics.

## CHAPTER XVII.—THE LAUNDRY BUSINESS.

From eight hundred to a thousand Chinamen are engaged in this business in British Columbia, and in many places where steam laundries do not exist they are a great convenience. Over a quarter of a million is paid out to Chinese in this business, a small proportion of which goes in circulation or benefits the country at large.

## CHAPTER XVIII.—PARTS 1 AND 2—MERCHANT TAILORS AND THE WHOLESALE MANUFACTURE OF CLOTHING.

*Part 1.* In no case have the Chinese eneroached upon skilled labour to the same extent as they have in the tailoring business in Victoria. In 1891, there were eighteen tailor shops in Victoria, employing 150 white men and women, with a yearly wage of \$109,000. No Chinese were engaged in the trade; a few made overalls. In March, 1901, there were employed in Victoria in the tailoring business 21 white men and 30 women and girls, with an average wage to the men of \$12 a week, and for the women \$6 per week, giving a yearly total of \$22,464, and fourteen firms of Chinese merehant tailors, employing 84 hands in the manufacture of clothes for white people, and two firms that manufacture only Chinese clothing. They do a large portion of what might be called high class work, and ladies' tailor-made dresses, which in some cases formed one-third of the business.

The result has been that many journeymen tailors with their families had to leave the country. It was quite clear from the evidence that it is impossible for the merchant tailors to compete without reducing wages below what a journeymen tailor can live upon and support his family and educate his children.

The Chinese tailors in a few years will practically control this trade unless conditions are changed. This trade affords evidence that it is only a question of time when skilled labour in the other employments must meet this competition.

*Part 2.*—In the wholesale manufacture of clothing certain parts of the trade are entirely in the hands of the Chinese. One firm put in a plant costing \$2,000, with the latest machinery; employed 40 hands, girls and women, and got work from wholesale merchants at prices that would pay, and that had been paid to the Chinese. The firm was given the preference over the Chinese. The Chinese cut the price. The firm again competed at this price. The Chinese again cut the price. The firm tried to meet this by allowing their hands all they could earn at this price, but hands that were paid \$1 a day could only make 40 cents on piece work at the last reduction. The firm had to go out of the business. The Chinese fix the wage and practically control this part of the industry.

#### CHAPTER XIX.—OTHER TRADES AND CALLINGS.

1. *The Boot and Shoe Trade.*—There is one factory at Victoria, employing 16 Chinese. Some years ago 60 Chinese were employed in the factory, but the market being limited in the west, it was found difficult to compete with eastern manufactures, even with Chinese labour. The proprietor favoured exclusion and stated that it was his intention in the near future to manufacture with white labour or not at all, as customers complained of Chinese made work.

2. *Cigar-making.*—Victoria is the only city in British Columbia, we believe, where Chinese are engaged in cigar making. The cigars made there are said to be chiefly for consumption by Chinese.

3. *Brick-making.*—At one time white labour was exclusively employed in brick-making. Chinese are now employed on the coast, only foremen and teamsters are white. The Chinese live together in shacks in the brickyard, at a cost and under conditions that preclude competition. They have gradually driven out the white labourer, and the work is now practically done by them. One foreman put it,—‘hundreds’ (of white men) ‘apply and are turned away.’ The work is usually done through Chinese bosses by contract; only Chinamen are employed.

To hope that by and by the white men under these conditions will be able to replace the Chinese in the employments where they are so engaged is not justified by the facts. Where they have given place to others is where the Japanese have underbid them.

One of the most successful employers in this business is in favour of no restriction upon labour. He approves of the duty on brick. The foremen engaged in the business are all in favour of exclusion.

4. *Lime-burning.*—This work is also largely done by Chinese, (except that of foremen) in the proportion of seven Chinese and two white men.

5. *Fruit-canning.*—In this industry no Chinese are employed, the work being done by women and girls. The owner is in favour of exclusion.

6. *Sugar-refining.*—From 70 to 100 men are employed in this industry. Of this number 97 per cent is unskilled labour. The company has an agreement with the city not to employ Chinese labour. The manager stated that the company had no difficulty in obtaining and keeping a full supply.

7. *Cordwood-cutting.*—This industry, which is of importance by reason of the large amount of wood required by the canneries, was monopolized by the Chinese; until recently the Japanese have largely superseded them. The supply of wood should be an important adjunct to the settler, the injury to whom, from its falling into the hands of Chinese and Japanese, is fully dealt with under Land Clearing.

8. *Railways.*—The Nanaimo and Esquimalt Railroad Company employ from 150 to 200 white men, and from 40 to 60 Chinese.

On the Pacific Division of the Canadian Pacific Railway 99 Chinese are employed out of a total of 4,693 in this division.

Having regard to the small number of Chinese employed, it cannot be said that the railway is to any considerable extent dependent upon that class of labour for its successful operation.

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9. *The Canadian Pacific Steamship Company.*—Five hundred and seventy Chinese are employed on the vessels of the Canadian Steamship Company, running between Vancouver and Hong Kong.

From 500 to 600 Chinese are employed to do repairs on these vessels through a company at Hong Kong, which, if done at Vancouver, would give employment to at least 100 mechanics: which with other expenditures would amount to \$10,000 or \$12,000 per month.

The repairs on Australian ships are done by white labour and done in their own ports.

10. *Railway Construction.*—The Chinese are not employed in railway construction at the present time, and have not been since the building of the Canadian Pacific Railway, with few unimportant exceptions. White labour is preferred.

11. *Electric Railway in Vancouver, Victoria and New Westminster.*—Nearly four hundred men are employed by this company; all are white men. The manager stated that there was no difficulty in getting all they required.

12. *Freighting.*—The Chinese engage in freighting from Ashcroft into the Cariboo mines, chiefly for Chinese merchants.

## CHAPTER XX—UNSKILLED LABOUR.

The employment of Chinese in all the avenues of unskilled labour presses unduly upon this class of white labour, forcing many to leave the province and deterring many who would otherwise come to the province as permanent settlers.

The injury to the youth of the country is equally apparent, causing deep concern to parents, which is well founded.

## CHAPTER XXI—GENERAL MERCHANTS AND TRADERS.

There are Chinese merchants in business in every city, town and village in the province, except Phoenix and Sandon. Their trade is chiefly with their own people.

In large centres the business of green grocers and garden vegetables is largely controlled by them.

White traders are almost unanimously opposed to further Chinese immigration, for obvious reasons. They not only control the trade of their own people, but their presence in large numbers, taking the place of men with families, affects injuriously every trade interest and to a very serious extent.

## CHAPTER XXII—IS FURTHER RESTRICTION OR EXCLUSION DESIRED?

Public opinion in British Columbia, with few exceptions, is in favour of the prohibition of further Chinese immigration. It is by no means confined to the labour class. They are unanimously in favour of exclusion, and this applies to both skilled and unskilled labour. Traders of all kinds in the cities, towns and villages are also largely in favour of exclusion. Farmers actually engaged in agriculture, fruit-growers, white and Indian fishermen, and a large majority of the employers who are engaged in the leading industries, are in favour of high restriction or total prohibition. The general feeling is further evidenced by the action of the Legislature which for many years has been practically unanimous in favour of exclusion, and has endeavoured to exclude them from public works and all works receiving public grants; municipal corporations also exclude them from corporation work; and lastly, ministers, missionaries and clergy, with few exceptions, favour either further restriction or prohibition of further immigration of this class. The suggestion that the feeling of antagonism is confined to the labouring classes, is wholly without foundation.

## CHAPTER XXIII.—TRADE WITH CHINA.

The evidence adduced and the experience of the United States in this regard indicate that further restriction or exclusion will not affect the trade of Canada with China.

## CHAPTER XXIV.—ANTI-CHINESE LEGISLATION ELSEWHERE.

## In the United States.

Wherever Chinese labour has come in competition with white labour, agitation has commenced and restrictive legislation followed. In 1850 Chinese were welcomed to California: now there is an Exclusion Act and treaty, which absolutely prohibits the coming of Chinese labour into the United States.

## Hawaiian Islands.

In 1898 the United States prohibited the immigration of Chinese into the Hawaiian Islands except upon such conditions as are now or may hereafter be allowed by the laws of the United States.

## The Philippine Islands.

The report of the Philippine Commission 1900, declares that the Chinese are one of the principal causes of the commercial and industrial backwardness of the Archipelago.

## Australia.

The Australian Colonies prior to the formation of their present commonwealth had passed restrictive legislation against the Chinese, and in the first session of the first parliament of the commonwealth, an Alien Immigration Restriction Act has been passed.

## New Zealand.

Since 1881 increased restriction has from time to time been imposed against the immigration of Chinese until in 1896 the immigration was limited to the proportion of one to every hundred tons tonnage of the vessel, with a poll tax of £100; and in 1899 an Immigration Restriction Act was passed on the lines of the Natal Act.

In 1888 the Australian Colonies, New Zealand and Tasmania urged upon the Imperial Government that diplomatic action should be taken to obtain from China a treaty similar to that then existing between China and the United States, under which practical exclusion was enforced, but that much desired result was not obtained.

## CHAPTER XXV.—EFFECT OF EXCLUSION IN COAST STATES.

Practical exclusion has been in force in the United States since 1894, without any injurious effect upon the industries or upon trade with China. It has had the further effect of steadily decreasing the number of Chinese in those States, who have given place to a rapidly increasing white population. The question is regarded as settled in the Coast States and the Exclusion Law satisfactory and beneficial.



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## THE CENSUS—A COMPARISON.

British Columbia, with a population of 177,272 has 16,000 Chinese (estimated) while Washington State with a population of 518,000, has 3,629.

Oregon with a population of 413,000 has 10,397 Chinese, and California with a population of 1,485,053, has 45,753 Chinese.

The conditions in Washington and the natural industries more nearly resemble those of British Columbia than do the other States.

The City of Victoria has nearly as many Chinese as the entire State of Washington, and nearly twenty times as many Chinese as Seattle in proportion to population.

New Westminster with a population of about 6,000 contains more Chinese than Seattle with a population of nearly 100,000, while Tacoma with a population of about 60,000 has no Chinese whatever.

Further comparisons might readily be made, but the above clearly indicates the large proportion of Chinese in British Columbia as compared with the Coast States.

In British Columbia they have increased during the last decade from 8,910 to 16,000 (estimated). In the three Coast States they have decreased from 85,272 to 59,779.

## CHINESE IMMIGRATION.

—	British Columbia.	Other.	Total.	Capitation Tax at \$50.	Exempt.	Certificates of Leave.
				\$		
1885-6.....	211		211	10,550	1	827
1886-7.....	116	8	124	6,200		734
1887-8.....	296	3	299	14,950		923
1888-9.....	764	9	773	38,650	112	1,267
1889-1890.....	1,065	4	1,069	53,450	97	1,671
1890-1.....	2,108	6	2,114	105,700	12	1,617
1891-2.....	3,264	8	3,272	163,600	6	2,168
1892-3.....	2,199	45	2,244	112,200	14	106
Registrations for leave.....						1,171
1893-4.....	2,044	43	2,087	104,350	22	666
1894-5.....	1,382	58	1,440	72,000	22	473
1895-6.....	1,722	40	1,762	88,100	24	697
1896-7.....	2,417	30	2,447	122,350	24	768
1897-8.....	2,137	58	2,175	108,750	17	802
1898-9.....	4,279	106	4,385	219,250	17	859
1899-1900.....	3,880	351	4,231	211,550	26	1,102
1900-1.....	1,338	149	1,487			
	983	48	*1,031	177,450	26	1,204
To Oct. 31, 1901.....	617	31	*648	64,800	12	670
To Dec. 31.....	375	Not given.	*375	37,500	15	Not given.
	31,197	977	32,174	1,711,400 Less refunds, \$18,900.	447	

\* At \$100

Certificates of leave.....	9,313
Registrations for leave.....	8,412
Certificates of leave outstanding and lapsed from 1885 to present time.....	4,850
Registrations for leave, C. I. 9, valid at present time.....	1,056

NOTE—1,975 Chinese entered British Columbia in the year 1901 who paid the capitation tax of \$100.

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RETURN showing Chinese entered for the purpose of passing in transitu through Canada and those passed out who have arrived in transitu from other ports.

Year.	BRITISH COLUMBIA.		OTHER PROVINCES.	
	Entered.	Passed out.	Entered.	Passed out.
1887-88.....	1	1		
1888-89.....	3,309	3,576		
1889-90.....	362	1,108		
1890-91.....	233	1,676		
1891-92.....	720	983	11	11
1892-93.....	3,650	2,511	118	596
1893-94.....	2,316	1,863	226	834
1894-95.....	1,024	1,437	182	422
1895-96.....	2,048	1,456	208	744
1896-97.....	4,035	1,599	438	1,587
1897-98.....	2,455	1,349	349	1,118
1898-99.....	2,177	1,505	326	723
1899-1900.....	1,885	1,860	223	323
1900-01.....	1,694	1,907	441	236
1901 Oct. 31, 1902.....	729	690	230	200
	26,638	23,521	2,752	6,794

Total entered..... 29,390  
 Total passed out..... 30,315

## CHAPTER XXVII.—CONCLUSION.

1. The advent of Chinese in large numbers into British Columbia dates back to the early sixties, and the discovery of the rich placer fields of Cariboo and Cassiar. Later when this industry waned numbers of the Chinese left the country, but some remained. During the construction of the Canadian Pacific Railway, however, large numbers again came in, so that as the great industries began to develop there was always a supply of cheap labour available, first the Indians, then the Chinese, and lately the Japanese. The Indians in the sawmills were gradually displaced by the Chinese, who in turn are now being superseded by Japanese. Some of the employers in effect said: we have always had cheap labour, and we require cheap labour to carry on our industries; it doesn't matter what kind it is, whether it be white, black or yellow, so long as it is cheap and in sufficient supply.

Will the prohibition of further immigration of Chinese labour injuriously affect the various industries of the country? To answer this question satisfactorily each industry must be examined separately, regard being had to its peculiar position and special requirements; and this has been done in every case with great care. The various chapters in which the several industries are dealt with give the evidence and findings relating to each. A few of the facts may, however, be here indicated.

In the important matter of land clearing, farming and settlement, the view of those who are especially interested (excepting only the large land owners, and those who rent their land to Chinese, and very few others, who cannot be said to look to farming exclusively for their livelihood) is voiced in the one word,—exclusion.

In the mining industries, which in 1901 produced twenty millions, the Chinese contributed to the production of the gold output a small fraction of the whole, confined almost exclusively to the placer mines. They are not employed in the collieries in the interior; on the coast they are employed for surface work, but not underground, except in the Union Mines. A point not to be lost sight of is the fact that the manager of

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the Company that is the largest exporter of coal, where they are employed, is in favour of total exclusion, and thinks the remedy ought to be applied at once. The president of the other collieries of the coast where they are employed, is in favour of higher restriction and the Natal Act, as indicated in his official utterance as Premier of the Province; on the other hand the general manager of this company favours unrestricted immigration. Chinese are not employed in the coal mines of the Pacific Coast States.

The lumber industry must be treated, for clearness, under two heads,—1. The export trade; 2. The local and eastern trade. The export trade is done by five mills, of which three represent 97 per cent, and of the three, the largest exporter (nearly one-half the total in 1900), is the only one that employs Chinese to any extent, and the manager of this large concern is in favour of total exclusion; the next largest employs only some nine or ten as cooks, and the third only employs some five or six, and these not directly in connection with the export trade; so that for this part of the industry it is perfectly plain that they are not essential. It may be here noticed that the exclusion of further immigration of the labouring class of Chinese is desired by the two principal exporters of lumber and coal.

The local and eastern lumber trade is in many hands, and the undoubted voice of most of the employers examined, representing this branch of the business, is in favour of exclusion or higher restriction.

In Washington State Chinese are not employed in the mills, and after nearly twenty years' experience of an Exclusion Law the mill owners favour its continuance.

The shingle business in British Columbia has developed to large proportions, and Chinese are employed in considerable numbers and are regarded as at present necessary for the trade. The difference in cost, if white labour were employed, was estimated at three cents per thousand. Shingles are now produced at a shade less on the American side. It should also be noted here that this industry, which has assumed enormous proportions in Washington State and Oregon, is carried on exclusively by white labour.

In the province there are 74 salmon canneries, which are owned and operated by between forty and fifty companies and individuals. In no other industry are the Chinese as largely employed. Their numbers have steadily increased as the industry developed, although by the introduction of machinery the number in proportion to the pack has largely decreased. It is said they are peculiarly suited to the work.

The fluctuating character of this industry in respect of the supply of fish and the market for the product, and the large number of hands required during the busy season, deserves special mention. In no other industry is there so much uncertainty as to when and to what extent labour may be employed, owing to the lack of knowledge of the conditions of the supply. From the passing runs of salmon they must be caught and put into tins without delay, and the hands must be there ready to do the work. In an emergency occasioned by an unexpectedly heavy run difficulty is sometimes found in getting an immediate supply of labour. It was stated that in some cases the bulk of the season's pack is obtained in several days. Apart from the men who are engaged in making the tins the Chinese labour is drawn from other occupations, to which they return as soon as the canning season is over. The Chinese being available and easily conveyed to the canneries, this industry was established and carried forward more with regard to advantageous location for obtaining fish than to obtaining a supply of white labour.

In the adjoining State of Washington the industry was first established in the year 1892. Chinese are also there employed, but not to the same extent as in British Columbia. In the last few years the development of this industry in Washington State has been very great, many millions being expended in plant, and the pack now exceeds that of British Columbia. This development has taken place during the years of the Chinese Exclusion Act in the United States. In most cases their canneries are located with a view to convenience in securing available labour of girls and youths from the adjacent towns and villages, who take the place of the Chinese for inside work to a certain extent.

British Columbia, with a white population of 129,000, has about 16,000 Chinese; while Washington State, with a white population of 518,000, has 3,600 Chinese, where

about 2,500 are employed in the canneries; some are brought up from Portland, while some of the Chinese in Washington State go to the Alaska canneries.

The white fishermen who are numerically a great factor in the industry, and deeply interested in the success of the canneries that afford the only market for their fish, are practically unanimous in their opposition to any further immigration of the Chinese, notwithstanding the fact that if the canneries had to pay a higher price for inside labour, the price of fish would be most likely to be affected by it.

We repeat the closing statement contained in the summary of the chapter where this matter is fully dealt with:—

Had there been no Chinese in the country, it is probable that the whites and Indians would have been trained to the business, and would have furnished sufficient supply, but the almost exclusive employment of Chinese through their boss contractor, who naturally employs his own countrymen, where available, has practically shut the door against whites and Indians and prevented them from learning the business.

The exclusion of further Chinese is not likely to seriously affect this industry, for

(a.) There are sufficient Chinese already in the province to meet the demand for years to come, having regard to the views generally expressed by witnesses as to a maximum development having been reached, and the possible depletion of supply and the number of Chinese now in the province.

(b.) The change will be so gradual as to be all but imperceptible, and may be met by the employment of whites and Indians.

(c.) On the Sound where the Exclusion Act has been in force for many years and the number of Chinese has decreased in the last decade, it has not retarded the development of this industry, but on the contrary this industry has received its chief expansion during this period; many millions having been invested therein within the last three or four years, and this, although Chinese are employed both on the Sound and in Alaska, as they are in British Columbia.

There is nothing disclosed in the evidence as it affects this industry which renders it inexpedient, if otherwise desirable, to exclude the further immigration of Chinese into the Dominion.

As cooks and domestics the Chinese are distributed throughout the whole province.

As cooks and assistants in hotels and restaurants, on steamboats, in camps, &c., it may be safely said that they outnumber all others.

The wages they receive are equal at least to what is paid usually for the same class of labour in eastern Canada. They are regarded favourably by their employers, principally because of their sobriety, machine-like regularity, economy, and their disposition to remain with one employer. Complaints were frequently made of the instability and uncertainty of white men as cooks, and it was stated that the employment of Chinese was a necessary result. There can be little doubt, however, that relief would be found in a great measure by a withdrawal of the Chinese from this occupation, in consequence of which a better class of men would become available for positions where men only could be employed.

In domestic service they are found valuable, useful and convenient. The wages paid to them are as high at least as are paid to white women and girls in British Columbia, and higher than is usually paid for similar services in eastern Canada. In addition to the ordinary work performed by servant girls, they do many small chores and services which the former cannot do. They are punctual, obedient, and desirous of pleasing their employer. They generally accept the discipline of a strict mistress, and do not readily take offence at the petty annoyances of housework. There are no questions of social rank and privileges. The Chinaman does his work well for his employer for so much money, and there their interest in each other may be said to cease.

Servant girls are difficult to obtain in British Columbia; they are not there in large numbers. Even family nurse girls are hard to secure. The problem of securing domestic servants is not, however, confined to British Columbia, though the extreme scarcity there can undoubtedly be largely accounted for by the presence of the Chinese. The source from which a supply would be expected is shut off. It is not usually the



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family of the skilled mechanic or of those who earn high wages that provide this class of labour ; it is obtained from the families of those who for one reason or another do not enter the higher paid callings, and who are forced to look for employment in the avenues of labour which are occupied by the Chinese. It would not require a great number of families of the labouring class to provide servants to the number of Chinese now employed in domestic work, and from these again in any new country is the hope of a steadily increasing population and permanent settlement of the country to be looked for.

A report of the Seattle Bureau of Labour furnishes an interesting example of how this class of servants may find employment, and at the same time supply the demand of those requiring this class of labour.

With reference to the other industries, trades and callings, reference may be had to the chapters where they are treated. In the great majority of cases and with the great mass of people, the Chinese are not desired and not required, and are regarded as a great injury to the country.

The supply of this class of labour already in the country is sufficient to meet the demand for all the industries, not only for the present, but for years to come.

There is one consideration as it affects the various industries that ought not to be lost sight of. Exact data from the census is not before us, but in a total estimated population of 177,000, of whom 129,000 only are whites, the presence of about 16,000 adult unmarried males, trading with their own people and importing largely their own food, and finally taking the greater part of their earnings with them to China, is a vital matter. Under normal conditions this number of adult males ought to represent a population of from 50,000 to 75,000 at the least, of men, women and children, requiring homes, and creating a demand which would affect favourably every industry, trade and calling in the province. This great advantage which ought to flow from the development of the country's natural resources is thus largely curtailed by the employment of this class of labour.

Some employers call attention to the fact that certain industries create a larger demand for unskilled labour during the summer season, *e. g.* placer mining and prospecting ; timber logging on the coast and land clearing is carried forward more vigorously in summer, owing to climatic conditions ; the canning season is almost wholly confined to six or eight weeks in summer, and at the same time the demand for farm help is at its height.

Your Commissioners are of the opinion that the interests of the country are not promoted to the best advantage by any undue stimulus to one or more particular industry in the way of cheap labour in unlimited supply ; rather is it better that any industry should not quickly reach its maximum point of development, but that the industries of the country as a whole should be encouraged and built up, all inter-dependent, each supporting the other as far as possible in the elements of production ; and that those who find employment therein should be permanent settlers with homes, and recognizing the responsibilities and discharging the duties of citizenship.

The great industries should be able to adjust themselves by a gradual change from the employment of Chinese to those of our own race who come in to take their places. There is a surplus in the country now, excepting for a very short time in the summer season, and hundreds in winter are unemployed, ready to enter any avenue of unskilled labour that may open.

In order that the situation in British Columbia may be fairly understood it should be mentioned here that relatively speaking, there is at present a small fraction of the population engaged in agricultural pursuits or in industries kindred thereto. Employment is chiefly given by the mines, fisheries and lumbering industry from which spring auxiliary enterprises, trade, and the employments attendant and necessary to those engaged directly as primary producers. The character of these resources, generally speaking, requires a large amount of capital for their successful prosecution. There are few in the province who may be termed capitalists ; the money invested is largely from without the province. From this it will be observed that the employers as a class are numerically few in number. From amongst this class are the only avowed opponents of

further restriction or exclusion, and the evidence does not disclose any great number of them; their objection was solely on economic grounds. They were opposed to granting the Chinese the rights of citizenship or to encouraging the assimilation of the races.

The repeated expression of opinion by the provincial legislature may be regarded as a fair reflex of public opinion as a whole on this question. Frequently it was asserted that one of the chief objections to the Chinese was that they would work for too low a wage, that the question was one largely between capital and labour. The mere appearance of this class of labour, standing as a wedge between the employer and the labourer, is sufficient in itself to arouse the antipathy of the latter. Whatever may have been their relations in the past in this respect, it cannot now be denied that industrial progress and peace can only be assured by bringing the employer and white labourer closer together, and by their understanding each other better. By the gradual removal of the Chinese—one of the chief estranging elements—the industries should not suffer, and a further approach to a better understanding between the employer and the employed be the result.

2. In the older provinces the disturbing element introduced by Chinese coolie labour has not yet been felt to any serious extent. Immigrants who come to other parts of Canada come to make it their home and meet on an equal footing. In British Columbia this normal condition of equal opportunity is disturbed by an immigration so different in kind, in civilization, in manner and cost of living, that it puts the unskilled working man at a disadvantage in every avocation in life where he meets this class of labour, and he meets it everywhere. He insists that he does not seek to disturb normal conditions but to restore them, and to be placed on a common footing and given an equal chance to obtain a living for himself and his family.

A great need of British Columbia at the present time is actual settlers, and especially upon the land. A settler with small means can only afford to clear his land by utilizing the wood and timber upon it and by getting outside work. Under present conditions he is cut off from this assistance from either source. Will he realize from his wood and timber or find work in the lumber mills, shingle mills, or as surface worker at the mines? In all these and other occupations where unskilled labour is employed he finds the Chinese, working at a wage that bars him out. It is not correct to say that there is plenty of work for unskilled labour, unless you add 'at the wage for which the Chinamen work,' and even then it is not true, because in most cases Chinamen work in gangs under a Chinese boss, where white men are not wanted; and for a part of the year numbers of Chinese are also out of employment.

Another feature of this class of labour is that it creates a dislike, amounting to contempt, for the work itself in whatever calling it is employed. The majority of working men will not, if they can avoid it, work with Chinamen; they feel that they would be degraded in the eyes of their associates by so doing. Nor is the dislike of those pursuits in which Chinese are engaged confined to the adult labourer, it is shared by the youth of the country as well, and labour is degraded where it ought to be honoured.

The constant presence of this class, with hundreds being added to their number every year, is a real danger to the very existence of the white working man. He becomes dissatisfied and in many cases leaves the province, or if he remains, advises his friends not to come. The satisfied settler is the best immigration agent, but it was evident that this important influence is directed against immigration of that class of settlers of which the country is most in need, and solely because of the presence of this class of labour.

That they are employed in many industries is readily understood. They are noted for faithful observance of contracts, they are docile, plodding and obedient to servility, easily obtained through boss contractors, accept accommodation unfit and intolerable to a white man, working in gangs under a Chinese boss who has the contract, and who makes his profits chiefly in furnishing them supplies at a high price.

A glance at the conditions under which the white workingman and the Chinese compete will show how unfair this competition is. The one is expected to discharge the ordinary duties of citizenship to himself, his family and his country: rent must be paid, food provided, and the family decently clothed; yet he is put in competition with one

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who does not assume any of these duties, and who lives under conditions insufferable to a white man. Fifty cents a month or less pays the rent, a few cents a day supplies the food, he has no home, wife or family in this country; he shows no desire to change, he is well content as he is until such time as he can return to China and take his savings with him. Fifty years or more on this continent has made little or no change in him or his manner of living.

The fact is established beyond all doubt, that under present conditions the white labouring man cannot compete with the Chinese and decently support his family. It is wholly illusory to say that wages are fair for the ordinary working man. He may get work at odd jobs which a Chinaman cannot do, but the real avenues for unskilled labour that are afforded by the natural industries of the province are practically closed against him, while the cost of living is very much higher than in the east.

The workingman is further embittered by the fact that not only is he compelled to compete under these unfair conditions, but he also finds the places which he has a right to expect his sons and daughters to fill, occupied by Chinese, and his children growing up in idleness and despising honest labour. Many parents and others expressed concern for what they regard as the dark future for the youth of the province. We found an intense feeling, taking the form of indignant protest, against the wrong thus done to the rising generation. In eastern Canada it is not so: there the youths are employed in the lighter work connected with the leading industries; they thus become familiar with the business, acquire the knowledge necessary, and gradually work up to positions requiring more skill, thus providing for the transition from boyhood to manhood, giving thoroughness to the man and affording a constant supply of trained hands ready to meet the demand for this class of labour, and promoting the stability of the industry.

The above applies with greater or less force in the case of women and girls who have to seek a livelihood by their own work.

It was urged upon us by some that the effect of this cheap class of labour is to increase the number of skilled labourers employed and to increase their wages. The skilled mechanic did not admit this contention to be true, and declared if it were true he did not want the advantage. There ought to be no distinction in opportunity between different classes of labour, and besides, the fate of the unskilled labourer to-day may in time be the fate of those engaged in the more skilled employments. In many lines the encroachment has commenced. From the position of the labouring man the admission of this class of labour is unfair, unjust and deadly in its effect; unfair because it does not affect all alike; unjust because it robs the poorest of half his income from his only capital, and deadly because it strikes at home life and the wage-earning class.

Labour in effect says: You guard this country against being made a slaughter market for cheap goods, where the manufacturer is able to limit supply and fix prices; yet you ask me to accept conditions where the supply is unlimited and the prices not fixed. You admit this competitor is not my equal; is not now and never will become a citizen; you debar him from municipal work and deprive him of the franchise. You admit that I cannot live decently upon what he lives upon, nor work for the wages he works for, yet you ask me to submit to this unequal and degrading competition and at the same time expect me to assume and discharge all the duties of good citizenship. There ought to be some comity in this matter. I ask that normal conditions be restored by preventing any further immigration of this class of labour.

3. British Columbia is especially favoured by nature in the versatility and richness of her natural resources, which it is believed Canadians are able to develop, and which if properly applied are capable of supporting a vast and permanent population. This nation building should be based upon a sound foundation of good citizenship, in which every useful employment is honourable, and where the dignity of labour is recognized and preserved.

If the end to be sought is the building up of the nation, and not the exploitation of these resources, the one vital interest to be secured above all others is an immigration of settlers of whom we may hope to make Canadians, in the highest and best sense of that word. That this object ought to be the one in view is supported by the recent public utterance of a very distinguished personage, when he said:—



"No one who has the privilege which we have had during our tour could fail to be struck with one all-prevailing and pressing demand—the want of population. Even in the oldest of our colonies were abundant signs of this need,—boundless tracts of country yet unexplored, hidden mineral wealth calling for development, vast expanses of virgin soil ready to yield profitable crops to the settler; and these can be enjoyed under conditions of healthy living, liberal laws, free institutions, in exchange for the overcrowded cities and the almost hopeless struggle for existence which, alas, too often is the lot of many in the old country. But one condition, and one only, is made by our colonial governments, and that is—send us suitable immigrants. I would go further and appeal to my fellow countrymen at home to prove the strength of the attachment of the motherland to her children, by sending them only of her best. By this means we may still further strengthen, or at all events pass on unimpaired, that pride of race, that unity of sentiment and purpose, that feeling of common loyalty and obligation which, knit together, alone can maintain the integrity of our Empire."

How far do the Chinese of the labour or coolie class approach to this standard? They come from southern China, drawn from the poorer classes, reared in poverty where a few cents a day represent the earnings which must suffice for a family; accustomed to crowd together in small tenements or huts, close, unhealthy and filthy; with customs, habits and modes of life fixed and unalterable, resulting from an ancient and effete civilization, with no desire to conform to western ideas. They form, on their arrival, a community within a community, separate and apart, a foreign substance within, but not of our body politic, with no love for our laws and institutions; a people that will not assimilate or become an integral part of our race and nation. With their habits of overcrowding, and an utter disregard of all sanitary laws, they are a continual menace to health. From a moral and social point of view, living as they do without home life, schools or churches, and so nearly approaching a servile class, their effect upon the rest of the community is bad. They pay no fair proportion of the taxes of the country. They keep out immigrants who would become permanent citizens, and create conditions inimical to labour and dangerous to the industrial peace of the community where they come. They spend little of their earnings in the country and trade chiefly with their own people. They fill the places that ought to be occupied by permanent citizens, many of whom leave the country on their account. They are unfit for full citizenship, and are permitted to take no part in municipal or provincial government. Upon this point there was entire unanimity. They are not and will not become citizens in any sense of the term as we understand it. They are so nearly allied to a servile class that they are obnoxious to a free community and dangerous to the state.

Situated as this province is, upon the seaboard, it should possess a stalwart, homogeneous and united population, capable and willing to defend the country in case of attack. In this regard the Chinese are a real source of weakness.

It is incredible that British Columbia, admittedly one of the richest countries in the world in natural resources,—with its vast forests, unsurpassed fisheries, minerals of all kinds, and large tracts of delta and other lands suitable for agriculture,—cannot be developed without the assistance of Chinese labour. Your Commissioners believe that it is impossible for the province of British Columbia to take its place and part in the Dominion as it ought to do, unless its population is free from any taint of servile labour and is imbued with a sense of the duties and responsibilities appertaining to citizenship.

This class of immigration falls far short of that standard so essential to the well-being of the country. From a Canadian standpoint it is injurious, and in the interest of the nation any further immigration ought to be prohibited. The great industries will not suffer. There is a surplus of this class of labour at the present time ready to enter any avenue of unskilled labour that may open. If no more were admitted the supply is equal to the demand for years to come, and the change will be so gradual as to be almost imperceptible. There are more Chinese today in Victoria and adjacent thereto, than in the whole State of Washington. The Chinese labourers who are already in the country will be benefitted by the change. Trade with China will rather be promoted than otherwise, by removing a cause of friction, as has been found to be the case in the United States in their trade with China since the Exclusion Act. The



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interests of the Empire can best be served by building up a strong and united Canada, able not only to defend herself, but afford help if need be to the Mother Country. Whatever permanently weakens British Columbia weakens the Dominion and the Empire, and no material gain to individual interests ought to weigh for one moment against this injury to the nation.

The right to discriminate against foreigners has been recognized in our tariff and immigration laws, and it has recently been held by the highest Court of Appeal for the British Empire, that an alien has no right which can be enforced by action, to enter British territory. (*See Musgrove vs. Chun Teeong Toy*, Appeal Cases, 1891, page 272.) In this connection it may not be out of place to call attention to the recent promise made by the British government to appoint a commission to inquire into the whole question of immigration into Great Britain, with a view of excluding undesirable immigrants.

If it could be said with truth that the effect upon the labour class of Chinese coming to British Columbia was to raise them up and to make of them good citizens, and more rapidly bring them under the influence of Christian teaching, it might be urged, from a humanitarian standpoint, that a duty devolved upon this nation to receive them; but a reference to the evidence, and especially to that of the many Christian teachers who were called, clearly shows that such is not the fact. From a moral and Christian standpoint the Chinese labourers in British Columbia as a class are not improved. Those who are here, however, are entitled to receive all the protection which our law can give.

4. In reference to the representations made by the people and Legislature of British Columbia, wherein it is alleged:

"That the province is flooded with an undesirable class of people, non-assimilative and most detrimental to the wage-earning classes of the people of the province, and that this extensive immigration of orientals is also a menace to the health of the community;

"That there is probability of a great disturbance to the economic conditions in the province and of grave injury being caused to the working classes by the large influx of labourers from China, as the standard of living of the masses of the people in that country differs so widely from the standard prevailing in the province, thus enabling them to work for a much less wage;

"That it is in the interests of the Empire that the Pacific province of the Dominion should be occupied by a large and thoroughly British population rather than by one in which the number of aliens would form a large proportion;"

We find that these representations are substantially true and urgently call for a remedy.

We also find that the increase of the capitation tax from \$50 to \$100 is ineffective and inadequate.

Your Commissioners are of opinion that the further immigration of Chinese labourers into Canada ought to be prohibited;

That the most desirable and effective means of attaining this end is by treaty supported by suitable legislation;

That in the meantime and until this can be obtained the capitation tax should be raised to \$500.

The only point upon which your Commissioners could not agree is the date when the capitation tax of \$500 ought to come into effect. The Chairman and Commissioner Foley are of opinion that the capitation tax should be raised to \$500 at once, while Commissioner Munn is of opinion that \$300 should be imposed for two years, and if a prohibitive treaty be not obtained within that period, that it be then raised to \$500.

R. C. CLUTE, Chairman,

D. J. MUNN,

C. FOLEY.



## APPENDIX.

Addresses of Counsel, Mr. C. Wilson, K.C., for the Province of British Columbia, and Mr. A. D. Taylor for the Chinese Board of Trade.

Extracts from the Report of the Philippine Commission.

Hon. Oliver P. Morton's Minority Report, U. S. Commission, 1876.

### ADDRESS TO THE ROYAL COMMISSION OF C. WILSON, K.C.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMISSION :

At the close of the labours of the Commission in this province, may I be permitted to express my keen appreciation of the unvarying courtesy, urbanity and patience (sometimes under trying circumstances) of every member of the Commission. From the distinguished lawyer who presides, one not unnaturally expected the exercise of high judicial qualities, and certainly there has been no disappointment. But it was a pleasure to find that those members of the Commission, whose lives have been passed in other pursuits, were also capable of exercising judicial duties in such a highly acceptable manner. So exhaustive, in fact, has the examination of the Commission been, so sincere a desire to ascertain the whole truth been manifested, that the duties of counsel have been greatly lessened. For myself, I have carefully followed the direction given at the outset of our labours not to put a question to a witness unless it would elicit a new fact.

The question of Chinese and Japanese immigration naturally divides itself into five classes: (1) The economic or industrial, (2) the social, (3) the moral, (4) the religious, (5) the national or political. I only propose to deal with the first and the last, and, to clear the ground may say that I have no idea of advocating expulsion, but do propose to advocate a policy of restriction which will amount to absolute exclusion, and to show by the evidence that further admission is not expedient in the interest of any industry, and is absolutely dangerous from the national or political standpoint. I exclude the social, moral and religious aspects, not because they are unimportant, but, important as they are, and necessary for the well being of the state, they are dwarfed by the grave and serious character of the other two aspects of the question, and are not properly subject to legislative control.

It will be obvious from what has been said that it will not be necessary to discuss the fact of their personal cleanliness, coupled with an utter disregard of the laws of sanitation, at any length. Neither will it be necessary to argue that as servants they are not faithful, sober, fairly honest and industrious. I propose to found my position upon the proposition that no industry has been called into existence by their presence, but that being here they have been made use of. That they will gradually encroach upon and exclude the white worker from fields of labour now exclusively occupied, and rightly occupied by him, and that living as they do under conditions and in a manner intolerable to our own people, the nature of the competition is an exceedingly unfair one. That the strength of a people depends on the good condition and the intelligence of the masses.

The foundation of all social order is based upon a vigorous and intelligent people, and the State cannot long endure whose foundation rests not upon those of its own race and kind, but upon a race not only alien in so far as their birth is concerned, but of a different type of humanity and civilization, who care nothing for our institutions, nothing for our laws, except in so far as they affect their own temporary welfare: a people alien in manners and customs, who are not homogeneous, who do not assimilate with us, who would not if they could, and who could not if they would, who are absolutely indifferent to the well-being of the state, who expect to return to their own land either dead or alive, and whatever virtues they possess have also characteristics which render it very undesirable that they should ever become members of our body politic.

In the time allotted to me to sum up the evidence on behalf of the province of British Columbia, I may mention that there are two ways of dealing with that question. One would be to wait until the shorthand writer's notes had been transcribed, and then to make a careful and exhaustive analysis of the evidence, which would carry conviction to the mind of any one who chose to verify the references and take the trouble to study the subject. The other, and that is the method which I propose to adopt, it being the only one that I can adopt within the time, will be to state the effect that the evidence has had upon my mind, and to endeavour as well as I possibly can to impress the minds of the Commissioners with the view which, in consequence of the evidence, I entertain, and which I may say, to put it briefly, is: That the immensely preponderating mass of the evidence is in favour of such a measure of restriction as to amount to absolute exclusion. I may state at the outset that I have not the slightest desire to address the Commission in such a way as to give rise to the inference that the evidence, while pointing to total exclusion, is calculated in any way to disturb our political or commercial relations with either Japan or China. We simply object to a common interchange of labourers, using that word in its wider sense.

Before entering upon the general question, I desire to say a few words with respect to the position assumed by my learned friend, Mr. Cassidy, who represented the Japanese. If I have grasped his idea rightly, then he primarily put it on the ground that it would be a highly improper thing, having regard to the position assumed in the family of nations by the empire of Japan, to pass any measures calculated in the slightest degree to interfere with the commercial relations existing between that empire and ourselves, or placing any barrier on freedom of intercourse between the subjects of that empire and the subjects of King Edward. China certainly is not one of the nations entitled to invoke international law in favour of the unrestricted right of all classes of its people to enter the territory of another nation. The events of the past year show clearly that that empire is not even able to enforce within its own borders the simplest rules of international obligation. I am unable to advance any opinion whether or no Japan is one of the modern civilized states that regard the certain rules of conduct, called international law, as being binding on it. I refer to the following passage from Mr. Hall's book on the subject as casting some doubt upon it. At page 42 he says: 'It is scarcely necessary to point out that as international law is a product of the special civilization of modern Europe, and forms a highly artificial system, of which the principles cannot be supposed to be understood or recognized by countries differently civilized, such states only can be presumed to be subject to it as are inheritors of that civilization. They have lived and are living under law, and a positive act of withdrawal would be required to free them from its restraints. But states outside European civilization must formally enter into the circle of law-governed countries. They must do something with the acquiescence of the latter, or of some of them, which amounts to an acceptance of the law in its entirety beyond all possibility of misconstruction. It is not enough, consequently, that they shall enter into arrangements by treaty identical with arrangements made by law-governed powers, nor that they shall do acts, like sending and receiving permanent embassies, which are compatible with ignorance or rejection of law. On the other hand, an express act of accession can hardly be looked upon as requisite. When a new state comes into existence its position is regulated by like considerations. If by its origin it inherits European civilization, the presumption is so high that it intends to conform to law, that the first act purporting to be a state act which is done by it,



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unaccompanied by warning of intention not to conform, must be taken as indicating an intention to conform, and brings it consequently within the sphere of law. If, on the other hand, it falls by its origin into the class of states outside European civilization, it can, of course, only leave them by a formal act of the kind already mentioned. A tendency has shown itself of late to conduct relations with states, which are outside the sphere of international law, to a certain extent in accordance with its rules, and a tendency has also shown itself on the part of such states to expect that European countries shall behave in conformity with the standard which they have themselves set up.

Mr. Cassidy also put it upon another ground. That is, that our refusal of intercourse with them, and our suggestions that they do not assimilate with us, and that we would not assimilate with them, was not calculated to promote that good feeling which should exist between the two nations. Now, I disavow any intention of casting any reflection whatsoever upon a people who have shown the readiness that the Japanese have shown, to adopt western civilization, and who are certainly celebrated for the politeness and courtesy with which their intercourse with Europeans is carried on. There are notable instances of intermarriage between the two nations, so that I do not put it upon that ground. My objection is that (while there are exceptions to the rule) the average Japanese remains what he always was, a Japanese, and notwithstanding the fact that he may take out a certificate of naturalization in this country, he never becomes, in truth and in fact, a Canadian, but always remains a Japanese. I think further, that susceptible as these people are, means may readily be found by those in authority, for so arranging matters, as that the immigration of Japanese labourers into this country may be restricted without wounding their *amour propre*, and without creating any friction between the two countries. It seems to me that it would be a gracious act on the part of the ruler of that country, if, when he found that the labourers of his own country were unacceptable visitors to us, he forbade them from coming here. In other words, diplomatic intercourse may result, and should result, in restriction so far as the Japanese are concerned, as a result of action on the part of their own ruler. If, however, this cannot be achieved, then we have to act ourselves, and I do not hesitate to say that it is no new doctrine to state that a country not only can, but should, when the self-preservation of any particular class of its own people becomes necessary, prohibit the entry into the country of unassimilable and undesirable immigrants. There are many instances in past history not only of the exclusion of the people of one nation from another, but also of the expulsion of great numbers of people: *e.g.*, the expulsion of the Jews from Spain and the Huguenots from France and the Jews from Russia.

Before dealing with the industries, I desire, however, to say a few words with respect to sanitation and health, and to clear the ground somewhat as to some other of the subjects that have been dealt with. The evidence indicates that both of these oriental nations possess a very large degree of personal cleanliness, coupled with the most utter disregard of those sanitary regulations which are considered by Europeans necessary for the welfare of the community. It seems somewhat singular that this personal cleanliness should be coupled with filthiness in other directions in the way that it is, but it is certainly true that such is the case. The evidence of Captain Clive Phillips-Woolley shows some of the mischief arising from the disregard of these regulations, and Dr. Wade adds medical testimony of the evils resulting from that disregard, notably in relation to typhoid and smallpox. Dr. Fraser and other sanitary officers tell us that conditions within the last few months have improved. I think it can be said without doubt or hesitation, that the very existence of the Commission has largely improved them, and that the coming of the Commission into the different Chinese quarters has tended to a general clean up, culminating in the disastrous burning of the Chinese quarters at Union.

The industries chiefly affected by oriental immigration are: (1) lumber; (2) fishing and canning; (3) mining; (4) domestic service; (5) tailoring; (6) cigar-making; (7) laundry; (8) market gardening; and (9) boat-building. I only propose to deal at some little length with the first four of these subjects. The other five, while of equally grave importance with the first four, do not employ in their business so large a number of persons, and while the injury done to them is in some respects greater than in the larger

industries, it does not as a state question make itself so greatly felt, and the time at my disposal does not permit me to deal with the several subjects exhaustively. I will, therefore, confine myself to this, that so far as those industries are concerned, the whites have been really driven out, and their places taken by the Chinese and Japanese, particularly is that so with tailoring and market gardening. By the employment of improved methods and machinery, it would appear as if the laundryman was once more beginning to hold his own with his oriental competitor.

Turning now to the lumber industry. The evidence of the witnesses would seem to show that this industry is not in a good condition, and the reason seems to be because the price of the British Columbia product is regulated by the foreign market, and the absence of protection to our own market. Again the local market seems to be largely depending on the canning and mining industries. Depression in either of these industries producing like depression in the lumber trade. Mr. Alexander points out most forcibly that eighty per cent of the labour employed by them is white, more than eighty per cent of the wages being paid to white men, the remainder being paid to the orientals. His evidence may be briefly summed up to this extent, that owing to existing conditions of the trade the cost of production cannot be increased; in other words, to sell profitably under existing conditions, the limit for the payment of wages has been reached, and that to place any impediment in the way of the trade as it at present stands, would be to exclude twenty per cent of oriental labour and eighty per cent of white labour. In other words, the existence of this amount of white labour depends upon the proportion of oriental labour now engaged in the trade. The limit of profitable production having been reached, they cannot afford to employ white labour at all except by employing a certain amount, namely, 20 per cent of oriental or cheap labour. Now, this appears to involve several very serious propositions. First, it would appear that the British Columbia manufacturer or lumberman has not control of the market, and the reason assigned is because he is brought into competition with lumber mills, chiefly the Port Blakely mill on the other side, which, it appears, employs some 300 Japs. Second, that the United States mill owners have an enormous market in their own country, from which, by reason of the protection which the government extends to them, we are absolutely excluded. It would appear, then, as if one of the chief export mills on the other side employed Japanese labour, and it would also appear that the very thing which the British Columbia lumberman demands, namely, cheap labour, has created a necessity for its own existence; for if the United States pursued the same policy of exclusion towards the Japs as they have towards the Chinese, the competition which the British Columbia lumberman would then meet, would be a competition of white labour alone, in which the same field for obtaining it would be open to him as to the American. The only disadvantage that he would then labour under would be the lack of protection in his own country, an evil which it would seem admits of a very easy remedy. That this last, the lack of protection here, owing to the repealing of the Wilson bill in the United States, has been a very serious evil, there can be no doubt. It gives the American manufacture the advantage of his enormous home market, an equal competition with ourselves in the general markets of the world, and, lastly, the liberty of using Canada as a slaughter and dumping ground for their surplus product. There can be no doubt either but that the very existence of this particular class of labour, that is, the cheapest labour that can be obtained on earth, is an inducement to the capitalists to invest moneys in enterprises which are not necessarily productive when managed under fair conditions with respect to the operative. In other words, it means this, the more saw mills the more competition, the more competition the more is the price reduced, hence the necessity of reducing wages so that the articles may be produced and sold at a profit. We cannot hope, but we may as well face it, so far as this particular industry is concerned, we cannot hope to meet their competition except by the introduction of Europeans. I may add, of Europeans from the north of Europe—we do not want them from the south of Europe—and of people from the eastern provinces, who, being frugal, hardy, thrifty, industrious people, and whose condition would be improved working, not for Chinese wages, but for a fair wage which would enable them to at any rate better their condition after coming here. I say we cannot hope to compete with

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them until we have produced this state of affairs, and we cannot produce this state of affairs until we have adopted a policy of restriction. Mr. Jardine shows that the shingle industry has been carried on without oriental labour, but it is idle to expect that white labourers will come into this country when there is an abundance of oriental labour. In the first place there is no room for them. Second, they would have to compete as to wages with a class who live under conditions that they will not submit to; and, third, when once they get the idea into their heads that certain labour is only performed by a race, whatever their skin, we are accustomed to regard as inferior, it is certain that the better class of European labourers will not come to this country. So long as we have cheap labour in the province, all industries will work or level down to it. If the employer can by the use of cheap labour employ his capital he will surely do so. The existence of this class of labour creates a demand again for more, until the limit of profitable production is reached, or the manufacturer or producer can sell no more at a profit.

Turning now to the fishing industry. I submit without any hesitation that the evidence shows that there are quite enough orientals in the country for the successful carrying on of that industry. The following figures show the number of cases from the year 1894 to 1900, inclusive, the number of fishermen from 1896 to 1900, and the total number employed in the industry:

Year.	Cases.	Fishermen.	Total Employed.	Value of Plant.
				\$
1894	494,371			
1895	566,395			
1896	601,570	3,593	14,277	2,197,248
1897	1,015,477	4,500	19,850	2,350,260
1898	484,161	4,435	20,695	2,480,245
1899	732,437	4,197	20,037	2,145,173
1900	585,413	4,892	20,062	2,839,904

Believing in the theory, that once in four years there is what is called a good year, it is very much to be regretted that Mr. Bell-Irving who furnished these very valuable statistics, did not give the amount of the catch in the year 1893. However, there is sufficient material here to draw one conclusion which seems to me to be irresistible. The number of Chinese from 1893 to the present time have increased. The value of the plant from 1896 to 1900 has increased nearly seven hundred and fifty thousand dollars, and the number of Chinese have increased proportionately with the increase in the number of canneries, yet in 1893, 1896, 1897 and 1899 more fish were put up with fewer canneries, less capital, and fewer Chinese than in 1900. There is an additional fact, and that is, that improved methods and machinery enable one man now to do much more than at any other time. There being then Chinese, whites and Indians sufficient now to carry on the industry, it would seem that the exclusion of the oriental would work no injury. Fisheries on the Labrador coast are supplied with white fishermen. Even this inhospitable clime finds no difficulty in obtaining its supply of white labour. Newfoundlanders are returning to their own country, leaving British Columbia rather than settle here and compete with orientals.

If the canning industry is not a profitable one, then where does the money go? From five hundred thousand to a million cases of fish are produced in the year. Some few whites are employed in the province; supplies are foreign. How, then, is the state benefitted? Upon the supplies, a certain amount of duty is collected by the federal government, certain amount of taxes in the way of licenses are collected from the fishermen; but beyond the expenditure of the money that the white fishermen receive, or the whites in the employ of canners receive, the province of British Columbia receives no benefit whatsoever. In other words, one of our greatest provincial industries, one for which we stand pre-eminent the world over, our salmon fisheries, are gradually being depleted, and the benefit the state, that is the province, itself derives is infinit-



esimal in character. If, on the other hand, the canneries are profitable, where does the profit go? No more is received by the white labourer than would be received if the canneries were unprofitable. He gets no more than the canner will reluctantly give him, and it is only to the extent of the money which he gets and the money which he spends, that the province in itself is in the slightest degree benefitted. Canning in the eastern provinces is carried on by whites, and the season in some instances is very little longer than it is with us—lobsters and oysters, for example. Canneries as large as ours are run by boys and girls; equally so with the canning of fruit and vegetables. The Chinese have grown up with the development of the canning industry. No effort has ever been made to replace them with our own people; and it is not because they have any exclusive or peculiar skill in the handling or management of the work, but simply because it is easier to go to one boss and obtain a number of labourers than it is to search for them individually. The process amounts to this: First, the white man is crowded out, and then it is said that the oriental is a necessity, and that the industry cannot be conducted without him. This process is now not only going on in the fisheries, but the lumber trade, and will ultimately permeate other classes of industry.

#### LAND.

Mr. Cruickshank tells us that the ordinary labourer in Manitoba becomes the settler. Chinese are not necessary to clear the land. Men are offering to come and clear for him as cash payments on lands they are willing to buy. The occupation of these lands would give a constant source of supply for all the labour that canneries and mills would require, and of the very best sort. The price of adjoining land is depreciated if occupied by Chinese. At courts of revision men ask a reduction on the ground that the Chinese are located on adjoining land; favour any measure in the direction of exclusion. The capable mill men here are whites who have learned their business in eastern mills, and they have no use for orientals in Wisconsin and Minnesota. I refer to Reeve Schou's evidence, which shows that many regular fishermen become settlers on the small holdings in Burnaby. He has a contract to settle land, and is getting it settled by small holders of forty acres each on Matsqui Prairie, and that is a good farming land. No Chinese labour has been used on the dyke. It has been shown that large areas of our lands are vacant and unproductive. We lack the class that the orientals keep out. The loss by the importation of agricultural products is something enormous—in fact it is one of the marvels, and has been for many years one of the marvels, of our industrial life, and if British Columbia were not one of the wealthiest countries on the face of the earth, it would be bankrupt over and over again by the lack of retaining the value of that which we produce. If our fisheries are profitable, the profits go abroad. If they are not profitable, only to the extent of the labour does it remain here; the same with the lumber; the same with the mines; the same with any other of our natural products; and yet all the time, although our population is increasing, and although we have immense natural resources in the way of cultivable areas of land, we are year by year sending thousands and hundreds of thousands of dollars out of the country for the purchase of those products, which we could readily retain ourselves. If we had only invited that class of immigrant to our shores who would have settled on the land, whose sons and daughters would have supplied the demand for all classes of labour for which there is here so great a demand.

#### MIXING.

In this industry, possibly, as far at least so rock mining is concerned, the presence of the oriental has not been so injuriously felt. There would appear to be, so far as the evidence before the Commission is concerned, no acute phase of the question in any of the mining districts that have been visited. But we may well ask ourselves why this is. The reason is not far to seek. In the first place, owing to his own peculiar superstitions, the Chinese is not a miner. That is, when he first comes to British Columbia, mining is a thing absolutely unknown to him. He never saw or heard of a mine in his



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life. No Chinaman in his own country disturbs the soil for the purpose of profit, save for agricultural purposes, and it is for this reason that his attention has rather been directed to some of the other subjects and industries already touched upon, notably the lighter ones, which are within his strength and capacity, and require steady perseverance rather than particular skill, but there is nothing to prevent just the same acute conditions prevailing in rock mining as prevails in the other industries, if once the oriental becomes familiar with the work. Three causes operate to prevent this: First, the fact that the Chinaman is not a miner as already mentioned; second, the determined effort of the white miner himself to keep him out, and, thirdly, the fact that the employer, knowing the Chinaman's inability to mine, is reluctant to employ him until he has acquired the necessary knowledge and experience, and that he never can acquire so long as the white miner refrains from teaching him. But that he may become a possible competitor is thoroughly exemplified by the fact shown that he has been extensively used in coal mining and also in gravel mining. Curiously enough, it is said, that in this latter branch of business he has produced wealth—and I refer particularly to the evidence of Major Dupont—that he has produced wealth that would otherwise have remained untouched. I say, without hesitation, far better for that wealth to have remained untouched, until in the course of time it had been, or could have been, made available for the white miner, as undoubtedly it would be, when the cost of transport and the decreased prices of provisions would enable him to work diggings of that class. Examine the question for a moment. It is said that he has added something to the wealth of the country. What is it he has done? He never paid a license if he could help it. He never made a record if he could avoid it. He never paid a tax, if he could escape it, of any kind. He has made some small purchases of manufactured articles that his own people don't produce. To that extent, and to that extent alone, has he benefitted the state. For the rest, his food is Chinese; it is hauled to the mines by Chinese teamsters; there consumed by a Chinese miner, who takes something out of the earth which he never can replace, and the larger part of which he, without doubt, immediately remits to his own country; and then, it is said, that this man has added something to the wealth of the province of British Columbia. I submit, on the contrary, that he has extracted many millions from the province that can never be replaced or restored, and that the state has received little or nothing in return.

## DOMESTIC SERVICE.

One cannot shirk the difficulty involved in the question of where is the supply of domestic service to come from. On the American continent this always has been a vexed question. It always has been a matter of great difficulty to fill the demand for domestic service, and that it has practically driven many families out of housekeeping, might just as well be conceded first as last. Probably, as years go by, domestic service will again come into favour, and I venture this as a reason. In former times all classes of female labour, the domestic servant was the most illy paid. The consequence of this was that except among the better class of servants, because grades there are and always have been amongst all orders of humanity and always will be, with the exception of among the higher class of service, domestic service was very greatly looked down upon, and even the better paid and higher class servants were not regarded as being the equals of those who gained their livelihood in some other manner. Gradually better conditions are prevailing. To-day a domestic servant receives nearly as much per month as she formerly received per annum. As a rule, she is an educated girl, she is better treated; her relationship with her employer is of a far better character than formerly, and I have no doubt the ultimate result will be that in the future, domestic service will again be sought for by intelligent young girls as a proper and honourable means of earning a livelihood. The remedy lies partly in the hands of the employer. The time has gone by—the pity is that it ever existed—when the comfort and convenience of the servant could be entirely overlooked, but inasmuch as it is a class of employment that will never stand a very high rate of wages, the source of supply must be from a class of females whose circumstances in life, from a financial standpoint, press upon them the necessity

of earning their daily bread. That class will be best recruited from the children of white labourers who should gradually take the place of the oriental if the policy of restriction be carried out.

It is important to observe that the policy of non-employment of orientals in the boundary country has largely operated in their partial exclusion, or at least, to the great diminution in their numbers. If a like policy had been adopted elsewhere, then there can be no doubt that whites would have come in to fill the ready demand for labour. As an illustration of this, one may refer to Tacoma and to Mr. Houston's evidence. At Spokane and Seattle, and with some feeling of regret may I say that the means adopted in the town of Phenix, in British Columbia itself is an object lesson to all who care to read the signs of the times.

Depression in commercial matters, depression in all classes of labour, following as a matter of course, produced in 1886, bloodshed and riot, resulting in the exclusion of the Chinese in Seattle. From that time on, this city has gradually grown from a population of 6,000 or 7,000 to a population of 90,000. Now, I do not say that this is owing entirely to the exclusion of Chinese, but I do say that the startling fact remains that in all that immense population there are only some 300 of them, and that in the neighbouring state of Washington, the people there have managed to build up that immense city in the same time as this city of Vancouver, of which we are naturally so proud. The population of Seattle has increased from 6,000 to 90,000, and the city has been built exclusively by white labour.

The Exclusion Act has worked well in the United States. Non-employment has been effective in the boundary country. United action kept them out of the building trades and the mines. Is it not time for a policy of exclusion producing a gradual change in the labour employed in other industries? The continued employment of orientals is having its effect upon the younger generation. Work that boys would do and girls, too, they find the places occupied by Chinese. They have been taught both by education and instinct to look upon the Chinamen as an inferior. The consequence is that they will not engage into competition with him. The schools are full; and, sad be it to say so, so are the streets at night.

It has been said on behalf of the orientals by their counsel that the labour unions are responsible for the agitation, and what is taking place is but the outcry of the labourer. Sirs, if that be so, then I say let us thank the labour unions for it—let us thank the labourer for his outcry, because, while at present it is the labourer alone who is pinched, the time is not far distant when other classes of the community will be feeling the stress of oriental competition in their respective fields, and then the outcry will not be confined to the labour union or the labourer. We are further told that our good relations with the eastern empires, particularly Japan, will be imperilled by restricting the entry of their subjects into our land. Sir, when the statesmen of any part of our country appeal to the patriotism of the people to suffer and endure for the good of the country at large, and that appeal is limited largely to a particular class of the community, being that portion of the community who earn their daily bread in probably a precarious manner, it is putting their patriotism and loyalty to a very severe strain when they alone are asked to bear the burden, and to waive their rights in favour of an alien race, and an alien race who by their very presence degrade the position that the sufferers occupy. The question seems partly to be, if a policy of exclusion were adopted, would there be a sufficiency of white labour come into this country to save such industries as are to a large extent at present practically dependent on Chinese labour? It is not exclusively a labour question. The labourer, it is true, and his employer are immediately affected. The real trouble, however, is far deeper and depends not upon the industrial or economic aspect of the presence of the Chinese, but upon its political aspect. What will be the result in the future of the gradual encroachment of orientals upon certain avocations to the exclusion of whites? Ultimately there would be three classes in the community, namely: the master class, the servant class and a class of persons engaged in supplying the daily wants and luxuries of both, and this latter class will, if the servant class be alien, likewise be largely alien. Certain classes of labour in British Columbia are already being regarded as purely Chinese, hence degrading and beneath a

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white man. This, in itself, tends to the degradation of labour. When, as a question of principle, no work ever degrades any one.

Looking at the question from its industrial aspects. While the object of the commission is to inquire exclusively into oriental immigration, I hope I may be pardoned for saying that much that one may say on this subject applies equally to some of the inferior or lower orders of the Latin races. That cheap labour is not an absolute necessity for the production of any particular article of manufacture is shown by the startling fact, that it is not the cheap labour countries that are the manufacturing countries. The cheap labour countries of Europe are Italy, Austria and Spain, the agricultural parts of Germany, Sweden and Norway. The great manufacturing countries of the world are Great Britain, the United States, and those parts of Germany not included in my former remark: and the curious fact remains that that country which is gradually forging ahead, so far as industrial skill is concerned, and to some extent crowding out the manufactures of other nations, is the country in which labour is most highly remunerated, namely, the United States of America. It is the large American manufacturer, who, employing white labour exclusively, is now competing with the United Kingdom, with Germany, and all other European nations, and by superiority of production alone, driving the European out of the market. A striking illustration of this important fact is the recent supply of bridge material and locomotive engines to the Imperial Government. Recently, the government was attacked in the House of Commons for purchasing American locomotives for use on the Indian railways. Lord Hamilton, Secretary of State for India, having been absent from the House at the time, considered the matter of sufficient importance to reply to the attack by a letter to the *Times*, and in that letter he made one statement I wish to quote. Said his Lordship:

'You seem to think that orders have gone abroad because those who gave them did not understand their business; I wish it were so. The competition we have to face is founded on something much more formidable and substantial. Mechanical research, the consolidation of capital, thorough technical education and improved industrial organization have made in recent years a greater advance in America than here. It is the product of this combination and not the assumed stupidity of the Indian officials that the British engineer has to fear.'

I may add that it was from a high labour country to a cheap labour country that those engines were sent.

Mr. Cassidy says there has never been enough labour in a 'fluid condition.' A 'fluid condition' meaning that any employer can, at any time, with little difficulty find all the labour he may need, for as long or short a time as the exigencies of the particular matter in hand may require. My friend desires to see repeated in British Columbia the scene enacted every day on the opening of the gates of any of the London dock yards. There is labour there in a 'fluid condition.' Better, far better, that the employer should go short of 'fluid' labour than that the misery and starvation of a London dock yard should be repeated in British Columbia.

My friend, Mr. Taylor, says that we are asking for the ordinary rule prevailing in the British Empire to be abrogated. No, sirs, on the contrary, we are asking that the rule prevailing in the great self-governing colonies of Australia and Natal, and the neighbouring republic, may be introduced here.

It is further said that these people do not come here as the result of servile contracts. I cannot prove that they do, but I will mention one significant fact: In fifteen years since the passing of the head tax, there has been paid for the entrance into this country by the Chinese alone \$818,033 gold dollars. Approximately in their own money, the silver dollar, nearly \$1,636,066. That is to say, these labourers coming here to work for the low wages raised the enormous sum of \$1,636,066 for the privilege of entering the country, and paid at the same time their own fares and expenses to come here. Is such a proposition credible?

Having now in the time at my disposal touched upon the industrial aspect of the question, I wish to refer to its national or political aspect, and in this connection I refer particularly to the evidence of the Rev. Canon Beanlands. I select his evidence because it is that of a highly cultivated, scholarly clergyman, who courageously put for-



ward what at first sight seemed to me a most attractive theory, namely, that 'There is a time in the history of every country when the existence of a servile class helps the development, and that the existence of this class emphasized the position of the workman who was a member of the dominant race. That the Chinese who came here did not compare with the whites or enter into competition with them.'

Now, as this theory tended to the advancement of the white labourer, it seemed particularly attractive. The question is: Is it sound? Is there any single instance of a nation in modern times prospering with a servile class? Do we need to go further than the civil war in the United States? Certainly, the result of an attempt to maintain a servile class in the southern states has not been a success.

Conditions in British Columbia seem to point to this: That there are some artisans and mechanics, and a few of the better sort of labourers receiving the best of wages. But the substratum of the industrial situation is oriental. Now, of this, Canon Beaulands approves. I venture to think that he loses sight of the important fact, that the oriental substratum will not remain quiescent. As a matter of fact, it is gradually forcing the way upward and disturbing and displacing the very men whom the Canon seeks to benefit. So far from elevating the artisan and mechanic, I cannot but think it will have the opposite effect. The knowledge that he is of a higher type of humanity will be little compensation to him when the servile substratum has forced its way upward, and working for low wages at the higher branches of labour driven the white artisan out.

There are large areas of London in which the Poles and Slavs, a servile cheap labour class, have driven the English out—the same process there as here, the English worker displaced by the foreigners who will live under conditions intolerable to the Englishman. Does he think you feel proud that he is free? That he belongs to the dominant race? Free. Yes, to do what? Starve. It would be a curious inquiry to ascertain what becomes of the displaced Englishman. What becomes of the British worker? To every deep there is a lower depth, and honest poverty having been displaced by the Pole and Slav, is it reasonable to suppose it has been exalted? Is it not more probable that they have become part of the submerged tenth, and reached that depth of poverty and degradation that gives no hope of raising?

I refer to the evidence of the following witnesses, who see the evil of oriental immigration. I select them as employers of labour, citizens of high standing in the community, and men whose opinions are entitled to careful consideration:

Thomas R. Smith.—Contended that canneries look upon Chinese as an evil generally. Policy would be to exclude.

J. A. Sayward.—Chinese crowd out whites and Indians. Favours restriction.

Wm. Munsie.—Could afford to pay a higher wage. Do not fear any trade disturbances. Willing to see orientals excluded.

E. J. Palmer.—No inconvenience will be experienced from restriction of Chinese. Neither Chinese nor Japanese are a benefit to the country.

Thos. Piercy.—Thoroughly favours exclusion and protection to white labour.

Henry Croft.—Averse to oriental immigration. Advocates restriction.

Jos. Hunter.—Prefer to see white labour predominate throughout the country. Country better without orientals. It would be a menace to the country if people like Chinese were found encroaching on the general avocations of the people. I believe this would be a better country without them. Industrial conditions would not be affected by restriction or prohibition.

D. Spencer, Victoria.

A. Haslam, Nanaimo.

R. H. Alexander, Vancouver.—If it were not for the necessities of our particular industry would much prefer that the immigration should be limited to whites. To build up the country, population must be homogeneous. Does not approve of them as citizens. Prefers to see them replaced by whites. Wages would not increase if exclusion put in force at once. Prefer country should be occupied by our own people.

J. G. Woods, Vancouver.



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J. W. Hackett, Vancouver.—Had to employ orientals to compete with others using them.

Bernard Macdonald, Rossland.

E. Kirby, Rossland.—It is not for the best interests of the community to have an unlimited supply of oriental labour come into the country. Plan adopted in the United States has worked out well.

H. Croasdale, Nelson.

F. Burnett—Sentimentally, yes; business, no.

Major Dupont even does not want them. In the interest of the country it would be preferable to have whites. Suggests license to come for five years.

There is, therefore, no possible reason for delaying relief. The time will never arrive, according to the employer, when the conditions will be favourable to the exclusion of the oriental. In other words, so long as you have got the desire of profit as the only cause operating between the master and servant, just so long will the master insist, and no one can blame him for insisting, on obtaining as large a profit as he possibly can get. But this Commission is not sitting in the interest of either master or servant. It is sitting to inquire into the advisability of restricting the immigration of orientals. According to the evidence that has been given, repeatedly have witnesses stated that they believe no dislocation or disturbance of trade relations would take place, by some immediate measure of relief. If so, why then should it be delayed? Now is the time before the evil becomes greater than it is now. And now, in conclusion, permit me to make some few general observations.

There would seem to be three great centres of the earth's surface which seem to be specially adapted for the habitation and enjoyment of the human race—the white, the mongol and the negro—each in its own centre, namely, the white in Europe and the northern part of the American continent and possibly some portion of the southern part of the American continent, the mongol in the north-eastern part of Asia, and the negro in equatorial Africa, and apparently in some parts of the United States. Each in its own centre appears to reign supreme, and it would seem as if neither of the others in that particular locality could oust the one for which it seems to have been specially designed. On the borders of each of these three great areas of the earth they come into conflict, either industrially or military, and it is just such a conflict as that that we have here. The question then arises, which is it that in the contest for the industrial and political occupation of the north-west part of the North American continent shall prevail? The white man or the oriental? Now, we have all the legal and political advantages; we are in possession and we would be worse than fools, we would be blundering traitors if we ever allowed ourselves to be ousted from the advantageous position we possess. We have got to meet this great people on their own ground, not industrially but politically, and we have got to see that they are excluded from our borders, so that our own people may be allowed to come in and possess and occupy the land. Immigration into the north-west part of Canada is at present really excluded by the oriental. The white labourer or the intending immigrant will not face eastern competition, and he is wise in his generation. He does not go to China, and he does not go to Japan, but seeks a newer and wider field. In point of fact, the western man—the man of the British Islands, the great colonizing nation of the world—never went east but for the purpose of conquest. For the purpose of occupation and colonization, he leaves the east and goes toward the west. Merciless he may be in his progress. He may trample other races under his foot; he may either absorb or extinguish them, and if they are people of his own type he will absorb them. If they are people of an inferior type they will be extinguished. When, however, he comes in or near the boundaries of either of the other two great races of mankind, then he meets them within their own territory, with a power equal to his. He meets a race incapable of extinguishment, and before which even he, with all his characteristic vigour and endurance, is bound to recoil. Let us then see that in this our land, this conflict may be put an end to, and our industrial classes not brought into conflict with the races already referred to. We cannot allow one of the fairest portions of the earth's surface to be wrested from Canadians. The

question is then not wholly economic and industrial, but, as I already pointed out, largely a national question.

We have commercial protection, and to that extent benefit both the Canadian labourer and Canadian capitalist. We have laws preventing introduction of alien labour. Why should we not go one step further and prevent the voluntary immigration into our country of a class of labourers, not only aliens in race, but aliens in civilization.

Such observations as these are true not only of orientals, but they are equally true of Italians and other Latin races. I do not say that the evidence points wholly in this direction, but I venture to give it as my own impression that the Latin and Slavonic races of Europe are not wanted here. With the Teuton and the Scandinavian we assimilate. They are of our own type. It is from them we sprung. They become in every sense of the word good citizens and loyal Canadians. We can make room in this country for some thousands of people who would be greatly benefitted by the change. We have a clime unequalled in salubrity and at the same time variety—the home of a strong, sturdy and independent people. Are we then to allow this land to become the home of a servile, alien race, their superintendents paying tribute to non-resident capitalists and a few tradesmen who supply the wants of both. We have grand mountains containing every variety of minerals in abundance, gold, silver, copper, lead, iron and coal. We have beautiful valleys capable of producing all the necessities of life and some of the luxuries for the toiling thousands in our own and other fields of labour. We have rivers teeming with food, fish in endless variety, our seacoasts likewise are unexampled in their productiveness. We have timber of enormous size, and almost inexhaustible in quantity. I ask you then to make such report as will justify the government in imposing such a head tax as to amount to exclusion. I ask you to so report as to preserve one of the fairest portions of the earth's surface for the Canadian people, and not allow it to be wrested from them, not by conquest, but simply by engulfing us in the rising tide of oriental immigration.

#### ARGUMENT BY MR. A. D. TAYLOR ON BEHALF OF CHINESE.

MR. CHAIRMAN AND GENTLEMEN,—Although I have not had the advantage of attending on behalf of my clients, the Chinese Board of Trade, during the whole of this inquiry, as my learned friend, Mr. Wilson, has; I have obtained full notes of the evidence, and have also had the benefit of the notes made by my colleague, Mr. Bradburn, who attended the sittings of your Commission in Victoria.

In my argument therefore on behalf of the Chinese I refer to all the evidence that has been adduced before you since you opened the sittings of this Commission in Victoria some two months ago.

In accordance with the suggestion of my friend, Mr. Wilson, I will only put before you the main features of the question as they present themselves to me, referring in a general way to the evidence bearing out my view of the matter as representing the Chinese.

The first point which I wish to raise is that, while your Commission is a Commission of inquiry to obtain evidence generally referring to the question at issue, and not a court trying a case between two parties, plaintiff and defendant, in the ordinary way, my clients are still in a great measure in the position of defendants. Your Commission, as the Order in Council appointing it shows, was the result in a great measure of an outcry against the Chinese and Japanese, and especially the result of two petitions to the Dominion government referred to in the Order in Council. In these petitions serious charges are made against the Chinese. They are therefore to a great extent in the position of defendants, and while this position of defence is in one way a disadvantage, I claim on behalf of my clients any advantage of the position, and one of the advantages that a defendant has in an ordinary case is that the burden of proof is on the plaintiff and especially is this the case when charges are made, for then it is essential for the party making the charges to support them and not for the accused to prove his

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innocence. In other words, I claim that it is not for the Chinese to come forward and clear themselves from the imputations made against them, but rather for the persons who feel themselves aggrieved by the presence of the Chinese in the country to come forward and show that the presence of the Chinese in the province works the injury that these people say it does.

Without suggesting that you are strictly bound by this rule, I think that I may fairly urge on behalf of the Chinese that they are entitled to some benefit from it, and that in this province and in this Dominion, forming part of the British Empire, which has always opened its doors in the widest way to all comers from all parts of the world, the presumption is that the Chinese are entitled to come in like all other men, and that those who want to set up a barrier against their coming in must show some good reason for so doing. Certain restrictions already exist enacted at the instance of those who, as at present, cry out that the Chinese are, to use one of their milder terms, 'a detriment to the country.' Surely, these people who now want to impose further restrictions, if not total exclusion, should show their reasons and support these reasons by facts.

I claim therefore on behalf of the Chinese some benefit from this rule and I urge that the evidence brought before the Commission by those opposed to the Chinese, falls far short of bearing out the statements made by those opposed to the Chinese and their presence in the country.

At the outset of this inquiry you gave a series of questions covering the points on which you wanted evidence and before discussing the more general points involved in the inquiry I will briefly refer to these questions and the evidence bearing on each as regards the Chinese.

1. The number of Chinese in the Province. I think we may take it that twelve thousand is about the number. Yip On, the secretary of the Chinese Board of Trade in Vancouver, gives that figure and W. A. Cum Yow also examined in Vancouver gives the same number. We may say therefore that this is approximately the Chinese population of the province. I would mention here, however, that this population, notwithstanding the considerable numbers that have immigrated in recent years, is not increasing in proportion to the general increase in the population of the province. The evidence rather is that it is actually decreasing. The reason for this I will refer to later.

2. The Immigration since 1884. The statistics which have been furnished by the officials show the figures and it is unnecessary for me to go into them except to qualify them by the statement I have just made that notwithstanding the immigration the Chinese population is not increasing.

3. From what class in China are the immigrants drawn and what was their condition in China? Although there has been some conflicting evidence I think it will be admitted that the Chinese population in the province come from the country districts or provinces of which Canton is the natural seaport, and that they are of the small farmer class. There has been an attempt made to show that they are of the coolie class from the cities of China, but the witnesses who attempted to prove this, are not in a position to speak definitely. At their examination in Vancouver, Mr. G. W. Thomas and Mr. Dyer spoke on this point, but Mr. Thomas had not visited China since the year 1875 and had no means of knowledge. Mr. Dyer referred specially to the emigration of the coolie class to the Straits Settlements and could not speak definitely as to those who came to British Columbia although he inferred that they were also of the coolie class.

4. The character of the Chinese, for honesty, obedience, diligence, thrift, sobriety and morality and keeping of contracts. On this question, the evidence is in favour of the Chinese. While one or two witnesses do not give them a good character, the mass of evidence even from those who are pronounced in their feelings against the desirability of Chinese as citizens, is that the Chinese are honest, obedient, diligent to a degree, thrifty to an extent which some witnesses claim to be a crime, sober, and on the whole, as moral as similar classes among the whites. As to their keeping of contracts, the evidence is all to the effect that they are beyond reproach. When a man like the Honourable Mr. Reid who has had thirty-eight years' experience in the country speaks as he does of the way in which the Chinese carry out the terms of a contract, even if it



be disastrous to themselves: when witnesses like Mr. Smith, of Robert Ward & Co., Ltd., Victoria and Mr. Frank Burnett, of Vancouver, both of whom have had large dealings with the Chinese, tell us that they can always be relied upon to keep a contract, when Mr. W. A. Cum Yow, of Vancouver, who speaks specially of the relations between the Chinese contractors and the Canning Companies states that he does not know of a single instance where a Chinese contractor had failed to carry out his contract in full, it is not necessary to make any further reference to the evidence. But in this connection I would like to remind you of the evidence of Mr. Dyer who was examined in Vancouver on the last day of the sittings here. You will remember that Mr. Dyer is a member of the staff of the province newspaper, and that he certainly was not in favour of the presence of the Chinese in this province. He had ten years' experience in China and Japan, and stated that in Japan, positions of trusts were invariably filled by Chinese and in the same way in the Straits Settlements and other places in the east, showing the reputation which the Chinese have there for honesty and integrity.

5. The next question is the number of Chinese engaged in the various industries enumerated in the question as follows :

#### FISHERIES.

The evidence shows that there are no Chinamen employed as fishermen. The only Chinese that can be said to be employed in the fisheries are those employed in the various canneries. As to the number employed in this way it is difficult to speak precisely, for the employment is not a permanent one, the work beginning about May 1, when what are called the first crew is taken on for the work of preparation and ending with the close of the canning season, about October 1, the greatest number being employed in the months of July and August, when the actual fishing and packing is going on. Mr. Bell Irving estimates the total number thus employed as perhaps 4,000, but many of these are drawn from other occupations for the time being. In the statement of the Chinese population of Victoria put in by Lee Cheong, president of the Chinese Benevolent Association of Victoria, at the sittings on April 21, the number of cannerymen proper is given at 886, and in Vancouver the number of cannerymen is given as 551. As to the employment of Chinese in the canneries I shall have occasion to refer more fully again.

#### THE MINES.

In these there are a certain number of Chinese employed in the coal mines on the island, but the numbers are smaller than generally supposed, as will be seen from the evidence, and so far as other mines are concerned, there are few or no Chinese employed, except in placer mining. As to this class of mining I would refer to the evidence of the Honourable Mr. Reid.

#### THE LUMBER BUSINESS.

Under this head there are very few Chinese to be found. In the statement filed in Victoria the number of saw-mill hands is 48. In the statement filed in Vancouver the number of saw-mill hands employed is 12, all in the employ of one mill. These figures refer to saw-mill hands proper. In the shingle mills a larger number of Chinese are employed, the number in Vancouver being 110. In these shingle mills the Chinese are employed on contract work for which they have a special aptitude, owing to their great diligence, and the fact that they are always ready to work long hours. This is one of the many sins laid to their charge by the white workman.

#### MANUFACTURES.

The number of Chinese employed in general manufactures is small. In fact, leaving out those employed in Victoria and Vancouver in the manufacture of boots and shoes



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and of clothing, the number engaged in factories is nil. Reference will be made to the shoemaking industry and the clothing industry under another head.

## FARMING AND MARKET GARDENING.

There are no Chinese engaged in farming proper, but a large number are engaged in market gardening. In Victoria, for example, the number of market gardeners is given as 200. In Vancouver the number given is 134. It may be taken that in the province generally there are 500 Chinese employed in this industry for which they show remarkable aptitude, having in most instances doubtless learnt the business in their native country where gardening has been perfected.

## DOMESTIC SERVANTS.

In the city of Vancouver and Victoria there are about 800, and allowing a fair percentage for the other parts of the province it may be estimated that there are 1,000 to 1,200 Chinese domestic servants. As to their efficiency in this respect, and the necessity for their employment I will refer at a later stage in the argument.

## OTHER CALLINGS.

Under this head must be classed the merchants and merchants' clerks, who in Victoria and Vancouver number 388 and 143 respectively, and in other parts of the province probably as many more, and a certain number of miscellaneous labourers.

6. The difference in wages paid to the Chinese and to white men in the same trade or calling. There are few cases in which a direct comparison can be made, that is where a Chinaman can be found doing the same work as a white man. When this is the case, the rate of wages paid to the Chinaman is considerably lower. But as stated, there are a few cases in which this direct comparison can be made. In the canneries the Chinamen do a class of work which is not done by the whites. In the shingle mills they work by contract. In domestic service the comparison is with white women. Here the Chinaman gets rather better wages on the average, and in some cases far higher wages, but as the evidence shows, he is a better servant and does work which a white servant girl cannot or will not do. In the tailoring trade the wages of white journeymen can be put approximately at \$15 a week (*see* the evidence taken in Victoria on March 15 and 16) while the wages of the Chinese are from \$25 to \$35 a month with board (*see* the evidence of Tim Kee in Victoria, March 15). In the boot and shoe business the Chinese workmen are paid from \$1.10 to \$1.25 a day (*see* evidence in Victoria, on March 20). White men in the same business are employed in a different class of work and are paid from \$2.50 to \$3 per day. In the saw mills where Chinamen are employed their wages may be put at an average of \$1.25 a day, while the lowest wages to white men in the same employment is \$1.50.

7. Has any industry been called into existence by the presence of the Chinese? I think that on the evidence we may take it that the canning industry, while not actually called into existence by the Chinese, has been built up by the fact of their being here, and their labour available for the peculiar conditions of the cannery business in a way that could not have been done had they not been here, and that they are indispensable in it. It is a significant fact as stated by Mr. Bell Irving, that in every salmon cannery on the Pacific coast from Northern Alaska to the Sacramento, Chinese are largely employed. I shall have occasion to refer to this point again.

8. Is there any industry dependent upon the Chinese labour for its continuance? While some witnesses claim that the canneries could continue without Chinese, the evidence of the owners and managers of the canneries is to the contrary: for they one and all state that it would be impossible to carry on the industry without the Chinese. In the lumber business the evidence of those qualified to speak is that there is an absolute necessity for cheap labour of some class, cheaper than can be got in the white population. It is these two industries the fishing and the lumber, which with

mining make up the three principal industries in the province. In both of them the competition is with outsiders and the price is fixed not by the local demand in British Columbia, or in Canada, or by conditions prevailing here, but by this outside competition and the necessity for cheap production is hard and fast.

9. How do the Chinese come to the province and under what terms? I assume that this refers to the statements frequently made that the Chinese are imported in large numbers under contracts which are alleged to be of a servile nature. These statements are not however borne out by any evidence. No witness has come forward and established this by direct evidence. All they tell us is hearsay. On the other hand we have the positive evidence of E. W. McLean, Mon Kow, Cum Yow and Lee Cheong that such is not the case. It is surely not necessary for me to refer to this evidence in detail, as this is certainly a point on which I am entitled to claim that the burden of proof is on those who make the statement.

10. What proportion bring their wives, or marry here or attend school or churches or become christians? It is difficult on the evidence to speak precisely, but the proportion that bring their wives or marry here is very small, less than 5 per cent. For this there are reasons. As Mr. Cum Yow puts it, a large proportion would bring their families here were it not for the unfriendly reception given them in recent years which has created an unsettled feeling. As to attending school, the number of children is small, but a number do attend our public schools and there are a certain number of christians among the Chinese population although this number again is small.

11. What is the standard of living of the Chinese as compared with the whites? This is lower than that of the whites, but here again it is difficult to make a comparison for there is not in the province any class of whites that can be directly compared with the Chinese labouring class. The white labourer or workman is as a rule in a superior position, earning considerably higher wages, so that there is no class of white workmen in the same position. The Chinese live within their means, and the wages which they get compel them to be thrifty and frugal. It is hardly fair to urge, as many of the witnesses have done as a wrong in the Chinese, that he is not extravagant and that he lays up something for the rainy day, and in many cases sends money away to support his wife or his parents. Why should it be a crime in a young Chinaman to deny himself and send money home to his family? If a young immigrant of any other nationality did this he would be praised instead of blamed.

12. What is the moral and physical condition of the Chinamen, their habits of cleanliness and attention to sanitary regulations? As to their moral condition I have already spoken. As to their physical condition, they are not as strong physically as the whites, but this is a matter of race. So far as health is concerned, they compare favourably with other classes of the population except as to consumption to which they appear to be peculiarly susceptible. As to their attention to sanitary regulations, they require education and oversight, but here again there is no white class to compare them with.

13. Do they live in different parts of the city or in aggregations? The conditions prevailing in Vancouver and Victoria may be taken as typical. The Chinese live in aggregation, but this is rather a matter of necessity than of choice. In both cities the only class that do not live in Chinatown proper are the laundrymen for the convenience of their business, but as Mr. Cum Yow in his evidence in Vancouver states, this aggregation is rather forced upon them than chosen by them.

14. What effect has their residence in any place on the price of property in that locality? Owing to the strong feeling in the minds of many against the Chinese, their neighbourhood has had the effect of depreciating the value of property, but on this point I would refer the Commissioners to the evidence of Major Dupont in his examination in Victoria on April 3, where he states that the Chinese are good tenants in every respect.

15. What proportion live in separate houses and have families? As shown by the evidence the proportion is small. How many Chinese women are there in the province? The actual number in Victoria is 94 women and 82 female children. In Vancouver the number of women is 29 with 13 female children. Outside these cities the numbers would bring up the total to about 300 of them: the majority are the wives of merchants

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with a few wives of labour men. The number of women of no occupation is not more than twenty in the entire province. So much for the charge that prostitution prevails to a great extent among them.

17. Are men and women brought under servile contracts? There is no evidence of this.

18. This question relates to the Chinese companies. There is no evidence that they take any part in Chinese immigration, or effect it in any way.

19. Do the Chinese take any interest in our laws and institutions? What proportion build up homes and become permanent citizens or residents? The Chinese take very little interest in our laws, but this is hardly to be wondered at seeing how they are treated, and they have not got the right to vote. The proportion that build up homes is small but increasing.

20. Do they learn our language, &c., and show signs of assimilating? The number that learn our language and adopt our customs is small, and the evidence is that the Chinese will not assimilate.

21. How have workmen been affected by the Chinese? This is in one sense the main question, for this is the great cry against them, and I will have to discuss this point more fully as one of the general points of my argument. In the meantime I submit that the effect of Chinese competition is not at all what it has been represented to be.

22. How has Chinese immigration affected white immigration? There is some evidence of individual cases where white immigrants have been prevented from coming, but this is only in isolated cases, and there is no evidence that the presence of the Chinese here has had any general effect in preventing white immigration.

23. What proportion of Chinese return to their own country, and what proportion of their earnings do they take? A considerable number of Chinese, probably 20 per cent, return to their own country and take some of their earnings, probably 25 per cent.

24. Are the Chinese a menace to health, and, if so, in what way? If there is any menace to health the greater number should constitute the greater menace, and we can, therefore, refer to the condition of affairs in Victoria and Vancouver, and if the presence of the Chinese in these cities is not a menace to health it certainly will not be so in other parts of the province. The evidence of Dr. Fraser, medical health officer of Victoria, examined on March 13, and James Wilson, sanitary inspector of Victoria, examined on March 15, shows the condition in Victoria. In Vancouver similar evidence was given on April 24 by Dr. McLean, the health officer, and Mr. Marrion, Health Inspector. In both cities the principal thing alleged against the Chinese is that they are fond of overcrowding, but it is admitted that by proper supervision this is prevented and the sanitary condition of the Chinese quarter greatly improved. No instance is given of the origin of any contagious disease in the Chinatown of either city, and the mortality amongst the Chinese is not greater than amongst the white population. In Vancouver, Dr. McLean tells us that the condition of Chinatown has greatly improved in recent years and is still improving, and Mr. Marrion, the health inspector, states that there is less difficulty than formerly in enforcing the sanitary by-laws, as the Chinese are becoming gradually educated to the proper standard, while the merchants and better classes among them assist the health officers in every way in their duties. Dr. McLean speaks in a vague way of the presence of the Chinese being a menace to health, but it is significant that in Vancouver, as shown by his report for 1900, out of 183 cases of infectious disease during that year only six occurred in Chinatown, and of the remaining 177 not one could be traced to Chinatown. This is about 3 per 1,000 of the Chinese population of 2,000, while taking the total population of Vancouver to be 30,000, the number of cases in the white population is 6 per 1,000, or twice as many in proportion as in Chinatown. I submit that there is no evidence that the presence of the Chinese is in any way a menace to health.

25. Has trade between China and Canada been affected by Chinese immigration? There is a considerable import trade done by the Chinese merchants. Merchants in Victoria imported \$107,504 of goods from China in the year 1900. The Vancouver



merchants in the same period imported \$78,198. There is evidence that some export trade in lumber is attributable to the presence of the Chinese here, but so far as export trade is concerned the presence of the Chinese has had no marked effect. The restriction or prohibition of Chinese immigration would naturally directly affect the import trade.

26. The effect of unlimited Chinese immigration? I think that this question is put in rather an unfortunate way. Unlimited immigration of any class, Chinese or white, would have a bad effect, but I think that the Chinese immigration will, even in the absence of any restriction, be limited by the natural law of supply and demand. In other words, we may leave it to the Chinese not to come in too great numbers.

27. As to the sufficiency of white labour? I suggest here that there is an insufficiency of white labour. I will refer to this again in my general remarks.

28. The criminal class among the Chinese as compared with the white population? On the evidence given I think that you will come to the conclusion that taking the Chinese as a class they are a law-abiding people. They are certainly no worse than their white neighbours. Dr. Fraser, medical officer in Victoria, examined on March 13, says that the Chinese are law-abiding, no serious crimes are committed by them, their principal offences being against the city health by-laws. Superintendent Hussey of the provincial police, examined in Victoria on March 25, says that the Chinese are industrious and sober and conduct themselves as well as other classes. Chief Langley of the Victoria police force, says that comparing the Chinese with the whites as to crime, he says he does not think the Chinese are bad. In Vancouver, Mr. McIntosh, clerk of the police court, handed in a statement showing the police records for the year 1900. From this it appears that the greater number of cases against the Chinese are for infringement of the city by-laws such as health by-laws and some cases of petty thieving. Mr. Beck, clerk of the crown in Vancouver, showed that one hundred and forty prisoners were committed for trial for indictable offences in Vancouver in the seven years ending October 30, 1900. Of these sixteen were Chinese, only ten of whom, however, were convicted. It is significant that there have been no charges against the Chinese of assaults upon women or any cases of that nature.

29. The relative amount of taxes paid compared with their earning power? The Chinese pay the same poll tax as the white labourer. They pay on property the same rate as the white population. As their wages are lower the poll tax is a heavier tax on them than on the whites.

30. With whom do the Chinese trade? To what extent does this country benefit thereby and what proportion of their earnings do they take out of this country? The Chinese trade in a great measure with their own merchants, but these merchants, as will be seen from the statements handed in by Lee Cheong in Victoria and by Yip On in Vancouver, buy the greater part of their goods in Canada or import from England. They in fact obtain their supplies from the same source as white merchants in the same lines. As to the proportion of their earnings taken out of the country, there is evidence that a number of Chinese do send away a considerable portion of their earnings, probably 25 per cent., but I would refer to the evidence of the Honourable Mr. Reid where he says that this is not done to anything like the extent that is generally supposed, and Mr. Reid from his thirty-eight years' residence in the country is able to speak with some authority.

31. What proportion speak and read and write English? A considerable number read and write and there is evidence that they are anxious to learn in order to better their position.

Questions 32, 33 and 34 relate to matters of opinion rather than to matters of fact. I would merely remark incidentally as regards question 32 that the whole gist of evidence is that the Japanese are a greater menace to white labour than the Chinese are. The witnesses who state this, give as their reason the fact that the Japanese show greater aptitude in adopting our ways of life and are much more aggressive, having already forced themselves into competition with the white workmen in a way that the Chinese have not done, although the latter have been in the province in considerable numbers for many years, and the Japanese have only been here in any number for a year or two.



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I have now gone through the different questions suggested by you and referred to the evidence in answer to these questions as it affects my clients and I submit that it is favourable to the Chinese. So far as facts are concerned it is absolutely so. As to the opinion given by different witnesses, specially in answer to the last three questions it is adverse. As to the capacity of Chinese to assimilate, I have admitted that they will be slow to assimilate, but this I claim is in one sense a good feature and an absolute answer to many of the absurd statements that have been made against them, as for example, that there is danger of their overrunning the country and becoming the dominant race, and statements of that character. So long as they do not assimilate and establish themselves and multiply in the country, there is absolutely no danger of such a contingency.

As already mentioned, when it comes to opinions in answer to the questions suggested by you, we find many strongly expressed opinions against them, but so far as the witnesses are concerned, I submit that these come in a great measure from persons who are not in a position to give opinions, and in many instances from persons who show by their evidence a strong prejudice against the Chinese.

I would now direct your attention to several more general points on which I wish to speak more in detail. These have all been incidentally mentioned under one or other of the various questions to which I have already referred, but several of them are of such importance that I must devote a short time to each of them and the evidence bearing on them.

1. The outcry against the Chinese comes largely from the working class. This is clear from the evidence. The witnesses who spoke most decidedly against them were workmen. When it came to employers of labour, such as Mr. Todd of Victoria, Mr. Palmer of the Chemainus Mills, Mr. Marpole of the Canadian Pacific Railway, Mr. Bell-Irving, representing the canning industry, and Mr. Alexander, Mr. MacNair and Mr. Spicer representing the lumber industry in Vancouver, the evidence was very different. The working class unfortunately in British Columbia as elsewhere, do not always see things in the light of their own true interests. They claim in a general way that the Chinese come into direct competition with them, but when we examine the evidence it is remarkable how slight the foundation in fact is for this outcry. Take the lumber industry for example. On this the evidence of Mr. Alexander is clear. He does not give opinions but states facts, facts of which he has absolute knowledge from his experience of nearly 40 years in the country. Judging from the mass of evidence before us, the length of your labours would have been greatly lessened if other witnesses had taken a leaf out of Mr. Alexander's book and confined their answers to facts and not given their own opinions which were in many cases absolutely valueless, the witnesses having no qualification whatever to speak. A number of workmen come up and speak of the lumber business. Each speaks from his own individual standpoint, and yet while he talks in a general way of the competition by the Chinese none of them can say that they have been driven out of employment by the Chinese or that they have suffered themselves. Surely if there is any foundation for the outcry that white labour is driven out by the unfair competition of the Chinese, some workmen could be found who could come forward and speak from his own actual experience. But such is not the case. Witnesses tell us in a vague way that a large number of men had applied to the Hastings Mill, but we have Mr. Alexander, manager of the mill telling us that there is and has been an absolute scarcity of white labour, and that when they do obtain ordinary white labour it cannot be depended upon, as the men employed at it leave their work at the slightest provocation. Surely large employers of labour are in a better position to speak as to the supply of labour and the effect of oriental competition than the individual workman who can only speak from his own experience.

2. The Chinese do not enter into competition with the whites in nearly as many branches as would be supposed from the cry against them. As already pointed out, in the lumber business with the exception of the few Chinese employed in the shingle mills, there are practically no Chinese engaged. There are some in the shoe making industry in Victoria, but the evidence as to this shows that they have not injured the white shoemaker but have supplied the class of cheap labour which is absolutely necessary in order to enable the few manufacturers here to compete with goods brought in from Ontario

and Quebec, where there is a large supply of even cheaper labour than the Chinese. Even with this the evidence is that the shoe manufacturers in Victoria have not been able to hold their own against eastern competition and that the industry has been declining. In the manufacture of certain articles of workmen's clothing and overalls the Chinese are engaged in considerable numbers. But in this they do not compete with any class of white workmen in British Columbia. The only competitors in this industry are eastern firms who again have the advantage of even cheaper labour than the Chinese. There are of course a great many employed in the canneries to which I shall refer later.

We next come to the laundries. Here it can scarcely be said that the Chinese enter into competition with white labour, for the evidence shows that in the steam laundries in which alone white labour is employed the white workmen get a far higher rate of wages than the Chinese. Modern machinery is used in the steam laundries and the white workmen do a different class of work. In the Chinese laundries everything is done by hand. But to show you how unfounded is the statement that in the laundry business the Chinese have driven out white labour, we need only refer to the evidence of Mr. McCrimmon in Victoria and Mr. Stewart in Vancouver. Both these witnesses are proprietors of well equipped steam laundries, and what do they say? They came to British Columbia and found the laundry business entirely in the hands of Chinese. They established their laundries in their respective towns, and using modern machinery and doing, as they say, better work, have been able to establish a successful business, so successful in fact that each of them has recently largely increased the capacity of their laundries. The business that they have got has been taken away from the Chinese, for the Chinese were alone in the field. The laundry business is thus an instance where well paid white labour with improved machinery can compete successfully with the hand labour of the Chinese. If any one has cause to complain in the laundry business it is the Chinese, and yet this is one of the cases where we have been told that the Chinese compete most unfairly and by accepting low wages have driven white workmen out of employment.

In the tailoring business there are, as already stated, a considerable number of Chinese employed. We may take the evidence of Mr. Williams, examined in Vancouver, as typical. He is strongly opposed to the Chinese, and yet in his evidence what do we find? He divides the tailoring trade into three classes. First, the manufacturing on a large scale of overalls and the lower grade of workmen's clothing. Second, the ordinary ready made clothing trade, and third, custom trade. As to the first there are no whites engaged in the business in the province. It is and always has been exclusively in the hands of the Chinese so far as the labour is concerned. The firms (white) that they supply have as their only competitor manufacturing firms in the provinces of Quebec and Ontario, who have at their command a large class of even cheaper labour than the Chinese. It is essentially an industry where the labour must be of the cheapest, and if there were no Chinese to engage in it here, the business could not be profitably carried on. Surely it is better so far as this branch of the industry is concerned that the present state of affairs should continue and that the British Columbia firms who now have this work done by the Chinese should be able to continue doing so and supply a considerable portion of the provincial market rather than that this business should be completely driven from the province. In the second branch of the tailoring industry, the ready-made clothing, Mr. Williams tells us that the Chinese do not compete at all. In the third branch, the custom trade, they do, but Mr. Williams tells us that it is by their union the white tailors and white journeymen tailors have successfully maintained their wages. So far as this custom trade is concerned I would remind you of the argument of my learned friend Mr. Cassidy on behalf of the Japanese. It is not so much a question of costs as the style and finish of the article, and if the Chinese as customs tailors make clothing of a better style and finish than the whites, why should they be debarred from entering into competition with them? As my learned friend puts it, a good tailor is rather an artist than a labourer, and it should be a case of the survival of the fittest. Surely the white tailors can compete with the orientals.

In market gardening the Chinese have to a great extent monopolized the business, but this is due as much to their natural aptitude and skill as from their cheaper mode of

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life. On this point again there is strikingly little evidence of their competition having directly injured any of the white population.

The next point is the fishing business. As already mentioned, a large number of Chinese are employed in the canneries and the complaint is that the business is practically monopolized by them. The best evidence on this question will be found in Mr. Bell-Irving's examination in Vancouver and incidentally that of Mr. Frank Burnett. Mr. Bell-Irving speaks from actual experience as the manager of a company owning three canneries on the Fraser, two canneries in the North, and a cannery on Puget Sound, and also as having an intimate knowledge of the market for canned fish. He tells us that the presence of Chinese in as large numbers as at present is absolutely indispensable to the carrying on of the canning industry. I have already alluded to the fact stated by him that in every cannery on the Pacific Coast, from Northern Alaska to the Sacramento Valley, Chinese are employed and in many cases in larger proportion to the total labour than in the canneries on the Fraser. And in answer to a question as to whether it would not be possible to abolish Chinese labour and substitute white which he answered by a decided negative, he instanced the case of Fairhaven, a town of over ten thousand inhabitants. It would be naturally assumed that there would be a number of women and children available in such a community to do the process work usually done by Chinese, and yet in the only cannery in Fairhaven there is a larger number of Chinese employed than in any other cannery on Puget Sound. It is idle for people to come forward who know nothing of the canning business and express their opinion that the industry can be carried on without the Chinese. Mr. Bell-Irving explains the peculiar conditions of the canning business, that it is only carried on in the summer and only for part of that, that the first crews are taken on at the canneries about May 1 and begin the making of tins and general preparation for the season's pack; that further men are taken on in July and August when the fishing is going on and each day's catch is packed. It is then that the greatest number of men are wanted and that it is impossible to find white labourers to do this. That even now there is a scarcity of Chinese labour; that the Chinese have a special aptitude for the process work, and that even if white labour could be obtained it is doubtful if they would be so expert, but that it is an impossibility to find white labour available for so short a season. That canneries have endeavored to avail themselves of white labour only and have been unsuccessful. But while Mr. Bell-Irving thus expresses himself so strongly as to the absolute necessity of a large number of Chinese for the industry, he also shows what a comparatively small part the Chinese have in the fruits of the industry and how ridiculous it is to say, as so many do, that the business is practically monopolized by them.

The Chinese labour in the canneries is confined to the process work, that is the making of the cans in the early part of the season and the actual process of packing during the fishing season. The foremen, engineers, time-keepers and other labourers of that class is white and these men are hired for a considerable period extending from early in spring until late in the autumn and at good rate of wages. The Chinese labour is provided by the Chinese contractor who makes a contract at the beginning of the season with the canning company to put up the season's pack, the company supplying the material and the white labour already referred to. The Chinese contractor engages his own hands, the majority of whom are Chinese, but a number of Indian men and women are also included and in some canneries the Chinese contractor engages white help as well. The Chinese have developed particular aptitude for this work and, as Mr. Bell-Irving and Mr. Burnett say, it would be impossible to replace them with any other class of labour. It has been suggested that white women might be employed, but the conditions of life at the canneries make this impossible, even if white women were available, which is not the case. Fish must be put up cheaply, for several circumstances militate against the Canadian packers, who have to compete in the English markets with the Alaska and Puget Sound canneries. In Alaska, as Mr. Bell-Irving states, fish cost in the neighbourhood of  $2\frac{1}{2}$  cents; in the Sound by the use of traps the fish in a good season only cost a few cents. On the Fraser on the other hand net fishing is the only method employed and the price varies from 8 cents with a big run to 20 or even 25 cents.



We may take it therefore that the lowest cost for the fish for a case of 48 pounds on the Fraser is \$1.50, while in Alaska it would be less than 40 cents and on the Sound in a favourable season about the same. The Fraser River Canneries are therefore seriously handicapped and any addition to the cost of production would very seriously cripple the industry, if not ruin it altogether. The Chinese contractors are able to find in the Chinese population, although during the last year or two they have even had difficulty in doing that, a sufficient number of Chinese with the Indians employed to do the process work at reasonable wages. The Chinese live in the Chinese quarters and are fed at the Chinese messhouse; the Indians live in the Indian cabins and provide their own food. There is no accommodation at any of the canneries suitable for white women and it would be impossible to provide quarters suitable for them, as these would only be occupied for a few months in each year.\* In other words, it is absolutely necessary for the canneries to have a class of labour like the Chinese who are willing to accept the conditions at the canneries, and to accept a fair rate of wages for the short fishing season. There is no one to replace them. Though the Chinese are thus indispensable to the canning industry, they do not monopolize the benefits of it as is generally supposed. I have already mentioned that Mr. Bell-Irving is the manager of a company operating six canneries and is therefore specially qualified to speak. He gave in his evidence a statement of the total wage expenditure at one of these canneries for the season of 1900 at \$50,872, of which he assigned \$33,500 to white labour against \$17,000, in round figures, for Chinese labour, and out of this the Chinese paid their Indian hands. The Indians being about 60 per cent of the number of the Chinese, or putting it at 50 per cent, one-third of the above amount would represent Indian labour, so that in this cannery less than \$12,000 represents the amount actually paid for Chinese labour.

It is hardly necessary to remind you of the importance of the canning industry to the province and how it affects other business. Mr. Bell-Irving and Mr. Burnett specially explain this. Such being the case, it would, as these witnesses put it, be a most serious thing to cripple if not to ruin this important industry by interfering in any way with the supply of Chinese labour, which, as stated in the evidence, is already inadequate.

#### THE LUMBER BUSINESS.

Here again the cry is that Chinese and Japanese have driven white labour from the field. As already pointed out, no instances have been proved where a white labourer has been dismissed and replaced by oriental labour. I have already had occasion to refer to the fact that in the lumber business proper, few or no Chinamen are employed. In the shingle business they are employed to a considerable extent on contract work, and the reasons for this I have given. Mr. Alexander of the British Columbia Timber Mills and Trading Company, Vancouver, the proprietors of the Hastings Mill, Vancouver, B.C., the Royal City Planing Mills, Vancouver, and the Royal City Planing Mills, New Westminster, who was examined in Vancouver, speaks with an experience of nearly forty years in the province and a knowledge of the lumber trade which is probably unequalled. He explains that from the outset of the industry in the province they have had a supply of cheap labour. At first it was Indian labour, but this he explains was always unsteady and not to be depended upon. At the Hastings mill, when the Indian Reserve adjoined the mill property and they were able to keep a direct oversight on the men, it was easier to insure their regular attendance at work, although even then it was difficult owing to the peculiar disposition of the Indians, ready to work only when it suited them and absent from work to shoot or fish or to do anything else or nothing as the humour seizes them. When the reserve was removed some distance from the mill, Indian labour became out of the question and they were replaced by Chinese. Some years ago in deference, as Mr. Alexander puts it, to public opinion they dismissed the Chinese and replaced them by the Japanese, still cheap labour. Mr. Alexander tells us that all through they have endeavoured to procure white labour, but that it is impossible. Not only is it impossible to get white labour at the same rates, but even at the higher rate which the mills are prepared to pay whites, white labour of that class is unsteady and unsatisfactory and cannot be depended upon as the Chinese and Japanese can. Mr.



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Alexander states that the Hastings mill, as well as most of the other mills in the province, are export mills, the home consumption being comparatively small, and that in this export trade the mills have to compete with the world, Puget Sound and the Baltic being their strongest competitors, and he adds that a certain percentage of cheap labour is absolutely necessary to the maintenance of the industry. He tells us that out of every five workmen in the Hastings mill three are whites and two Japanese, and that if he cannot have the two Japanese at cheap rates the company must close their mill and the three whites be thrown out of employment. In other words, the continuance of the industry is dependent on a continuance of cheap labour, and this cheap labour enables the mills to run and to pay better wages to the whites. Mr. Heaps, Mr. Hackett, Mr. Spicer and Mr. McNair all agree that cheap labour is indispensable in the lumber industry. Mr. Spicer says that if an exclusion act was passed it would result in the closing of the mills. Mr. MacNair has exceptional knowledge, as he operates mills both in Canada and the States. He goes fully into the question of outside competition, and shows how absolutely the price of lumber exported is controlled by this competition, and how fatal it would be to the industry if the cheap labour which they now have in the Chinese and Japanese is interfered with or taken away. I omitted in referring to Mr. Alexander's evidence one important statement, namely, where he said that if the company had to replace the Japanese which they have at present working in the Hastings mill with white labour, the increased daily expenditure would represent such an addition to the other cost of production, that they would have to close the mill as they would be running at a loss. Mr. Alexander also tells us that his company made a special effort to obtain white labour, and at one time actually paid the expenses of a large number of workmen from the east, but they had only remained with the company a short time and left to take more lucrative employment elsewhere. The fact is that there is ample scope in this province for white labourers in better and better paid work than the ordinary handling of lumber and work of that class about saw mills, and that the presence of the orientals to do this cheaper work so far from being a detriment to the white workmen is a benefit.

## RAILWAY WORK.

The only witness who speaks on this is Mr. Marpole, superintendent of the Canadian Pacific Railway Company. His evidence is most instructive. It appears that the number of orientals employed in this division of the railway is comparatively small, as the company endeavour to use white labour as much as possible, and that they had not employed any Japanese until the summer of 1899, when they were obliged to do so owing to the scarcity of white labour. He said that the company could not afford to pay higher wages than they are doing, and referred to the fact that the Northern Pacific Railway Company employs two thousand five hundred Japanese on its Pacific division and the Great Northern Company two thousand, and that the latter were advertising for five thousand more Japanese. Under the present conditions the railway was bound to depend to a certain extent on Chinese and Japanese.

## DOMESTIC SERVANTS.

I have already referred to the number of Chinese domestic servants in the province and I submit that from the evidence it is clear that the presence of the Chinese at any rate in as great numbers as at present, if not to a larger extent, is absolutely indispensable in order to maintain the supply of servants. One or two witnesses have told us that the Chinese are not good servants and many suggestions have been made as to the possibility of obtaining a supply of female servants from other parts of the Dominion or from England or elsewhere, but these are only suggestions and other witnesses show how impossible such plans are. Mr. Schou, examined at Vancouver, and who is strongly opposed to the presence of the orientals in the country, tells us that even in England the domestic servant question has become one of great difficulty. Owing to the employment of women in factories and other spheres of labour the supply

of domestic servants there is limited and a great deal of difficulty is experienced in obtaining servants. Mr. Marpole speaks of the difficulties in Toronto in obtaining female servants, and states that a number of people in Toronto have requested him to send them Chinese as servants. Although one or two witnesses tried to decry them, the mass of evidence is to the effect that as domestic servants the Chinese are unequalled. All the witnesses who spoke from their personal experience from the employment of the Chinese give them a good character in this respect. You will remember the strong evidence that was given by several witnesses in Victoria and Vancouver. I would refer you to the evidence of Mr. Marpole of the Canadian Pacific Railway, Mr. Buntzen of the British Columbia Electric Lights and Power Company and Mr. Rogers of the British Columbia Sugar Refiners and others. One and all of them tell us that the Chinese are indispensable as domestic servants and that already the supply is too limited. The province requires a supply of Chinese servants at least as great in proportion to the whole population as at present, and any greater restriction on Chinese immigration than what now exists would prevent this. A good supply of qualified domestic servants is of more importance to the well-being of the community than some of the witnesses who have been examined are inclined to admit.

In conclusion, I repeat that the evidence of the various witnesses examined before you, grouping them under the head of the questions submitted by you, is favourable to the Chinese and that from the evidence of those best qualified to speak, the presence of the Chinese in the country in at least as large numbers as at present in proportion to the white population, is absolutely indispensable to the continuance of the fishing and the lumber industry, and equally so in order to provide a supply of domestic servants to carry on what Mr. Rogers well calls the industry of living. The fishing industry and the lumber industry are with the mines the three most important industries of the province, and I submit that it would be a most unfortunate thing to cripple these two industries in any way. The evidence shows that unless recruited by further immigration the present number of Chinese in the province will gradually decrease and the supply of Chinese labour already inadequate for the canning industry and domestic service will be too small. Exclusion would of course prevent any further immigration, and an increased poll tax as suggested would practically have the same effect, for the evidence is that an increased poll tax would mean exclusion, and here I would remind you of a point I have already referred to, that the Chinese population of the province is certainly not increasing in proportion to the white population, and that it is rather absolutely decreasing notwithstanding the large number that have come into the province in recent years. The explanation of this fact is that a large proportion of the Chinese who pay the poll tax for the Dominion of Canada ultimately find their way to the United States. In other words, we are getting the revenue and the Americans are getting the Chinamen. Exclusion or further restriction means that the Chinese in the country will rapidly decrease, and, with the present number, none too great for the country's needs for the industries to which I have referred, exclusion or restriction means ruin to them.

Has any good reason been shown for excluding or restricting the further immigration of Chinese, and have the people who cry so loud against them proved the serious charges that they have made? That there has been a loud outcry against the Chinese I admit, but as one of the witnesses in Victoria put it, a few people can make a loud cry if they cry loud enough. I submit that the cry is the cry of a comparatively few, and from those who unfortunately do not know what is best in their own interests. It is significant in looking through the evidence to compare the standing and position of those who speak in favour of the Chinese with those who speak against them.

As I put it in opening, in this province and in this Dominion, part of the Great Empire which has always advocated the policy of the open door and free trade in labour, which has welcomed to its shores immigrants from all parts of the world, without exception, the presumption is that the Chinese are rightly here like all other people. If they are to be restricted, if they are to be excluded, if the door open to all others is to be shut to them, some special and good reason should surely be shown for so doing. The government has been asked to restrict if not to prohibit Chinese immigration altogether: the people who ask this have had the fullest opportunity to come before your Commission

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and to present their case. This I submit they have wholly failed to do, and not only have they failed, but the evidence of independent witnesses establishes the very contrary of what these people alleged. Their statement was that the presence of the Chinese was a detriment to the country. The evidence is that far from being a detriment to the country, the Chinese are a benefit. So far from injuring the white working man they afford the cheaper class of labour which is required for some of our most important industries, thus providing positions for a larger number of whites in the better paid classes of work. They are indispensable for the maintenance of salmon canning and the lumber business, two of our most important industries, and as domestic servants for the well-being and comfort of home life in the province.

## EXTRACTS FROM THE REPORT OF THE PHILIPPINE COMMISSION.

*Exhibit IV.*

## MEMORANDUM ON THE CHINESE IN THE PHILIPPINES.

Since very ancient times the Chinese have had commercial relations with the Filipinos, said relations having existed before Spanish dominion in the islands.

As the number of the Chinese was continually increasing, and also as it was necessary for the security of the colony to segregate them from the rest of the population, a large building, or market, with numerous habitations was built for them as a measure of governmental policy. This market was called the 'Market place of San Fernando.'

This market place served as a home for the Chinese, so that they could not diffuse their religion among the natives, and it was situated on the other side of the Pasig River under the fire of 'Citadel,' as Fort Santiago was formerly called.

They made good profits, and in a few years the market place or 'alcaiceria,' which was theirs exclusively, proved too small to accommodate all who came from China, and another building called the 'Parian' was constructed for a like purpose. 'Parian' is a Mexican word, which means market place, and the new building, which was made for the Chinese was situated where at present the ruined botanical gardens are, although some historians confound this 'Parian' with the one which existed in Intramuros, at the end of Victoria street, where the municipal school for girls is at present.

The Chinese immigration kept on growing in numbers and became a sort of invasion, and the time came when there were not enough habitations in both the alcaiceria and the parian to accommodate them. In the middle of the seventeenth century there were some 30,000 in the neighborhood of Manila alone.

Although historians affirm that at this time the principal occupation of this great number of Chinese was agriculture, nevertheless it is to be supposed that many of them did not have any visible work or means of acquiring it, and they audaciously revolted against Spanish sovereignty in the islands. Although there were, as has been said, some 30,000 of them, they carried their audacity to such an extreme that they had Manila in a state of siege for some days, and, although they were repulsed a number of times, they persisted in their project of taking the capital of the Archipelago by assault.

After various futile attempts they were convinced that they could not conquer in the Philippines and finally withdrew, raising the siege, and then those who had been besieged pursued them to a point beyond Kainta, slaughtering them without pity until they were in a state of complete and shameful defeat.

As a result of this Chinese revolt against the sovereignty of Spain in the Archipelago greater restrictions on their immigration were imposed.

In spite of these restrictions the Chinese colony gained in strength what it had lost in extent, because these restrictions gave the Chinese the undeniable right to manage their own commercial affairs and enable them to always corrupt the administrative elements in the Philippines, and this was the natural consequence of the Spanish rules and royal orders referring to the Chinese.



It was necessary to punish the Chinese for their attempt to take Manilla, and for the innumerable acts of treason which they were accused of, and consequently, in the time of Don Simon de Anda (1762-1764), it is calculated that some 8,000 died in the central provinces of Luzon, who were exterminated in those towns by the order of that Governor General, only those who lived in Manilla and its suburbs remaining alive.

As a consequence of this anti-Chinese campaign many of them who survived this assassination emigrated to their own country, and the number of Chinese established in these islands diminished little by little.

Only those remained in the Philippines who were secure in doing their business and making a living freely and with more security than in their native country.

This noteworthy diminution continued, until from 1840-1846 there were only 5,000 in all the Philippines, a small number as compared with other times.

Lastly, the Chinese have always been the preeminent question with the Governors-General, and when Senor Norzagaray gave up his command in the Philippines in 1859 he wrote an extensive paper, in which, among other things, the seven or eight thousand Chinese who were in the archipelago were spoken of.

This Governor General, referring to the Chinese, said: "One of the most difficult questions remains to be solved on my giving up of my command—that of the commerce carried on by the Chinese in the provinces.

The clamor against these Asiatics is general in the country, because competition with them is not possible: Spaniards, Mestizos, Indians, all give them a free field in retail business when they enter.

Their few needs, their patience under every insult and vexation, and sacrifice, and personal labour which they can utilize, except agriculture, the ease with which they adapt themselves to the customs of the natives and to the exchange of produce and to all the needs of the consumer; the insignificance of their personal expenses; the manner of their life; the close cooperation which they maintain among themselves, all place them in a situation advantageous to them, but not always to commercial progress.

The truth is, that they have monopolized retail business; they make the employment of capital by individuals of other races impossible. It is also true that they do not start any enterprise nor undertaking of importance. They hoard by instinct and hide or take away their capital from the country, which capital in other hands would be a powerful element of progress and advancement, but is it possible and would it be prudent to at once reverse the customs of the country which is now accustomed to the services of the Chinese in the retail business referred to?

Are the complaints of thousands of individuals of other races sufficient warrant for the prevention of their invading activity in all industries?

An energetic reaction against the Chinese has existed during the last two years in Java, in Australia and in California.

In the voluminous report to which I referred in the beginning, it is set forth by approval and by some royal orders that they be protected. I believe that it would be possible to establish a means of quieting these complaints and at the same time avoiding the consequent setback in business, to wit, to take the prohibitive measures which have been adopted in the countries mentioned.

The commercial invasion of the provinces by the Chinese could only be advantageous under certain restrictions.

The gathering of the fruits of the country for exportation, which up to the present has been done by Spaniards, natives and mestizos, should continue in their hands, for this tendency to fraud, to adulteration, and to monopoly, which is characteristic of the Chinese, would be prejudicial to their production.

The industrial tax is called upon to establish a just balance in trade and protection in favour of the national races in the Philippines. The industrial tax which the Chinese pay at present is insufficient for the purpose, on account of the insignificant rates which it fixes.

One of the greatest difficulties which this question presents is the great amount which has been written upon this subject, and the impossibility of the superior authorities of the best judgment understanding it in all its phases and all the details which should be known."



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This is the most interesting part of the paper of Senor Norzagaray, in which he makes it clear that it would be better for Spain to be impoverished by taking energetic and saving measures against these Asiatics than that these Philipines should be ruined by foreign commercial absorption, of which one Spanish colony was the victim.

Since the administration of said Senor Norzagaray up to the beginning of the war between the United States of America and Spain, the influence of the Chinese in the Philipines has been increasing, both in commerce and industry, and in their wealth and the volume of their production.

The Chinese engaged in a variety of industries and mercantile pursuits in the Philipines, and in 1830 the administration classified them as follows: (1) wholesale merchants; (2) retail merchants with dry goods shops; silk merchants, shoemakers, druggists, ink manufacturers, soapmakers, barbers, blacksmiths, carpenters and dealers in notions; (3) water carriers, boatmen, cooks, and dealers in firewood; (4) workmen and servants of all those comprised in the three preceding classes. Those of the first class paid a tax of \$10 a month; those of the second, \$4; those of the third, \$2, and those of the fourth \$1.

We shall make a short study of the importance of Chinese commerce in the Philipines, especially in some of the richest provinces.

In Isabella and Cagayan, a short time before the governmental tobacco monopoly was abolished, there were very few Chinese, and their action in business was insignificant, and the Spanish Government paid the owners of the tobacco crops punctually.

Nevertheless, a time came in which the Spanish administration was behind in nearly all of its payments—principally in the most important ones—and the planters of these provinces were among the many victims of these delays.

The Chinese then took advantage of the precarious situation by making usurious loans to those who lacked the means of realizing on their crops, thus securing the business of those fertile provinces, both by means of the capital which they advanced, and in the *han ling* and monopoly of tobacco.

Their commercial supremacy reached such a point that once they had monopolized tobacco, almost every leaf which came to Manilla from Cagayan and Isabella was their property, and they stored it in warehouses and sold it later to the factories already established in the capital at a good profit.

They were not contented with the sale of tobacco in the leaf alone, but they also established factories to manufacture it, thus causing other factories which had been in operation to close up by the ruinous competition which the Chinese raised against them.

As they had monopolized tobacco in the leaf, they raised the price of that commodity to a fabulous height, thus insuring the ruin of the other manufacturers, their commercial adversaries.

Nevertheless, it must be mentioned that cigars made by Chinese factories soon lost credit in foreign markets through the poor workmanship and the detestable manner in which they mixed the different classes of leaves.

The Chinese were not discouraged by this, and although the sales of the products of their factories did not gain them the profits which they expected, they continued acquiring lands in the provinces mentioned, both by loaning on mortgages and by making contracts of sale in advance.

In the provinces of Hocos and Pangasinan the Chinese, by their commercial influence, succeeded in paralyzing to a certain extent the progress which was noticeable some years before in the product on of said provinces.

All the interior trade of Canarines Sur is monopolized by them, and both that province and Hocos Sur seem, for this reason, to be stationary as regards the ordinary march of commerce and industry.

In Batangas the Chinese have not been able to overcome the natives in this unequal struggle for life, for although the inhabitants of Batangas were beaten in the trade of the interior they did not lose heart on this account, and devoted themselves with great diligence to the production of coffee and sugar, and to the breeding of beef cattle and swine, and the Chinese were not able to outdo them.

In Albay, also, the Chinese extended their business, especially in hemp, and were the cause, as some merchants assert, of the discredit which that valuable fibre suffered from in the markets of America and Europe by the bad faith with which they separated the different classes for which there was a demand in the foreign markets.

Since 1860 the Chinese have been prosperous in Iloilo and the island of Negros, which islands have always been of great commercial and agricultural importance, even before the Chinese came here.

In Jolo, Cottabato and Zamboanga the Chinese have also done business both in trading with the natives of said islands and with the Philippine and Spanish troops in garrison there, and in dealing with the Moros in shells, pearls and other valuable products.

The town of Taal merits special mention, for the natives there have not allowed the Chinese to establish themselves in that town, in spite of their vigorous persistence.

The Chinese were assassinated there and the criminals were never detected, for which reason the Chinese decided not to oppose the determination of the people of Taal, who carry on a comparatively prosperous commercial life without necessity for foreigners to trade in the products.

We can now judge how it is that the Chinese were always successful in the commercial competition which they raised in the Philippines.

To put it in one word, they were successful because there exists among them a cooperative protection incapable of being destroyed either by law or by any measures which may be taken to counteract it.

In fact, they succeed everywhere in obtaining a monopoly of wholesale and retail trade, becoming by the unity of purpose which they possess the proprietors of mechanic arts and trades in the country. They lend each other cooperative aid and all work together for the same end, thus forming a vast commercial society with which it is impossible for other merchants who work separately to compete.

Some foreign business houses established in Manilla import dry goods from Europe and turn them over for prompt and certain sale to a small number of Chinese merchants, in whose power to collect the value of the merchandise they have confidence.

These merchants divide the articles received among the shops of their countrymen and also send quantities of the goods to their principal agents in the provinces, who in turn distribute them among the different Chinese who have open shops in the towns and provincial capitals.

They previously mark the prices on the articles and the shopkeepers are not allowed to reduce them under any pretext.

Under this system the result is that although there may be many Chinese establishments in one town, the same article exists or may be secured in all of them, and the price is uniform in high and low alike and only follows a general rule whether the article is plenty or scarce in the place.

When a Chinese immigrant lands in Manilla he comes under the management of a headman, who lends him \$30 or more and to whom the future merchant is directly responsible.

He then begins to work in the most laborious and humble employment, but in spite of his small compensation he is able, by force of self-denial, to save a quantity sufficient to free him from the power of the headman, to whom he returns the quantity advanced to him. From that time on he works on his own account, protecting and being protected by his countrymen, until he accumulates sufficient capital to return to his country and there enjoy his savings for the rest of his life.

The principle of political economy is well known which lays down the rule that in order for a country to obtain advantages from immigration the immigrants should bring in capital, new industries, or superior knowledge to perfect industries already in existence, or at least that said immigrants should apply their energies to pursuits productive of gain, not only to the immigrants themselves, but to society in general in the country in which they have established themselves, or that they finally become assimilated with the people of the country, thus giving, although indirectly, stimulus to certain professions and industries, whose progress is a consequence of the increase of the number of the

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inhabitants of the town. Chinese, on coming to the Philippines, do not comply with any of the conditions of this well-known principle of political economy, which are desirable points to be looked for in immigrants.

Why, then, should they be allowed to immigrate in such great numbers, when their presence in the Philippines is not a guarantee of prosperity and progress for the rest of the inhabitants of the Archipelago?

According to a census which was published in 1876, there were 30,797 Chinese in this Archipelago. In ten years this number grew to 99,152.

In every society there is an unfailing balance established between services and remuneration by the economic laws of supply and demand as well as by professional necessities.

The harmonious application of this balance brings about public order and general prosperity. The deficiency or excess in any of the number of either employers or employees disturbs this balance, which, under proper conditions, makes the social edifice symmetrical.

In a people like the Filipino people, whose wholesale business is almost entirely in the hands of the Chinese, one cannot hope for the creation of small capitals, which, being added to by labour and economy, serves as a means of improving city property, and for the extension of agriculture and many useful undertakings which are not known in the Philippines as yet, and which, undoubtedly, will never be known through steps taken by the Chinese capitalists.

Those who devote themselves to retail business are, in all countries of the world, those who are stockholders in small enterprises which promise profits to small capitals when associated, and here this class of merchants is almost entirely Chinese, and consequently hostile to the most useful projects for the material progress and general improvement of these islands.

The Chinese are one of the principal causes of the commercial and industrial backwardness of the Archipelago. It is impossible here, on account of the competition which they make, to attain a position in the middle class of society. This class is the protector and promoter of great enterprises which do not promise immediate dividends, and which must be perfected by means of shares which represent a great capital, that is to say, by the collection of the funds of many contributors.

After having read what we have set forth in reference to what was formerly called 'the Chinese problem,' the following conclusions, briefly, may be deduced: (1.) The Chinese were protected here with undue liberality by the Spanish Government to the prejudice of Spain herself and of the Philippines. (2.) Furthermore, the losses which the Philippines suffer are considerable, because it is the custom of the Chinese to consume, as far as the necessities of life are concerned, the food, clothing and other articles which they import from their own country for this purpose.

The first of these conclusions is now a matter of history, for the American Government, on taking the place of the Spanish Government here, will not allow the Chinese or their attorneys to bid upon contracts with the State, nor will it tolerate frauds upon the administration, which the Chinese commit by concealing their industries or their numbers. The second conclusion which refers to the losses which the country suffers by the spirit of monopoly of the Chinese, which is shown by their use of imported articles from their own nation, must also be taken into account, and these losses may be counteracted by the following means: (1) To make all articles coming from China, which are designed for the individual consumption of these Asiatics, such as fresh or preserved provisions, fruit, clothing, shoes, and others, pay heavy duties in the custom house. (2) To raise the customs duty on opium to a very high rate, in order that the smoker of this extract may pay the country indirectly for the use of it. Opium smokers will be done away with in this manner. (3) To prevent the Chinese from engaging in agriculture, which the Spanish desired them to do, for they would not perceive that apart from the cultivation of the soil it is the surest guarantee of the future of the Philippines, since the sovereignty of Spain and the absorption of the colony by the friars has ceased to exist. Horticulture and floriculture alone should be allowed to the Chinese.

THE HONOURABLE OLIVER P. MORTON'S VIEWS ON THE CHARACTER,  
EXTENT AND EFFECT OF CHINESE IMMIGRATION  
TO THIS COUNTRY.

NOTE. —Mr. Morton was Chairman of the Commission appointed in 1896 to inquire into Chinese and Japanese Immigration and it would appear made a minority report, of which the following is all that can be found, a portion having been lost or mislaid.  
(Section A missing.)

B.

A discussion of the effect of Chinese immigration upon the country involves many considerations, and any proposition looking to its prohibition or limitation would require us to consider some of the fundamental principles of the theory and practice of our government. It is our proudest boast that American institutions are not arbitrary in their character; are not the simple creations of force and circumstance, but based upon great and eternal doctrines of the equality and natural rights of men. The foundation-stone in our political edifice is the declaration that all men are equal; that they are endowed by their Creator with inalienable rights; that among these are life, liberty, and the pursuit of happiness; that to obtain these, governments are instituted among men, deriving their just powers from the consent of the governed. We profess to believe that God has given to all men the same rights, without regard to race or color. While this doctrine is beautiful and simple in its enunciation, it has taken one hundred years to establish it by legal formula in our system of government; while there are still large numbers who practically deny the truth of it by preventing it from being carried into execution, and who do not in their minds admit that the coloured race have the same natural rights with white men. And it is unfortunately true that there are many who yet believe that the coloured man should be in bondage; that slavery is his normal condition and has the sanction of the Almighty. We hope that increasing intelligence and the changed condition of our country will, at a time not far distant, obliterate such belief, and that all people, without regard to party or section, will believe in the equal rights of men, and recognize that doctrine in the administration of State and national governments.

A cardinal principle in our government, proclaimed in the declaration of independence, in the articles of confederation, and recognized by our constitution, is, that our country is open to immigration from all parts of the world; that it was to be the asylum of the oppressed and unfortunate. It is true that when the government was formed, and for nearly three-quarters of a century, no immigration was contemplated except from nations composed of white people; but the principles upon which we professed to act, and the invitation we extended to the world, cannot and ought not to be limited or controlled by race or colour, nor by the character of the civilization of the countries from which immigrants may come. Among the nations of Europe civilization widely varies, conflicting in many important particulars and differing greatly in degree. Nor should the operation of those principles be limited on account of the religious faith of nations. Absolute religious toleration was regarded by our fathers as of vital importance. Not only were the different sects of christians to be tolerated, but the deist, atheist, the Mohammedan and the Buddhist were to be free to express and enjoy their opinions.

One of the greatest objections which has long been urged to the Chinese and Japanese was their exclusiveness—their refusal to permit the people of other nations to settle in their midst, or even to travel through their country and acquire a knowledge of their institutions and condition. This objection has been removed. The doors of China and Japan have been thrown open, and Americans have the right by the laws of those countries, to live there, to do business, and have complete protection; and, beyond that, have rights which we do not give to Chinese and Japanese in this country. If Americans commit offences against the laws of China or Japan, they are not to be tried



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and punished by the courts of those countries, but by American consular courts, appointed by our own government. At a time when those countries have adopted a liberal policy, and in that respect have yielded to western civilization and especially recognized the force of the example and policy of the United States, it is proposed that we shall take a step backward by the adoption of their cast-off policy of exclusion. The argument set up here in favour of this is precisely that which was so long used to excuse or justify the same policy in China and Japan, viz.: that the admission of foreigners tended to interfere with their trade and the labour of their people, and to corrupt their morals and degrade their religion. The strength and endurance of our government do not depend upon our material wealth and prosperity; on the contrary, the great increase of wealth and luxury threatens the safety and continuance of our institutions by impairing the virtue of the people, their simplicity and purity of manners, as they did in the ancient republics of Greece and Rome. Nor will the safety and perpetuity of our institutions be insured merely by the general diffusion of education and intelligence. It may be stated, as a proposition established by experience and reason, that the sheet-anchor of our safety consists in faithful adherence to the cardinal principles upon which our government was established, and the maintenance of that broad, liberal, and humanitarian policy promulgated by our fathers. If our government shall come to be regarded as purely arbitrary—as the creation of force and circumstance, its final demoralization and destruction are foredoomed. Our greatest, our only absolute security consists in the devotion of the masses of the people to the doctrines upon which the government was founded, and the profound conviction in the minds of the people that the rights of men are not conferred by constitutions or written enactments, which may be altered or abolished, but are God-given to every human being born into the world, and cannot be violated by constitutions, enactments, or governments, without trampling upon natural and inalienable rights. For, if we come to believe that the rights of men are the mere offspring of constitutions and laws, bad rulers and wicked factions may deem it expedient to take away the rights of a part of the people, and gradually to sap, and finally to overturn our institutions. The institution of slavery and its long maintenance in the doctrine that coloured men had no natural rights, and that slavery was a mere question of political economy or expedience. If it is believed that men have no natural rights, arguments and inducements will be found from time to time to deprive communities or classes of their equality and participation in government.

Closely allied to these great doctrines, and, in fact, a necessary outgrowth of them, is that policy which throws open the doors of our nation to the people of other countries, who come to escape oppression or the hard conditions by which they are surrounded, and to make our country their home. In permitting the people of other countries to come here and live and become citizens, we have the right to prescribe such conditions and create such safeguards as may protect us from pauperism, crime and disease; to fix the period of probation and the reasonable terms upon which they may become citizens and entitled to participate in government. To regulate immigration and prescribe the terms upon which we will admit men of foreign birth to the exercise of civil and political rights is one thing, and their prohibition or exclusion, in whole or in any part, is quite another. To make such regulations as will protect the interests, morals, and safety of our people against foreigners is both our right and duty; and in the exercise of a sound discretion, I do not say that we may not discriminate among the nations, and exact terms and conditions from the people of one country that we do not deem necessary as to others. We have always made this discrimination with regard to the right to become citizens, by permitting none but white persons to be naturalized. As to all other rights of foreigners coming to our shores to work, to trade, or to live and acquire property, we have never made any distinction. To do that now would be a great innovation upon the policy and traditions of the government, and would be a long step in the denial of the brotherhood of man, and the broad humanitarian policy inaugurated by our fathers.

The limitation of the right to become naturalized to white persons was placed in the law when slavery was a controlling influence in our government, was maintained by

the power of that institution, and is now retained by the lingering prejudices growing out of it. After having abolished slavery, and by amendments to our constitution and the enactment of various statutes establishing the equal civil and political rights of all men, without regard to race or colour, and, at a time when we are endeavouring to overcome the prejudices of education and of race and to secure to coloured men the equal enjoyment of their rights, it would be inconsistent and unsound policy to renew and re-assert the prejudices against race and another form of civilization by excluding the copper-coloured people of Asia from our shores. It would be again to recognize the distinctions of race and to establish a new governmental policy upon the basis of colour and a different form of civilization and religion. In California the antipathy to the Mongolian race is equal to that which was formerly entertained in the older states against the negro: and although the reasons given for this antipathy are not the same, and the circumstances of its exhibition are different, still it belongs to the family of antipathies springing from race and religion. As Americans, standing upon the great doctrine to which I have referred, and seeking to educate the masses into their belief, and charged with the administration of the laws by which equal rights and protection shall be extended to all races and conditions, we cannot now safely take a new departure, which, in another form, shall resurrect and reestablish those odious distinctions of race which brought upon us the late civil war, and from which we fondly hoped that God in his providence had delivered us forever. If the Chinese in California were white people, being in all other respects what they are, I do not believe that the complaints and warfare made against them would have existed to any considerable extent. Their difference in colour, in dress, manners and religion have, in my judgment, more to do with this hostility than their alleged vices or any actual injury to the white people in California. The inquiry which the committee were instructed to make does not involve the political rights or privileges of the Chinese. As the law stands, they cannot be naturalized and become citizens: and I do not know that any movement or proposition has been made in any quarter recently to change the law. But the question is, whether they shall be permitted to come to our country to work, to engage in trade, to acquire property, or to follow any pursuit.

But before entering upon the discussion of any other principles, I may be permitted to observe that in my judgment the Chinese cannot be protected in the Pacific States while remaining in their alien condition. Without representation in the legislature or Congress, without a voice in the selection of officers, and surrounded by fierce and, in many respects, unscrupulous enemies, the law will be found insufficient to screen them from persecution. Complete protection can be given them only by allowing them to become citizens and acquire the right of suffrage, when their votes would become important in elections, and their persecutions, in great part, converted into kindly solicitation.

In considering any proposition to prohibit Chinese immigration, or to limit it, we must bear in mind the fact, fully established by the evidence, that the Chinese landing upon our Pacific coast comes entirely from the British port of Hong Kong. Though subjects of the Chinese Empire, they embark at a British port, and in that respect are invested with the rights of British subjects, and in any legislation or treaty by which we would propose to limit or to forbid the landing upon our shores of Chinamen, or any other class of people embarking at a British port, we must deal with the British government, and not that of China. With the laws of England, or the marine regulations by which the people of China are permitted to enter a British province and to embark from a British port, we have nothing whatever to do; but it is quite clear that any legislation of ours which would interfere with the landing upon our shores of any class of people embarking at a British port, whether they be Chinese or Japanese subjects, would be an interference with the trade and commerce of that port. It may be an important commercial matter to Great Britain that the port of Hong Kong shall be open to the reception of people from China or any other part of the world who propose to emigrate to the United States or any other country, and if we cut off such emigration, in whole or in part, it is not an interference with the government of China, for which we should answer to that government, but with the government of England. Our

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refusal to permit a Chinaman to land, who had embarked at a British port upon a British vessel, would certainly be a question with the English government, and not with that of China; and the fact that the person thus forbidden to land was a Chinaman, who had never sworn allegiance to the English government, would not in the least vary the question.

## C.

In dealing with this question, we should consider and act upon general principles, and should hesitate before adopting a new policy which would be at variance with the genius of our institutions, and enable the world to say that the principles upon which we professed to establish our government in the beginning and upon which we took our place among the nations, have yielded to considerations of doubtful expediency, in conflict with our general professions and character. As before stated, our strength as a republic consists in our faithful adherence to the doctrines upon which it was established, and to the education of our people in their truth, without regard to any temporary interest or condition. The most of the Chinese were labouring men, who came from the rural districts in China, and were accustomed to agricultural pursuits. A few of them were scholars in their own country, some of them were merchants, and a very few mechanics. As a rule, they are industrious, temperate and honest in their dealings. Some thousands of them are employed as household servants in the cities and in the country. In this capacity the testimony generally concurs in giving them a high character. They very readily learn to perform all kinds of household duty, are devoted to their employment, and soon become exceedingly skilful. The testimony proved that they went to all parts of the State to serve in that capacity, when other servants or help of that kind could not be obtained from the cities, and that if they were banished it would be very hard, in fact, as many of the witnesses said, impossible to supply their places. As labourers upon the farms and in the gardens and vineyards, nearly all the witnesses speak of them in the highest terms. Colonel Hollister, one of the largest farmers in California and a man of great intelligence, testified that without the Chinese the wheat and other crops in California could not be harvested and taken to market; that white labour could not be obtained for prices that would enable the farmer to carry on his business; that any considerable increase in the price of labour would render the production of wheat and almost every other agricultural product unprofitable, and they would have to be abandoned.

In the construction of railroads and other public works of California, the Chinese have been of the greatest service and have performed the largest part of the labour. Several distinguished gentlemen connected with railroads testified that without Chinese labour they could not have been constructed, and that if the companies had been compelled to rely upon white labour, it would have been so difficult to procure and so costly that the works must have been abandoned, and in fact would not have been undertaken. As labourers upon the public works they were entirely reliable; worked more hours than white men; were not given to strikes; and never undertook, by combinations, to control the price of labour.

The chief point against the Chinese, and that which was put forth as the ground of movements against them, was, that they worked for less wages than white people, and thus took their labour, or compelled them to work for wages upon which they could not subsist and maintain their families and educate their children. That Chinamen work for lower wages and perform the same amount of labour for less money than white people is unquestionably true. They have largely performed the hardest and lowest kind of labour in the State, such as the construction of railroads, reclaiming the tule lands, and every form of drudgery and unskilled labour; but that they have injuriously interfered with the white people of California or have done them a serious injury may well be doubted. The great fact is, that there is to-day, and always has been, a scarcity of labour on the Pacific coast. There is work for all who are there, both white and Mongolian, and the State would undoubtedly develop much more rapidly were there more and cheaper labour. There was much intelligent testimony to the fact that the Chinese, by



their labour, opened up large avenues and demand for white labour. The Chinese perform the lowest kind, while the whites monopolized that of a superior character. This was well stated by Mr. Crocker, a very intelligent witness, largely interested in the Central Pacific and Southern California Railroads. In answer to a question as to what was the effect of Chinese upon white labour, and whether it was to deprive white men of employment, or had had that effect at any time he said :

I think that they afford white men labour. I think that their presence here affords to white men a more elevated class of labour. As I said before, if they should drive these 75,000 Chinamen off you would take 75,000 white men from an elevated class of work and put them down to doing this low class of labour that the Chinamen are now doing, and instead of elevating, you would degrade the white labour to that extent. For any man to ride through California, from one end of this state to the other, and see the miles upon miles of uncultivated land, and in the mountains millions of acres of timber, and the foot-hills waiting for some one to go and cultivate them, and then talk about there being too much labour here in the country, is simply nonsense, in my estimation. There is labour for all, and the fact that the Chinamen are here gives an opportunity to white men to go in and cultivate this land where they could not cultivate it otherwise.

Again he said —

I think that the presence of the Chinese, as labourers among us, goes very far toward the material interest of the country : that without their labour we would be thrown back in all branches of industry, farming, mining, reclaiming lands, and everything else. I believe that the effect of Chinese labour upon white labour has an elevating instead of degrading tendency. I think that every white labourer who is intelligent and able to work, who is more than a digger in a ditch, or a man with a pick and a shovel, who has the capacity of being something else, can get to be something else by the presence of Chinese labour easier than he could without it. As I said before, when we were working 800 white men, and that was the extent we could get, we began to put on Chinamen. Instead of our white force decreasing it increased, and when we had eight, nine, and ten thousand Chinamen on the work, we had from 2,500 to 3,000 white men. Instead of these white men being engaged in shoveling dirt or with a pick and shovel, they were teamsters, mechanics, foremen, and men in an elevated grade of labour, receiving wages far above what they would have done if we had had the same number throwing up the dirt and digging in the rock. I know of a great many instances where men have come on to the road and taken a foremanship over Chinamen, and have acquired a little start, which they afterwards used, and they are now independent citizens, owners of farms, owners of corner groceries and stores in the country towns.

Other evidence showed that by Chinese labour over one million acres of tule land have been reclaimed. This was work of the hardest and most unhealthy character, requiring them to work for a large part of the time in mud and water ; but the lands, when reclaimed, were occupied and cultivated by white men, furnishing a great many homes, and were in fact the richest and most productive in California. They also chiefly performed the work in constructing irrigating canals for farming purposes, and dams and canals for supplying the mines with water, by which a very large extent of country was made exceedingly productive, furnishing homes and employment for thousands of white men, and by which also the mines were made profitable and created a large demand for white labour. The evidence further showed that the railroads chiefly constructed by these people were the pioneers in settlement and agriculture ; that the settlements followed the railroads ; that wherever a railroad was constructed the lands were taken up and converted into farms and homesteads. While there was complaint that the Chinese by their cheap labour took it from white people, inquiry failed to show that there was any considerable number of white people in California out of employment, except those who were wilfully idle ; that there was work, and remunerative work, for all who chose to perform it ; that among the most bitter enemies of the Chinese in the city of San Francisco were the hoodlums, who were notorious idlers and ruffians, and yet made large outcry against Chinese cheap labour. That there have been many instances where Chinamen have been employed in preference to white people because of



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their cheaper labour is undoubtedly true, but not to an extent that could furnish just cause of complaint requiring legislation or political action for its redress. The field of labour in California is extensive and varied in its character, and people who fail of employment in one direction can as a general thing obtain it in another. No system of labour is healthy or profitable which is not free—in which men are not at liberty to work for such prices as they choose to accept. The field of labour must be open to competition, as is every other branch of business. There is competition among merchants as to who shall sell the cheapest: competition among mechanics and manufacturers: and as labour is honourable, so it must be free and open to the same competition with every other pursuit in life.

The labour performed by the Chinese has tended very greatly to the development and prosperity of California. The testimony of many of the witnesses went to show that but for Chinese labour the state would not have half the population, property and production she has today. The testimony was quite conclusive upon the point that the first successful introduction of manufactures into California, in almost every respect, was owing to the employment of Chinese labour: that as manufactures progressed and became firmly established the employment of Chinese gradually diminished and white labour in them largely increased; and that that change is still going on. But these manufactures in their infancy could not successfully compete with goods from the eastern States and Europe, except by employment of the cheapest kind of labour. Mr. B. S. Brooks, a distinguished lawyer in San Francisco, who has lived in the state since 1849, testified as follows in regard to the effect of Chinese labour in that state. He said:

I have no doubt that the importation or rather the immigration of Chinese to this State has increased its wealth at least one-half; I think a great deal more. In the first place, the works which they have constructed without their aid would have immediately increased the taxable wealth of the State at least one-half. In addition to that, I am satisfied that they have increased the white population of the State in almost the same proportion, if not quite. I think, without their aid at the present time, the population of the State could not be maintained at more than one-half its present amount, if to that extent. I am satisfied from the inquiries that I have made from all parts (and it is impossible for me to present all these witnesses before you) that the product of the State—its chief export, wheat—cannot be produced at the price at which it can be exported, if the cost of production is increased at all. There is a considerable portion of the State, including land that has been cultivated, which will not bear cultivation at the present time—that is to say, the crop which it will produce will not pay at the present price of wheat here for export, and it will not pay the cost of its production. The yield of wheat from these lands, as everyone probably knows without any testifying to it, steadily decreases. (Section D is missing).

## E.

In our treaty with China, concluded in 1868, commonly known as the 'Burlingame treaty,' I find the following articles:—

## ARTICLE V.

The United States of America and the Emperor of China cordially recognize the inherent and inalienable right of man to change his home and allegiance, and also the mutual advantage of the free migration and emigration of their citizens and subjects, respectively, from one country to the other, for purposes of curiosity, of trade, or as permanent residents. The high contracting parties, therefore, join in reprobating any other than an entirely voluntary emigration for these purposes. They consequently agree to pass laws making it a penal offense for a citizen of the United States or Chinese subject to take Chinese subjects either to the United States or to any other foreign country, or for a Chinese subject or citizen of the United States to take citizens of the United States to China, or to any other foreign country, without their free and voluntary consent respectively.

## ARTICLE VI.

Citizens of the United States visiting or residing in China shall enjoy the same privileges, immunities, or exemptions in respect to travel or residence as may there be enjoyed by the citizens or subjects of the most favoured nation. And, reciprocally, Chinese subjects visiting or residing in the United States, shall enjoy the same privileges, immunities and exemptions in respect to travel or residence as may there be enjoyed by the citizens or subjects of the most favoured nation. But nothing herein contained shall be held to confer naturalization upon citizens of the United States in China, nor upon the subjects of China in the United States.

## ARTICLE VII.

Citizens of the United States shall enjoy all the privileges of the public educational institutions under the control of the government of China: and reciprocally Chinese subjects shall enjoy all the privileges of the public educational institutions under the control of the government of the United States, which are enjoyed in the respective countries by the citizens or subjects of the most favoured nation. The citizens of the United States may freely establish and maintain schools within the Empire of China at those places where foreigners are by treaty permitted to reside, and reciprocally, Chinese subjects may enjoy the same privileges and immunities in the United States.

In the foregoing articles we find a strong recognition of the inherent and inalienable right of man to change his home and his allegiance, and that Chinese subjects visiting or residing in the United States, shall possess the same privileges, immunities and exemptions as may be here enjoyed by the citizens and subjects of the most favoured nation. When this treaty was concluded with China, it was regarded by the whole nation as a grand triumph of American diplomacy and principles, and Mr. Burlingame, on his return to San Francisco, received an extraordinary ovation as a benefactor of his country, by having secured to Americans the protection of the Chinese Government, and the right to live there and trade (in return for which he had guaranteed similar rights for the Chinese in the United States), and for having secured from China a recognition of what may be called the 'great American doctrine' of the inherent and inalienable right of man to change his home and his allegiance. For the recognition of this doctrine by the governments of Europe we had been struggling, by negotiation, ever since we had a national existence, and had succeeded with them, one by one. And within the last eight years we have secured the recognition of the doctrine by Germany and other states of Europe, that had long held out against us.

## F.

In the early days of California the price of labour was exorbitant, and rendered it impossible to employ men for any other purpose than mining or in raising provisions for the support of miners, at a time and at places where transportation was most difficult, and they could not be brought from other states or countries, except at an enormous cost. These high prices made it impossible to engage in manufactures or any pursuit that came into competition with the productions of other countries, and it was only when prices had become greatly reduced, chiefly by the presence of the Chinese, that California was at all able to send her agricultural productions into the markets of the world. And it is undoubtedly true, notwithstanding the outcry against Chinese cheap labour, that the average rate of wages in California is higher than in any other part of the United States, and now stands largely in the way of the development of the State.

It is said that the presence of the Chinese in California prevents the emigration thither of white people, and therefore stands in the way of the growth of the state. If such is the fact (which I do not admit) it springs from the persecution visited upon the Chinamen, and the exaggerated declarations which have been made in excuse for them, that the Chinese interfere with white labour and leave white people out of work or reduce their wages by competition below the living point. If white people are deterred

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from going to California it is not a legitimate result of the presence of the Chinese, but by the gross misrepresentations which have been made.

Looking at the question broadly and at the effect which Chinese labour has exerted in California, running through a period of twenty-five years, I am strongly of the opinion that but for the presence of the Chinese, California would not now have more than one-half or two-thirds of her present white population. That Chinese labour has opened up many avenues and new industries for white labour, made many kinds of business possible, and laid the foundation of manufacturing interests that bid fair to rise to enormous proportions. That the presence of the Chinese, holding out the prospect for labour at reasonable rates, induced the transfer of large amounts of capital and immigration to California and of large numbers of business and enterprising men, thus making California the most inviting field for immigrants from every class of society, including labouring men; and lastly, that the labouring men of California have ample employment and are better paid than in almost any other part of the country.

But it is said that although Chinese labour was at one time of great value to the state, and contributed largely to its settlement and development, that period is past and the time is come when the Chinaman can be dispensed with and that his further presence in California is an injury. In this connection I may speak of the wonderful production of wheat in the state, the superior quality of which has made it a favourite article in the markets of Europe. The system of farming chiefly employed is, by the concurrent testimony of witnesses, rapidly exhausting the land and threatens to bring about the same condition of the soil which was produced by the continuous cultivation of tobacco in Virginia. Much land that was fertile and profitable for wheat a few years ago is abandoned as worthless. On this subject Colonel Hollister testified as follows, on page 768 of the printed record of testimony:—

I find that it is almost impossible to carry on my farming with the cheapest labour I can get. With the minimum paid for farming work, say \$25 a month and board, I find that it is impossible to live. I pay out \$5 for every \$4 I get and have done it for ten years so far as farming is concerned, and yet I claim to be a good farmer. It is not my fault, it is not the fault of the soil, it is not the fault of the climate, but it is the fault of the price of labour. My own conviction is from what I know and have seen and from my own experiments and what I have seen of my neighbours, that there is not a farm in the state scientifically handled, handled well, with a view to the perpetuity of the soil, with a view to its permanency, without exhaustion, restoring as we take away, that will survive at \$25 a month for labour. A farmer cannot survive on the payment of a minimum of \$25 a month and board. The farm will not pay the labour. Any one can see that if you pay a man \$25 a month it is \$300 a year, and board and incidental losses of time and so on will go to make up the whole amount at about \$500 a year. Every 160 acres has to turn out \$500 a year in gold to pay the help before the farmer gets one dollar. No farmer in the state can farm at that rate.

Mr. Hollister also, on page 769, says:

It is very apparent that we are simply leaving a desert behind us. That is the history of California farming. We are taking every pound of bread out of the soil and sending it to Europe. There are only so many pounds of bread in an acre of land, and when you take it out there is no more; you have got to restore the elements. That requires labour and an expenditure of money. To-day it is a simple drain all the time. It is a draft upon the bank to pay this exorbitant labour. The farmer will not stand it, and no man in the world can stand it. I have seen myself twenty crops of wheat taken off, and that is a fact without a parallel anywhere else on the face of the earth, I think. Yet that land is all going. I have seen here, almost in sight of this town, eighty bushels of wheat produced to the acre. I have seen the same land, years afterward, when you could run a dog through it without striking a stalk. That is poverty; that is failure; and when your soil is bankrupt, your farming is bankrupt; and when your farming is bankrupt commerce is gone.

Mr. Brooks says, on page 902:

There is a considerable portion of the State, including land that has been cultivated, which will not bear cultivation at the present time; that is to say, the crop which it will

produce will not pay at the present price of wheat here for export, and it will not pay the cost of its production. The yield of wheat from these lands, as every one probably knows without my testifying to it, steadily decreases. What Colonel Hollister said agrees with my own experience in that respect. I have been in the habit of travelling from this city to the different county seats in different parts of the State, and I have observed a gradual decline of the product of the land. I think a great portion of the land that is within reach of the market by water communication, by natural communication, ceases to be productive. I have had here for two days, waiting to testify, an Irishman, a small farmer who lives near Livermore, within easy distance of the railroad. He cultivates his own farm with his own family. He has his accounts for the year with him. He is a very prudent, saving man, and his wife is as hard-working as he is, and his children assist him. He gave me the figures. I forget what the figures are now, but his expenses were considerably above his income, and he told me he should have to discontinue the cultivation of his farm. He has a mortgage on it, and he has no hopes whatever of paying the mortgage, and he says he must give it up. That is a farm within easy reach, and it is not an exhausted farm by any means: it is new land, comparatively.

Other witnesses testified very strongly to the same facts, and that the wheat lands of California were being gradually exhausted, and would soon be abandoned, and when new land could no longer be had, the wheat culture of California would be at an end: and with it, the chief source of agricultural prosperity. For this there are two principal causes: first, the facility of procuring new land: and, second, the high price of labour, which forbids the application of those principles by which lands are improved and preserved. With the same amount of labour at present prices which is bestowed by the farmer upon the wheat lands east of the Mississippi River, wheat culture in California would be unprofitable, and could not be carried on. California has progressed with more rapidity in wealth and population than any other state in the Union, in spite of our distance, and the time and expense necessary to get there, until the opening of the Union Pacific Railroad within the last few years.

### G.

The testimony shows that the intellectual capacity of the Chinese is fully equal to that of white people. Their ability to acquire the mechanic arts, and to imitate every process and form of workmanship, ranks very high, and was declared by many of the witnesses to be above that of white people: and their general intellectual power to understand mathematics, and master any subject presented to the human understanding, to be quite equal to that of any other race. Judge Haydenfeldt, a very intelligent witness, and for several years a member of the Supreme Court, testified as follows:—

Q. How does the intellectual ability of the Chinaman, so far as your observation enables you to judge, compare with that of Americans in the same corresponding class? —A. I think their general intelligence is greater. My impression is, from my information, and observation, that there are very few Chinamen of the ordinary labouring class who cannot read and write their own language. In my intercourse with them, I find them always quick to understand and very quick to appreciate. They exhibit also a ready intelligence, much more so than you will generally find among the ordinary labouring class of whites.

Q. What is the general knowledge or comprehension of the Chinese of the character of our institutions and the nature of government? —A. It would be very hard to say. It is a subject that they never speak upon at all, and if they are ever addressed in regard to it, it is in the most general manner, relating to the administration of the laws or something of that kind. They recognize perfectly that every man is equal before the law, and that there is a redress for every wrong: and they understand also that if they fail to get the redress, it is from the lack of evidence, or from the lack of catching the culprit. They understand that our courts are conducted in the most judicious manner for the purpose of ascertaining what is right and what is wrong. These ideas I have derived from occasionally having interviews with them where they have had business with the courts.



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Mr. Cornelius B. S. Gibbs, an adjuster of marine losses, testified as follows, on page 530 :

As men of business I consider that the Chinese merchants are fully equal to our merchants. As men of integrity, I have never met a more honourable, high-minded, correct, and truthful set of men than the Chinese merchants of our city. I am drawn in contact with people from all nations, all the merchants of our city, in our adjustments. I have never had a case where the Chinese have attempted to undervalue their goods or bring fictitious claims into the adjustments.

Again, on page 531, he says :

Q. Are their losses generally adjusted without law suits? —A. I never had a law suit with them or never had a complaint from them in my life. You have got to get their confidence, and explain to them, and they generally go through with the figuring themselves. They can figure very fast and very correctly, and when they are convinced everything is right, there is no trouble. There is no class of people that pay up as quickly as the Chinese. On Saturday we send them notice that the average is closed, and on Monday, by ten or twelve o'clock, all the certificates are paid. I have had fifty and sixty thousand dollars in a case, and they would come straight forward and pay it before twelve o'clock, while we have to send around to the other merchants a month and sometimes two months before we get it all from them.

Rev. Mr. Loomis, who was a missionary in China from 1844 to 1850, and who had been engaged as a missionary among the Chinese in California from 1859 to the present time, said (page 462) :

Q. What have you to say of the intellectual capacities of the Chinese generally? —A. The history of China, the permanency of the government, the fact of its continued existence through all the ages since the dispersion from Babylon, and to-day a stronger nation than ever before, answers that question; the career of such men as Yung Wing, once a poor boy in the streets of Macao, now honoured with his LL.D. from New Haven College, where he graduated with honours; the rapid progress and high standing of the Chinese students in our eastern institutions; the essay of one of the Lai Sun family, which took the prizes in such institution as Phillips Academy (and those students are taken from all classes of society, but largely from Canton province); the progress made by the scholars in all our mission schools—their enterprise, skill, and success in all branches of business which they undertaken—all these facts are sufficient answers to the question, 'Have the Chinese intellectual capacity?'

Mr. Heydenfeldt, on page 511, testifies :

Q. How does the intellectual ability of the Chinaman, so far as your observation enables you to judge, compare with that of Americans in the same corresponding class? —A. I think their general intelligence is greater. My impression is, from my information and observation, that there are very few Chinamen of the ordinary labouring class who cannot read and write their own language. In my intercourse with them I find them always quick to understand and very quick to appreciate. They exhibit also a ready intelligence, much more so than you will generally find among the ordinary labouring class of whites.

Q. What is the general knowledge or comprehension of the Chinese of the character of our institutions and the nature of our government? —A. It would be very hard to say. It is a subject that they never speak upon at all; and, if they are ever addressed in regard to it, it is in the most general manner, relating to the administration of the law or something of that kind. They recognize perfectly that each man is equal before the law, and that there is a redress for every wrong; and they understand, also, that if they fail to get the redress, it is from the lack of evidence, or from the lack of catching the culprit. They understand that our courts are conducted in the most judicious manner for the purpose of ascertaining what is right and what is wrong. These ideas I have derived from occasionally having interviews with them, where they have had business with the courts.

The Chinese are the original inventors of printing, gunpowder, the mariner's compass, and many articles that are of great importance to the world; but it is undoubtedly true that they have made very little progress in the arts and sciences for several cen-

turies. This has been, by some, erroneously considered as evidence of their inferior mental capacity. The late Mr. Seward, a profound observer, in his 'Voyage around the World,' thus speaks of Chinese civilization :

'The Chinese, though not of the Caucasian race, have all its moral and social adaptabilities. Long ago they reached a higher plane of civilization than most European nations attained until a much later period. The western nations have since risen above this plane. The Chinese have made no advancement. Although China is far from being a barbarous state, yet every system and institution there is inferior to its corresponding one in the west. Whether it be the abstract sciences, such as philosophy and psychology, or whether it be the practical forms of natural science, astronomy, geology, geography, natural history, and chemistry, or the concrete ideas of government and laws, morals and manners : whether it be in the aesthetic arts or mechanics, everything in China is effete. Chinese education rejects science. Chinese industries proscribe invention. Chinese morals appeal not to conscience, but to convenience. Chinese architecture and navigation eschew all improvements. Chinese religion is materialistic, not even mystic, much less spiritual.

If we ask how this inferiority has come about among a people who have achieved so much in the past, and have such capacities for greater achievements in the future, we must conclude that, owing to some error in their social system, the faculty of invention has been arrested in its exercise and impaired.

The intellectual stagnation in China is the result of their institutions. The minds of men have been diverted from science and the arts to the endless ceremonies and ritual of innumerable gods. It was said long ago that 'no people can rise above the plane of the gods they worship' : and Chinese civilization long ago rose to the level of their gods. For centuries the Chinese intellect has been hampered, in fact paralyzed by her institutions, which directed the studies of her scholars to subjects from which no benefit or progress could come, to subjects which would not enlarge the intellect, improve the condition of the people, or add to the national development. Through the long lapse of the middle ages the intellect of Europe was paralyzed by misdirection. Ambition was directed to military achievements, the knowledge of science and literature being lightly esteemed, and for a thousand years or more the intellect of Europe was directed to purposes from which no good, progress or national elevation could come. It was not until the feudal system gave way that the mind of Europe was diverted from the old ruts into new channels, which led to the acquisition of useful knowledge, and finally, by the Baconian philosophy, which looked to actual results, treated all learning as useless which did not tend to the improvement of the intellectual, social and material condition of mankind. The learning of the Greeks and Romans, in many respects elevated and refined, wasted the intellect chiefly in metaphysical discussions, which, however beautiful in showing intellectual power, were yet barren in results, so far as the advancement of science and the improvement of the physical and material condition of the race was concerned. The intellect of Greece and Rome expended its force in great part upon subjects which did not advance the condition of mankind ; and for more than twelve hundred years the intellect of Europe, hampered and contracted by her institutions, added but little to the progress of the sciences and arts. But, because of these undeniable historical facts, it would not do to say that the actual intellect or brain power of men through these long periods was less than it is to-day, when the world is making such rapid progress. It was the result of misdirection of the human mind, and stagnation—the result of their institutions and condition. As the intellect of Europe burst the cerements by which it had so long been bound, and embarked in a career of discovery and invention, before unknown in the world's history, so it is possible that China may yet be emancipated from her intellectual bonds, and with her powers of invention, analysis, and imagination released from the thralldom of ages, may start anew, and again outstrip the western nations as she had done before. China was a civilized nation two thousand years before civilization dawned in Europe, and when the ancestors of the refined and haughty inhabitants of the western countries were howling savages, worshipping rude idols and making human sacrifices. To a people with such a history we should be charitable. The most of the Chinese in California can read and

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write in their own language. Many of them are excellent merchants and business men. They are the best of bookkeepers and accountants, and conduct their business in the most methodical way.

## H.

The evidence established the fact that Chinese labour in California is as free as any other. They all come as free men and are their own masters absolutely. In many cases they borrow their passage money in China, with an agreement to repay from their earnings in this country, with large interest, an agreement which, to their credit be it said, they rarely fail to perform. Nearly all of them upon their arrival become members of one or the other of the six companies in San Francisco, for which they pay an initiation fee, and through that they do their business, make their contracts for labour, make remittance to China, deposit their money, and make arrangements for the return of their bones to China, should they die. They are much given to corporations and companies, and understand well the power and advantage of combination. They frequently work together in associations, under the direction of a head man, who keeps their accounts and transacts their business. The most of the Chinese who come here are young men and boys. A few families have come, but nearly all of the men are unmarried. About five thousand Chinese women have come, the most of them prostitutes, imported by procurers, who manage and dispose of them on their arrival. The better and the greater part of the Chinese are opposed to this degrading and destructive traffic, and have made repeated efforts to abolish it.

At one time they succeeded in getting a number of these prostitutes on board a ship to return them to China, but a prominent lawyer in San Francisco procured a writ of habeas corpus and brought them before the court, which decided that they had a right to remain, and discharged them. The original responsibility for their importation lies with the Steamship Companies and masters of sailing vessels, who should have refused to bring them. But when we consider the extent and effect of white prostitution in all our large cities, and the openness with which they ply their vocations, we cannot charge this to the Chinese as an original offence, or one peculiar to their colour. A vice to which they are peculiarly addicted is gambling. This they carry on extensively, but not more so, nor so recklessly, as it was practised by the white settlers of California when they had with them but few wives and families, and it is largely due to their homeless and outcast condition, and to the persecutions which drive them together for recreation and protection.

It is, like prostitution, a vice greatly to be deplored, but not so peculiarly Chinese as to make it the basis of special legislation. The Chinese are not addicted to the use of intoxicating liquors; keep no saloons or whisky shops, and a drunken Chinaman is rarely seen in San Francisco. Their form of intemperance is in the use of opium, which they smoke in shops set apart for that purpose. It does not produce violence or outbreak, but stupor, followed by languor, depression, and disease, and the number who practice it is smaller than the number of whites who visit saloons and get drunk. A common vice with them is perjury in the courts. The testimony shows them in many instances to have very imperfect conceptions of the obligations of an oath. They are in every respect free men, and no form or semblance of slavery or serfdom exists among them. But it is also true that their prostitutes are imported as slaves, are often bought and sold for that purpose in San Francisco. It is, of course, a voluntary bondage in this country, but it is submitted to by the miserable beings, who are helpless and defenseless among strangers, and must submit to the will of their masters for the mere matter of existence. In many cases Chinamen who buy them live with them as wives and raise families. Labour must needs be free, and have complete protection, and be left open to competition. Labour does not require that a price shall be fixed by the law, or that men who live cheaply and can work for lower wages, shall, for that reason, be kept out of the country.





## PART II

# JAPANESE IMMIGRATION



TORONTO, March 8, 1902.

The Honourable R. W. SCOTT,  
Secretary of State,  
Ottawa.

I have the honour to transmit herewith Part II of the Report on Chinese and Japanese Immigration, namely, that part relating to Japanese Immigration.

Much that was said in Part I, as to the effect of Chinese immigration upon the various industries, upon white labour, and in retarding the settlement of the country, applies with equal force to the Japanese. Part II is therefore supplementary to Part I, and deals principally with those industries in which the Japanese are employed, namely, the fisheries and lumber industries, and employment incidental to these, as boat building and getting out shingle bolts, cordwood cutting, &c.

The Province of British Columbia, the Japanese, Chinese and labour unions were represented by eminent counsel, who requested and received permission to examine the witnesses in respect of the matters which they represented. This of course took very much more time than if the examination had been limited to questions asked by the Commissioners. It was the course adopted in the important commission appointed by the United States Congress to inquire into Chinese immigration, and was the only course which could give satisfaction to all concerned, and offered the fullest opportunity to eluce evidence that might be thought material to the different interests. Counsel for the province attended throughout, and counsel for the Chinese and Japanese at all the principal places where evidence was taken, the labour unions were only represented at Vancouver. The plan adopted of inquiring into each industry and the presence of counsel unavoidably occupied much time, but the Commissioners pressed the work to the limit of consent of the attending counsel, holding two sittings each day. Every trade and calling employing oriental labour was inquired into, and most important information for the purpose of comparison was obtained on the American side in regard to industries developed under like conditions as obtain in British Columbia.

This whole mass of evidence—containing about seventeen or eighteen thousand folios—to be of any value had to be arranged, sifted and passed upon. Each subject and industry was dealt with separately, and the final conclusion reached from the consideration of the whole.

The evidence quoted on each subject matter fairly represents the whole, and in a comparatively short space renders the vast mass of evidence available for reference.

The Commissioners desire to express their appreciation of the excellent work done by the secretary, Mr. Francis J. Deane, gathering data, in bringing the subject of the

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Commission prominently before all parties interested before the formal sittings of the Commission, thus giving the fullest opportunity for the expression of opinion and presentation of facts by all parties interested, and during the sittings of the Commission in arranging for the different interests to present their views and procuring the attendance of witnesses, and in every way facilitating the work of the Commission ; so that absolutely no time was lost in waiting for witnesses or otherwise.

The Commissioners also desire to express satisfaction for the efficient work done by Mr. Alexander Crawford, stenographer to the Commission, in taking the evidence. His work was much more arduous than court work, because it was continuous and the hours longer.

The argument of counsel representing the Province of British Columbia and the Chinese will be found in the Appendix, Part I, and that of counsel representing the Japanese in the Appendix to Part II.

The Commissioners desire to acknowledge the great assistance rendered by counsel who represented the different interests. (*See* Appendix to Parts I and II for argument of counsel.)

The importance of the inquiry, involving questions Provincial, National and International, and relating to every natural industry in the province, pressed upon your Commissioners the necessity of approaching the questions involved with the utmost care, and of avoiding any conclusion that was not in their opinion abundantly supported by the evidence. Both in taking the evidence and in the more laborious work of preparing the report no more time has been occupied than was absolutely essential, commensurate with the difficulty and importance of the subject matters dealt with.

R. C. CLUTE,  
Chairman.



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## CHAPTER I.—JAPANESE IMMIGRATION.

Prior to the year 1896 no record was kept of the number of Japanese who arrived in British Columbia, and the records for 1896 are said to be imperfect.

STATEMENT showing the number of Japanese landed at Victoria, B.C., as follows :—

July 1, 1896, to June 30, 1897 .....	691
July 1, 1897, to June 30, 1898 .....	1,189
July 1, 1898, to June 30, 1899 .....	1,875
July 1, 1899, to June 30, 1900 .....	9,033
July 1, 1900, to June 30, 1901 .....	1,125

Total from July 1, 1896, to June 30, 1901 ..... 13,913

From July 1, 1899, to April 13, 1900, there arrived at Vancouver 520 Japanese, of whom 390 were destined for Canada. The great influx occurred between July 1, 1899, and August 30, 1900, amounting to 11,272. The following table will show the number of arrivals per month :—

—	Canadian Ports.	Other Ports.	Total.
1899.			
July .....	241	125	366
August .....	248	99	347
September .....	260	146	406
October .....	184	188	372
November .....	519	212	731
December .....	19	85	104
1900.			
January .....	298	181	479
February .....	417	246	663
March .....	934	674	1,608
April .....	3,020	1,773	4,793
May .....	2,667	1,826	4,493
June .....	1,495	494	1,989
Total, 1899-1900 .....	10,302	6,049	16,351
1900.			
July .....	685	173	858
August .....	285	41	326
September .....	44	16	60
October .....	62	12	74
November .....	39	19	58
December .....	14	26	40
1901.			
January .....	13	14	27
February .....	13	35	48
March .....	27	36	63
April .....	5	42	47
May .....	12	70	82
June .....	24	89	113
Total, 1900-1901 .....	1,223	573	1,796
1901.			
July .....	13	86	99
August .....	6	47	53
September .....	7	90	97
October .....	13	123	136
November .....	7	90	97
December .....	10	166	176
Total, 1901 .....	56	602	658

From July, 1899, to December 31, 1901—

For Canadian ports .....	11,581
For other ports .....	7,224

18,805

## JAPANESE IMMIGRANTS TO PUGET SOUND.

The following statement is instructive as showing not only the number of Japanese immigrants in the Pacific coast states, but also the number that were rejected under their immigration laws :—

3,631 Japanese immigrants arrived at Port Townsend, Washington State, between July 1, 1898, and Nov. 30, 1899 : of these, 904 were examined by United States immigration officers stationed in Canada, and 2,727 were examined and passed at the port of arrival.

The number which entered Puget Sound customs district for various points in the United States between December 1, 1899, and November 30, 1900, was 9,770, of whom 266 were rejected. The total number of Japanese admitted through the ports of Washington State for 29 months, from July 1, 1899, to November 1, 1900, was 13,401 ; rejected as above, 266. The last United States census gives the number of Japanese in Washington State as 5,617.

The commissioner of labour for California gives the total number of Japanese in the state as 14,296 (by the last United States census it is stated to be 10,151) ; of these over 5,000 entered during the last two years. From Victoria by card 348, from Victoria by card, 1899, 274, and during 1900, up to December 1, 1,000, or a total of 1,622 ; which, added to the 904 who entered the Sound District from Canada, gives a total of over 2,500 that entered these two states from Canada during the last two years.

The present census shows that there are 4,759 Japanese in Canada, of whom 4,578 are in British Columbia.

There is no record to show how many Japanese have returned from Canada to Japan.

## JAPANESE IN THE UNITED STATES.

Of the 86,000 Japanese returned in 1900, 61,111 were enumerated in Hawaii : 279 in Alaska, 284 in military and naval stations abroad, and 24,326 in the United States proper, and of the latter number 23,376 were found in the western states and territories, distributed as follows :

Arizona.....	281
California.....	10,151
Colorado.....	48
Idaho.....	1,291
Montana.....	2,441
Nevada.....	228
New Mexico.....	8
Oregon.....	2,501
Utah.....	417
Washington.....	5,617
Wyoming.....	393

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The recent rapid increase of the number of Japanese in these states and British Columbia will appear from the following :

	1900	1890.	1880.
Arizona .....	281	1	2
California .....	10,151	1,147	86
Colorado .....	18	10	....
Idaho .....	3,379	1,291	....
Montana .....	2,441	6	....
Nevada .....	228	3	3
New Mexico .....	8	3	....
Oregon .....	2,501	25	2
Utah .....	417	4	....
Washington .....	5,617	360	1
Wyoming .....	393	....	....

The following table gives a comparison of the number of Japanese, with the total population of the Pacific coast states and British Columbia :

<i>British Columbia.</i>	
Total population .....	177,272
Number of Japanese .....	4,578

Washington.			
	1880.	1890.	1900.
Total population . . . . .	75,116	349,390	513,103
Number of Japanese . . . . .	1	360	5,617

<i>Oregon.</i>			
Total population....	176,768	313,767	413,536
Number of Japanese .....	2	25	2,501

California.			
Total population.	864,964	1,208,130	1,485,053
Number of Japanese	86	1,147	10,151

*Disproportion of Japanese Males and Females*

	Males.	Females.
Washington .....	5,432	185
Oregon .....	2,405	96

The disproportion in British Columbia is about the same. The exact figures are not yet obtainable from the census returns.

## CAUSE OF THIS LARGE INFLUX.

Different reasons have been assigned for this large influx of Japanese into Canada and the United States during the year 1900. The reasons given by the commissioner of the bureau of labour statistics of California are as follows: He says, I made considerable effort to ascertain the reason for the abnormal increase in the number of Japanese arrivals during the early part of 1900, with the result that three reasons, that seemed in some degree plausible, were advanced, namely:—

1st. The generally advertised prosperous condition of the country, and reported demand for labour, which naturally stimulates immigration.

2nd. That emigration recruiting agencies in Japan had booked a large number of Japanese emigrants for Honolulu: that about the time they were aboard ship the bubonic plague with its resulting quarantine, etc. appeared at that place, and stopped the sending of the emigrants there and that the agencies named, rather than surrender their commissions, induced the emigrants in most cases to change their destination from Honolulu to San Francisco, and in this connection will be noted that the time of the coming of the largest numbers of Japanese per month was coincident with the time of the prevalence of the said plague in Honolulu.

3rd. That, taking advantage of supposed favourable conditions, emigration agencies in Japan were extremely active in fostering the exodus of Japanese to California and other American ports for the sake of accruing commissions.

Now, as to the cause of the sudden decrease in the said arrivals, which became apparent about May and June, 1900, it seems authoritatively to be stated that it has been in a large part due to the action of the Japanese Government in restricting the departure of its subjects for American ports.

In this connection the evidence of Mr. Frank Burnett, of Vancouver, president of the United Cannerymen, Limited, is important. He says: I was in Japan last winter and took considerable interest in the matter while I was over there. I got introduction to different individuals, and explained the situation to them, that is the large number that came in here last year, and that a great deal of feeling was being created against the Japanese on that account. They seemed to realize the importance of preventing any great immigration of their people here or of reducing the present number that is allowed by law to come from each district. There has been a reduction imposed. That had been imposed prior to my visit. They seemed willing to further restrict and seemed anxious to maintain friendly relations with us.

Q. Can you explain why it was such a large number of them came here at one time? A. It was about the time I was going over there, and I got the credit for bringing them over; about that time the Philippine and the Hawaiian Islands had both come under American sovereignty; and on that account those two countries that hitherto received large numbers of Japanese immigrants were closed from any further immigration from Japan, and for that reason the tide of immigration was changed to this country.

Q. How could they accomplish that: there is no law in the United States against Japanese immigration?—A. They use their Alien Act to stop them; and there is no doubt that was the cause of so many Japanese coming here last year, and not because I happened to be in Japan.

Alexander R. Milne, C.B., Collector of Customs at Victoria, said: The Japanese have decreased in number since August last. There was some restriction placed on the transportation from Japan, I believe. That was the chief cause. I believe the Japanese Government imposed some restrictions on their people leaving the country, and that that was the chief cause of the falling off in the number of Japanese coming here. . . . The Japanese now have a rule by which they only permit a certain number to leave Japan; I think it is 47 a month they will give a permit to.

## HOW JAPANESE IMMIGRATION IS PROMOTED.

In November, 1898, a Commissioner was sent by the United States Government to Japan for the purpose of investigating the subject of Japanese immigration into the



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United States. (See Appendix.) He points out that 'Under the Japanese law every subject is registered in his native prefecture, which he may not leave without permission of the authorities and from which he, or she, must obtain their passport, when they desire to emigrate. Inasmuch as the Government claims the perpetual allegiance of its subject, it grants a passport, limited to three years, and I was informed that a large part of the emigrants who thus go abroad return to their native land sooner or later, and consequently few Japanese, and indeed I may say none, come to the United States with a view to remaining or making homes, the theory of their emigration system being for the promotion of emigration as an educational process and money-making investment for a temporary period, the profits of which accrue jointly to the promoter and to the emigrant, the Japanese Empire being the recipient of what may be described as the unearned increment through its people that thus go abroad, through their contact with more enlightened people, and by reason of the accumulated capital, which they return to their native land. It is through the tenacious allegiance which the subjects of Japan yield to their sovereign that the promotion of emigration becomes a reasonably safe business.'

It further appears from this report that there are twelve companies organized to promote emigration, with a total capital of 558,999 yen (a yen, about 50 cents gold value). Six of these companies have agents in the United States and Canada. They have offices at all important emigration centres. At Tokyo they have an association of emigration companies, which is in the nature of an Emigration Board of Trade. It is said that the offices of these companies are well equipped for business purposes; that the managers and stockholders are among the leading business men and politicians of Japan. The emigration companies all advertise more or less in the newspapers for contract labour, designating them to go to Hawaii, Peru and Mexico, and they advertise through circulars, pamphlets and by means of travelling solicitors for emigrants going to the United States.

It is further stated that 'the documentary evidence herein presented as a whole shows that the business is vigorously and aggressively prosecuted through personal solicitations of agents, whose earnings depend on their zeal and success. The emigration companies are all provided with blanks for obtaining passports. Agents of the steamship companies and emigration companies do not occupy offices together; they are nevertheless very closely connected through the brokers and hotel keepers, and it is hard to draw a line of separation of interest. Many of the hotel keepers are emigration brokers and nearly all brokers are intimately connected with the emigration companies; while it is safe to assert that if the steamship companies were to establish and maintain a fixed rate for steerage passage, it would cut the profits of the brokers, hotel keepers, and emigration companies 50 per cent, and it seems to me conclusive that if it were not for the existence of the emigration companies and these agencies for the collection of emigrants to go abroad, the profits of the steamship companies would be materially reduced. By their present methods the steamship companies, whether intentionally or otherwise, clearly offer inducements for the emigration companies to solicit the emigrants, both being large capitalized enterprises that have a mutual interest, which is inseparable, as long as they are allowed to exist side by side, the one to obtain fees from emigrants and the other to receive steerage passage.

'Great stress was laid by Japanese officials upon the fact that the Japanese government requires every emigrant to provide sureties to provide for his return to the country in case of need, before granting a passport. I talked with many men of long experience in Japan and found but one universal opinion, that not ten per cent of the emigrants leaving that country could or would go unless they had assistance or were helped or assisted by some person or influence. Aside from the facts herein presented the coolie class could find no proper sureties, such as are required by the government, unless some arrangement was provided by responsible parties for looking after this class of emigration after they land in the United States.'

The commissioner further states that 'the great mass of emigrants, say 95 per cent of the whole, are coolie labourers and small farmers who class as coolies.'

He places the population of Japan at forty-three millions, with a density of 293 to the square mile, and says: The great mass of the people live by farming, which includes silk raising and fishing, at which occupation they earn from 100 to 150 yens per annum, which suffices to support a family of about four—a man, a wife, and two or three children. In large families the mother and other children work. The agricultural implements used are of the most primitive character, and the allotment of land to the family or individual is in most cases less than an acre. There are no division fences, each little tract being divided from its neighbour by a little ridge of dirt from 1½ to 3 feet wide. Factory employees earn from 15 to 20 sen per day. Farm labourers earn from 15 to 30 sen per day, depending upon locality. The labour which Japan sends abroad is pauper labour. My reasons for thus classing it are that the over-population of Japan has reduced the value of labour below a decent living point, measured by civilized standard, and further that this competition is increasing in such force that it seems unreasonable to assume the probability of the value of labour approximating the cost of future products and living.

The agricultural interests of Japan are practically incapable of expansion, which forces all surplus labour into the employment of various manufactures and into fishing. Japan's market for manufactures is, and must for fifty years remain, very limited, if we except silk, pottery, curios, &c., and even the demand for these native products must find a limit.

The question naturally occurs, how do they raise sufficient money to emigrate? As I intimated in my report of the 24th ultimo, the emigration companies in certain instances furnish them money, sending a banto along with the emigrants to look after their interests. I found, by inquiring among the people, that it requires from five to ten years for a Japanese farmer to save 200 yen. Some undoubtedly do this, but the majority secure money by selling their holdings and by borrowing from the emigration companies, friends and relatives, upon whom they are more or less dependent, going their security. The laws are very strict in Japan concerning the collection of debts. There are no exemptions, and hence in view of the fact that every emigrant to the United States is able to send money home, this is a safe business. Besides, the pickings of the emigration companies enable them to get back part of the funds loaned the emigrant before he sailed. I cannot, of course, prove this state of facts but all the circumstances occur in supporting this view. (For complete statement of wages paid in Japan see Appendix.)

In confirmation of the statement above quoted, 'that the Japanese Government requires every emigrant to provide sureties for his return in case of need before granting a passport,' may be quoted the following evidence referred to in the report of the Bureau of Labour statistics for the State of California for the year 1900, from the evidence of a Japanese who conducts an employment agency in San Francisco:

Q. Does your government require all Japanese coming to this country to go back? Don't your papers require you to go back in three or four years, or get leave to stay longer?—A. Yes, sir, any that come here want to get back as quick as possible.

Q. You think that the plague in Honolulu made more Japanese come here?—A. Yes, I think that is the reason.

Q. Why is it?—A. The reason is that a great many labourers have been going to Honolulu, and an order has been issued that no more labourers can go there until the sickness at that place dies out. Some Japanese emigration societies promised to send the labourers to Honolulu, and when they could not be sent there they were sent here instead. The emigration societies got a commission from each boy, and do not like to pay it back.

Q. How much commission?—A. \$5.

Q. For how long is your passport issued?—A. I would have to ask the consul to renew it.

Q. Does not your government command you to come back, or have your passport renewed?—A. They sometimes stay without getting new passports. In my passport

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there is no time stated; came as a student. They are more strict with labourers. When they go back they are punished.

The Commissioner of Labour for the State of Washington, in his report dated January 7, 1900, referring to this class of immigration, says :

Asiatic immigration to the United States has assumed such proportions, and the certainty of its constant increase, unless something is done to stop it, is so self-evident, that what to do to prevent this subtle ruinous conquest of our American working men and women upon the Pacific coast has now become a question of such importance that this report would not be fulfilling its purpose did it not present the matter to you for your consideration. . . .

So long as this class of immigration was limited to the number who, of their own volition and means, came to our shores, their presence could not be said to be a public menace, but when they began coming by the shipload, with not a woman or child accompanying them, the thoughtful, patriotic American had to look for other reasons than those which prompt the white man to leave his native land in Europe and come among us. . . .

The Asiatic does not come here to become an American ; I know this from personal inquiry. According to the strictest meaning of the term, he is here as an exploiter ; neither does his presence here, when measured by the attending consequence to our own people, constitute an equal exchange for that which he receives. . . .

Certain legal persons which the American people have created say they must have these Japanese in order to carry on their business. I admit that if a few of them are allowed to equip themselves with this class of help the others must follow suit or suffer from an unequal competition, hence in order to be fair and treat all alike we must either allow all to have them or deny the privilege to each. If we allow all to have them it means the displacement of at least five million American working men and women to make room for enough Japanese to do their work. If we allow them proportionate wages to that of Americans, their saving power being so much greater on account of living expenses, this number of alien wage-earners would form a constant and dangerous drain upon our gold supply ; while their presence as employees in our industries will tend to a general reduction of wages, which will not stop until an equilibrium is reached between the wages paid in Japan and the United States, plus the cost of coming and going from one country to the other. Long before this condition is reached there will be trouble between the two races which will undo all that has been done in the work of establishing friendly relations in trade and commerce between the respective governments of the two races. . . .

When questioned as to their purpose in coming here the answer was 'to work five years and then return to Japan and buy a ton (one-fourth of an acre) of land and settle down.' Discerning that most of them were boys and young men I made particular inquiry about the amount of money they had earned in their lifetime, and did not find one who, if he had saved every yen that he had earned, could have had enough to buy his suit of blue and pay his fare on the vessel, to say nothing of having the \$30 to flash before the inspector in order to be allowed to land. When questioned as to how they obtained the money they all told the same story of how their father, or some other relative, had mortgaged their little home in Japan to raise the money. Their first earnings going to pay off the mortgage ; after that save until they had enough to go back to Japan. From these little men I learned that the craze to get to the United States to earn and save a competency is as widespread and intense throughout Japan as is the desire of Americans to obtain a bonanza gold placer claim in Alaska. Yet they no more intend to spend their lives here than do our people intend to live and die in Alaska, and on these grounds I doubt very much if they are entitled to be classed as immigrants ; however, they were able to comply with every requirement and must be allowed to come in.

Of those who come in via British Columbia I am convinced that a large majority are contract labour slaves. Of the wisdom or good policy of educating Japanese students in this country to fit them to work both ends of a contract labour bureau by which they barter in the flesh and blood of their fellow Japanese I am in serious doubt.



WAGES PAID IN JAPAN.

The following rate of wages paid in Japan is quoted from the Report of the United States Commissioner above referred to:—

Occupation.	August, 1897.
	Sen.
Carpenters.....	60
Sawyers.....	70
Cabinet-makers .....	70
Shoemakers,—first class.....	120
second class.....	80
third class.....	50
Tailors,—Japanese style.....	40
Foreign style,—first class.....	150
second class.....	100
third class.....	80
Blacksmiths .....	80
Ship carpenters,—first class.....	80
second class.....	70
third class.....	60
Gardeners .....	50
Coolies.....	40

(In estimating the wages as given above it must be borne in mind that it is given in Japanese. A sen is a tenth part of a yen, and a yen is equal to about 50 cents of our money.)

The following table from the report of the California Bureau of Labour Statistics gives the wages paid in Japan in 1897. It is said that wages in Japan had greatly increased within the several years prior to this date.

Wages in Japan, 1897—(In Canadian Money.)

Occupations.	Day.	Month.
	§ cts.	§ cts.
Blacksmiths.....	0 24	.....
Brickmakers.....	0 28	.....
Carpenters.....	0 24½	.....
Fishermen.....	0 19½	.....
Gardeners.....	0 23½	.....
Joiners.....	0 22½	.....
Labourers.....	0 17	.....
Labourers, agricultural (male).....	0 15	.....
Labourers, agricultural (female).....	0 9½	.....
Sawyers.....	0 25	.....
Servants, domestic.....	.....	1 41
Servants.....	.....	0 79½
Ship carpenters.....	0 25	.....
Shoemakers.....	0 23	.....
Shoemakers, Japanese shoes.....	0 19	.....
Stone-cutters.....	0 27½	.....
Tailors, European clothing.....	0 29	.....
Tailors, Japanese clothing.....	0 18½	.....
Wheelwrights.....	0 20½	.....

(For full list see Appendix.)

From the above list it will be noticed that the wages of labourers is 17 cents, and farm labourers, 15 cents, a day. Domestic servants, \$1.41 per month, servants, 79½ cents a month, fishermen, 19½ cents a day. These are the principal classes who come to Canada.



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Gin Kanga, employed on the 'Empress of China,' was born in Japan, referring to the Japanese who came over on the 'Empress of China,' says: They come from the southern part of Japan, beyond Kobe. I think most of the people are fishermen over there. Those who work in the woods here are in Japan, farmers. Farm labourers in Japan are very cheap. I cannot tell you for sure, but I think \$5 or \$6 a year of your money, and supply them with food, clothing and houses to live in. On many of the farms they work on shares, one-fourth or one-sixth of the produce for working it. I think somebody must put the money up for them to come here,—the emigration office.

S. Fuseya, a Japanese tailor, Victoria, stated that: In Japan tailors are paid from 20 to 30 yen a month, that will be about \$10 or \$15 a month here. Living is very cheap in Japan. It costs a common labourer to live in Japan about 7 yen a month. It costs here about three times what it costs there. The wages of a common labourer is about 15 or 20 cents Canadian money, and it costs him about 7½ cents a day for his living.

## THE IMMIGRANT AT HOME.

Alfred Dyer, journalist, who travelled through China and Japan for four years in connection with his profession, said: Referring to Japanese restriction I may say that an European cannot travel in Japan outside the treaty ports without a passport. For instance you cannot travel from Kobe to Hong Kong without producing your passport before you can secure your railway ticket. That regulation was enforced in 1895. It does not matter what your business is. The Japanese are very willing to learn. They do not restrict an Englishman as much as one would think, and they employ a great many outsiders. It is a matter of common knowledge that all the cashiers of the principal firms throughout the towns are Chinamen. The Chinese bear such a reputation for uprightness in money matters, which as far as I know is most thoroughly deserved, that they are employed in nearly all the business houses and banks in Japan. There the business man places his reputation for honesty and uprightness far above anything else. In business matters I would trust a Chinaman as much as I would a white man. The Japanese do the same where they would not trust their own people.

A Japanese village belonging to the same class as the Chinese would be nattier and prettier. They are not as substantial, but they are cleaner, nattier, flimsier and prettier. They have more rooms and are built of cheaper material, and they can afford to have more rooms. When they get into other situations they have not much to lose if they have to leave a house. I think a Japanese house is distinguished by the want of furniture. The Japanese sleep on mats. The Chinese go in more for beds.

I much prefer the Chinese to the Japanese. They are strictly honest, and as to virtue they are very much better.

## THEIR HOMES.

The Rev. Dr. Wiley, one of the bishops of the Methodist Episcopal Church in the United States, who published a record of his observations in China and Japan in 1879, says: Among the masses of the people their wants are few and easily supplied. Their homes are very simple, and their furniture very limited and cheap, and their clothing scant and inexpensive. The house is built of wood, light and airy, and generally only one storey high. They are partitioned into rooms, not by permanent walls, but by sliding frames or folding screens, so that they can alter almost at will the size and shape of the rooms. The floors are covered with mats made of straw and rushes, and several inches thick, so that they serve at once for seats, after the peculiar fashion in which the Japanese sit, and for beds—a Japanese simply folding himself in his outer coat, and stretching himself on the matted floor, resting his head on a peculiarly shaped pillow. The window frames are all moveable, filled with oiled paper instead of glass. The furniture of the house is on the same simple plan. A Japanese, no matter what his rank or wealth, has but little furniture. The room looks always bare and empty. A few shelves hold some cups and saucers, and there are several small trays and stands. There are no

chairs, and the tables are low, small and plain. As to the kitchen, one or two small moveable stoves, a few pans of metal, and some brooms are all that are needed. Everywhere, however, you will admire the cleanliness observed in these homes.

Marriage is universal. The great problem which disturbs so many in western countries, how to keep a wife and home, being unknown here. Their future house is taken, containing three or four little rooms, in which clean mats are put. Each then brings to the housekeeping a cotton stuffed quilt, and a box of wearing apparel for their own personal use, a pan to cook the rice, a half dozen large cups and trays to eat off, a large tub to bathe and wash in, and the great problem of home and family is solved.

A witness stated that an ordinary Japanese house would cost about \$20, built of wood and thatched. Another witness stated that the Japanese village is flimsier than the Chinese: they are more artistic, cleaner, natter and have more room.

#### UPON ARRIVAL IN BRITISH COLUMBIA.

Dr. Alfred T. Watt, superintendent of quarantine for British Columbia, said: The Japanese go back a great many of them and stay over the winter. They come over here and make enough money to take them back to Japan, and keep them comfortable until the next season. I believe they have been brought over here for \$7 a head. It is more than that now. Tramp steamers brought over very large numbers. That is the lowest price. About \$30, I think, is the usual price. They do not bring their families. Two or three Japanese in every hundred bring their wives here. The emigration is induced by companies. They furnish them, sometimes, with European clothes. When they come here the Japanese clothing is cast off.

Q. Do you mean that those Japanese who come here are brought here by any companies on this side who contract to bring them over and furnish their labour to people?—A. I do not believe that.

Q. What you mean is that certain persons in Japan make it their business to furnish intending emigrants with information, with the necessary outfit of European clothing, and all that sort of thing?—A. Yes.

Q. When the individual comes here he is on his own hook?—A. He is looked after by the agents of the companies here who induced him to emigrate.

Q. You do not consider he is forced in any way?—A. No.

Q. You do not consider that disadvantageous to this country?—A. No. . . . .

When they are indoors they very often wear Japanese costumes. I believe they purchase their clothing from ordinary stores. They bring an outfit with them to last them for some time, then they go to the ready made clothing stores. I have seen them at meals, eating rice, fish and some kind of vegetables. They like to have their dried fish and salted fish that come from Japan, and with their own fish they like to have their own rice and their own preserves. I know that a great quantity of these food stuffs is brought from Japan. I am in a position to say a large quantity of food stuffs come over for the consumption of the Japanese, and I do believe the Japanese purchase more from Europeans than the Chinese do. When they come through by the quarantine station we have trouble in getting them to use the water closets. The Japanese I think understand matters relating to sanitation in their own country. They deal very vigorously with any epidemic disease. The Japanese understand that. They adopt vaccination against smallpox. The ones that came last year were mostly from the farming class. There were a certain number of fishermen as well. They wear their own clothing on the vessel. They have a full suit of European clothing they put on as soon as they arrive here in almost every case. They nearly all have a few dollars, up to \$40. Of course, of the Japanese who pass through the quarantine, a great many of them are bound for American ports, and all those have \$30 in gold with them; that is to meet the requirements of the American law. I do not know whether it is their own money or whether it has been supplied to them. They all have the Japanese kemeno or gown, a quilt or blanket and a suit of European clothes. They are nearly all young men from 16 to 30.

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Q. Did you ascertain whether they come to settle permanently in the country or with a view to returning to their own country at an early date?—A. Well, they come over here expecting to get work and expecting to make a competence in a short time. In the course of last year the Japanese were very much deceived by the emigration companies. These companies represented to them that they would soon make money here in working on railways and so on. I think they have been induced to sell what property they have and invest in tickets to come here. I think they pay their own way. I consider they are apparently more like our own people. They dress in European clothing, but you find in the boarding houses where they live—there are three or four Japanese boarding houses in the city—there they will put on the Japanese costume and sitting around in their own houses. They put on Japanese costume and eat food prepared in much the same way as it is prepared in Japan. They live on rice and fish principally. Large numbers live in one house. They live and sleep very much the same here as in their own country. The Japanese do not crowd together in the same sense as the Chinese are crowded. They do not all live in the same quarter. The Japanese are congregated in certain houses, large boarding houses, a large number sleeping in one room: I think scarcely as crowded as the Chinese. Of course the Japanese in Victoria is more of a floating population: they come and go away again. They go out to farms and canneries and wherever they can get work in good weather and come back here in the winter time. The Japanese work for less than you would think of offering to a white man. I think their wages are lower than the Chinese; at least they were this last winter, because great numbers of Japanese came here and there was little or no work for them. That was attributable to misrepresentations made by emigration agents. Few Japanese have arrived since last August or September (that would be 1900). At that time the Japanese Government stopped the issue of passports to Japanese emigrants.

William Harrington Ellis, Provincial Immigration Officer for Vancouver Island, said: As immigration officer I have been enforcing the Provincial Immigration Act, generally termed the Natal Act. This Act does not affect the Chinese, as their entry into Canada is provided for by the Dominion Immigration Act. Japanese immigration has practically ceased since the beginning of the year; have only issued eight certificates of entry during that period, and several of these were issued to naturalized British subjects. Have refused admission to three Japanese who were deported by the steamship carrying them here. Am given to understand the Japanese Government are not issuing passports to subjects desiring to enter Canada. Japanese passengers destined for Puget Sound ports are still present on Oriental liners. Coasting and Trans-Pacific steamers will not book Japanese from a foreign port to British Columbia unless they have first proved their ability to comply with the terms of the Act.

I consider Japanese cleanly in habits, industrious and intelligent. I believe them more dangerous competitors in the business of the country than the Chinese. They adopt European dress and food and conform as much as possible to the customs of the country. As a race they believe they are capable of taking an equal place among the civilized nations of the world. They are more aggressive than the Chinese, and if permitted to enter this country without restriction, would in the course of time become a considerable portion of our business and working community, and would undoubtedly insist upon becoming enfranchised. I do not consider them desirable as citizens from the fact that they do not or cannot assimilate with the white races. At present they, like the Chinese, occupy a special place in the community. They furnish labour at a price with which the white labourer cannot compete. They do not support families, and trade almost altogether among themselves. They are meagre contributors to the general welfare and a positive detriment to the white labourer. Their advantage is altogether from the standpoint of capital.

I am given to understand many Japanese immigrants come to Victoria and Vancouver as being convenient points from which to enter into the United States. If refused entry to that country they will return to this, whereas if they sail direct from Japan and were refused entry they would be returned to Japan.



The Great Northern, Northern Pacific and Southern Pacific Railway systems employ Japanese in large numbers as track repairers, the Great Northern employing alone nearly 4,000. The Oriental labourer cannot be replaced by restriction or head tax. An acceptable immigrant must be brought in, and a practical and earnest effort is necessary to bring him. The coast of the Eastern Maritime Provinces and those of Norway, Sweden, Denmark and Finland, furnish fields from which to draw a desirable immigration. The peoples of these countries are engaged in callings similar to those which prevail on the British Columbia coasts. To bring them in in sufficient numbers it would be necessary to advance fares and expenses and provide locations for them before arrival. This would entail a large expenditure, but there is an excellent source from which the necessary funds can be secured, namely, the head tax imposed on Chinese. It would be but reasonable for the Federal and Provincial Governments to devote the large amount received from the head tax to securing an element which would in time replace the Oriental in British Columbia. As this province is the only sufferer in the competition of this undesirable immigration, it would be but common justice to expend the money received from such source in providing means for not only staying the tide of Oriental immigration, but in replacing that class already here. I consider that laws preventing their employment in mining and other industries only allays the evil as far as those special branches of labour are concerned.

Q. The Provincial Act of 1900, assuming that that is held to be constitutional, would that be sufficient check on the Japanese?—A. Yes, if it were constitutional and was acted on. . . . I think the Japanese question is not so acute here, in a sense, as the Chinese question. I do not think the presence of the Chinese and Japanese tended to drive white people from here, or from settling here. I am speaking of what might be termed the navy class. That class did not show a desire to remain in the country as settlers; they simply went off to where they could secure the same class of labour. The Japanese are still coming in on the steamers, not in great numbers, but from 12 to 25 on a steamer. I do not think any large number of Japanese enter without the test being applied. The only way it is possible for the Japanese to enter the province without the officers being acquainted with the fact is by smuggling them from American ports and landing them at the cordwood camps. Officials have been appointed at all places of entry into the province.

Clive Phillips Wolley, formerly Executive Sanitary Officer for the Province :

Q. Have you had any experience so as to enable you to speak of the Japanese?—

A. I have had very little. I am very much prejudiced in favour of the Japanese. I do not want him, but I think it better to have him than the Chinese, if we have to have either of them.

Q. For what reason?—A. For the reason he seems to be willing to live more or less the white man's life. He will live as a white man does, and he is cleaner in his surroundings. He is more like our own people in assimilating to our manners and customs and modes of living, and he is more cultivated, and he is more manly and gentlemanly. With reference to the Japanese, where I was in mining camps and elsewhere there were not any Japanese, therefore I cannot speak of them from personal contact with them in their work, but I have seen the Japanese working on farms and building boats on the Fraser river. I have seen them on the Island farms, between this and Vancouver. I have also seen them on the farms around Duncan. Two Japanese will do as much work as one white man if you watch them enough. They are harmless little chaps.

Q. What do you say as to their habits of cleanliness? Are they better than the Chinese in that regard?—A. I only know this, that around the house, as farm servants they are as cleanly as other farm servants. I have never observed their mode of living in cities. I only speak as to that in regard to their working on farms.

Q. You say you prefer the Japanese to the Chinese; why? A. I would rather have him because he buys our produce, and dresses like ourselves, and seems to be willing to adopt our habits and customs.

Q. Do you consider the Japanese as great a competitor, dangerous as a competitor?

A. Yes, he is a more dangerous competitor with the white man. He adapts himself



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more easily to our civilization than the Chinese. The Chinese will do the lowest kind of labour and stick to it; the Japanese will get higher if he can, and he has brain enough to rise into any of the mechanical pursuits.

James Wilson, Sanitary Inspector of the City of Victoria, said: With reference to sanitation, I do not think there is much difference between the Japanese and Chinese. I think they do a good deal more harm than the Chinese. They will work cheaper than the Chinese, and they get into the white man's ways quicker. They are clean, so far. I had to take them to Court several times to get them to understand and carry out the sanitary laws. They adopt the dress of the white man and their hair is cut different to the Chinese. There is not a Japanese town the same as Chinatown. There are only three or four Japanese boarding houses now and some few in them. There were nineteen or twenty Japanese boarding houses last summer. I have seen forty-five of them in one room in one night. We had to take them to Court and fine them for breaking the health by-law. Breaches of the by-law are not frequent. I have no trouble since I took four different parties into Court. They get to understand the law. The food they use looks some-thing like the Chinese,—pretty much the same. A good deal of that comes from Japan. Only a few of their women come out.

They will be more ready to take up the habits of the country than the Chinese. They keep the price of labour down more than the Chinese. A few of them take to individual kousekeeping. In house furnishings they generally have mattresses and a few chairs. They are more inclined to European habits than the Chinese. In the boarding house they use straw mattresses. In one boarding house I found forty straw mattresses.

There is more danger of the Japanese driving out the white man in the labour market than the Chinese. They seem to pick up the way to do the work quicker, and they will tackle anything. They tackle everything, housework and farm work. They work for \$5, \$6, and \$10 a month. I favour their exclusion.

There is one laundry house on Fox Street. They keep all kinds of stores. Several of them are tailors, and they have two or three stores for curios and the like, and there is a grocery store. They are not in the habit of keeping excrement and using it like the Chinese. Take the ordinary Japanese and his house is furnished pretty near the same as that of a common white man. They have a desire to become Europeanized or Americanized in their method of living. The convictions were for temporary overcrowding, and when the convictions ceased the overcrowding ceased.

Dr. Roderick Fraser, Medical Health Officer for the City of Victoria, referring to the Japanese says:

Q. With reference to the Japanese do they congregate in any particular part of the city?—A. No, they live in any part of the city. They wear European dress. They occupy ordinary houses. I do not think they adopt the manners and habits and customs of our own people in the matter of dress. I do not think they adopt our food, and the labouring Japanese does not sleep on the same kind of bed; they use a hard bed like the Chinese with a wooden pillow. They live close together. They are equally dirty with the Chinese, the lower class of Japanese is if anything more dirty than the Chinese. In enforcing the sanitary by-laws among the Japanese I have no more difficulty than with the Chinese. For instance, if a house is rented by Japanese in some respectable part of the city it is soon turned into a Japanese boarding house and we very soon have complaints. They are no better than the Chinese lower class. They employ white physicians exclusively and patronize our hospitals very generally. They make very good patients, and they are ready to submit to any sort of surgical or medical treatment. I find that even the humblest Japanese labourer puts in all his spare time in trying to learn to speak and read English.

Dr. I. M. McLean, Chief Health Officer for the city of Vancouver, said: I do not regard the presence of the Japanese coolies as a menace to public health to the same extent as the Chinese. Typhoid fever is not as common among the Chinese as among the Japanese. The Japanese are a cleanly people so far as ordinary bathing is concerned. They soon get into the way of improvement.

The above fairly indicates the nature of all of the evidence taken as to the condition of the immigrant upon his arrival, his habits, modes of life, and compliance with sanitary laws.

## CHAPTER II.—THE FISHERIES AND BOAT BUILDING.

## PART I.—THE FISHERIES.

It is in connection with the fisheries that the presence of the Japanese has been most keenly felt as competitors with the whites. The following statement shows the total number of licenses issued in British Columbia during the last five years, and to what extent the Japanese have encroached upon this business.

*Total number of Licenses in British Columbia.*

Year.	Total.	To Japanese.
1896 .....	3,533	452
1897 .....	4,500	787
1898 .....	4,435	768
1899 .....	4,197	930
1900 .....	4,892	1,892
1901 .....	4,722	1,958

## ARE THERE TOO MANY FISHERMEN ON THE FRASER RIVER?

1st. OPINION OF CANNERS.—Condensed statement. (For fuller statement of canners see Canning Industry, Part I, Chap. XV.)

Henry O. Bell-Irving, the manager of the British Columbia Packing Company, that have six canneries on the Fraser, two on the Skeena, one on Rivers Inlet, one in Alaska and one on the Sound, and employ from 1,000 to 1,200 men on the Fraser River, says: I think the river is overcrowded: there are too many fishermen and too many canneries just now. I think it would make it more profitable to the packer if there were fewer canneries and fewer fishermen. There were larger profits made in the past than are made now. A certain number will have to drop out. I think the fisheries have pretty nearly reached their maximum. The number of canneries increased, and the number of licenses for each had to be reduced, and this raised a friction, and the government four or five years ago said, we will grant licenses to everyone who will pay for them. The number of boats is far in excess of what it ought to be, but owing to the competition of canners each increases the number of boats, and if one does the other has to, or he does not get his share of the fish.

The Japanese as fishermen are not very reliable, but I think they will favourably compare with the whites, because they work hard when the fish are scarce.

I have always held that a man should only look to fishing as a means of increasing his comfort, and enable him to clear a nice claim for himself on the banks of the river, but many of them look upon it as their right to make enough out of the fishing to keep them the rest of the year. Fishermen could farm the most of the year, and the fishing would better enable them to get along. That would have to be done by slow growth. I think if two-thirds the number of fishermen were employed on the river that have been for the last few years, it would be enough. If it could be accomplished it would be desirable for all parties. If the number of whites and Indians at present employed all came they would fill the bill, and the Japanese could be dispensed with. Combine this with a reduction of the canneries to half, and it would bring about a better condition of affairs on the river.

Frank Burnett, president of the United Canners, Limited, says: I think there are not enough whites and Indians to do the fishing on the Fraser. There are not too many nets and boats. I think there are enough Japanese here now. I do not think there are too many canneries; I do not think there are too many fishermen. Every four

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years we have a good run. I believe in free trade. It is a case of the survival of the fittest.

I would not impose the same restriction on the Japanese as on the Chinese, I think, because they assimilate more easily and are less undesirable people. I think I would impose a restriction upon them; how much is hard to say, it should be settled between the Governments, as far as the Japanese are concerned.

When we buy fish from white fishermen we buy from them individually, but when we buy from Japanese fishermen we buy through Japanese bosses. We generally advance a little to them in the beginning of the season, and they are morally bound to sell us their fish. At the beginning of the season the Japanese boss will come in and say he has so many boats, and on the strength of that we will advance him so much, principally in the way of supplies. We give orders on stores, and give very little money. It is difficult to get at whether or not the Japanese boss may own the boats himself and hire the men. We simply let the contract to the boss. We let our own boats out on shares. We have about a hundred boats in the three canneries. The Japanese have built quite a few of our boats. We do not build boats for the sake of hiring Japanese. We hire them to either Japanese or whites. We sometimes sell the boats to the fishermen. Sometimes the Japanese builder supplies fishermen. We have about three hundred Japanese boats. That means six hundred Japanese for two canneries. In one cannery we have not Japanese at all. We have twenty or thirty white men in these two canneries: in the other all white men and Indians. We would rather hire white men, that is outside of sentiment altogether, and for this reason,—each contract made with a white man is for himself individually. If he goes back on his contract we only lose a small amount, whereas if a Japanese boss goes back on his contract it means the loss of several thousand dollars to us.

Charles F. Todd, of Victoria, engaged in the wholesale grocery and salmon canning business, said: Increased canneries demanded increased number of fishermen. I don't know of any white fishermen out of employment by reason of the presence of Japanese. There are not enough white men to keep the canneries running without the Japanese. Many of them do nothing after the season is over. In winter there is a super-abundance of labour. There are too many in the canning business. If the Chinese were not here we would not have had so many in the business. If we could not have Japanese we would be at a great disadvantage.

Alexander Ewen, of New Westminster, who has resided in British Columbia for thirty-six years, and been engaged in the cannery business since 1870, says: White men are not so anxious to fish now. There are not half enough boats for the full capacity of the canneries. The number of fish caught and put on the market is not decreasing, but the cost is increased, and the number of fish caught by each fisherman has decreased. The white men cannot make the money they did formerly. There was a limit on the Fraser once to five hundred boats to ten or twelve canneries, and the license was \$20. The limit was taken off, and the licenses limited to British subjects. I don't think the number of canneries would be here but for the cheap labour. The cannerymen think there are too many canneries, and the fishermen think there are too many fishermen. The white fishermen have dropped away. The Japanese are taking their place.

If we had as many fish as in 1897, or if we had any guarantee of what it would be, it would be easier to do the fishing with a thousand boats or less, than with three thousand boats. If the Japanese had not come in the industry would have been out of existence. With the number of canneries in existence now you could not get along unless there were more boats. The number of canneries has doubled within twelve years.

A great many white men within the last three years have become not so anxious to fish as they were. They will not leave work at which they are earning \$5 a day to go fishing, and a great many of them have dropped out. It was not from the number of boats, but from the number of fish in the river.

I expect the cost of production now compared with ten years ago is about double what it was then. The cost of catching fish is more expensive, because the fishermen have to have more expensive boats to go to sea after the fish. In the river they use cheaper nets.



A great many of the fishermen are dead broke all the time. Some of them have saved a good deal of money on the Fraser river.

Under existing circumstances the canneries could not be carried on without oriental labour. Within the last three or four years they could not exist without Japanese fishermen. Most of the Norwegian and Swede fishermen on the other side have their homes here.

Before the Japanese came here we had a great number of fishermen from the State of Washington. I said the industry was over-done. I cannot have said there were too many fishermen. While there are so many canneries they want more fishermen. The fishermen do not come from the Sound now as they did before, but they would come, I have no doubt, if they could get work. If the number of canneries were reduced there would not be so many fishermen wanted unless the canneries were to double their capacity. If the number of fishermen were reduced by one-half, leaving the canneries as they are, the effect would be that the canneries to run properly and get a reasonable interest on the money invested, would have to reduce the price of fish.

James Anderson, whose cannery is in the city of New Westminster, said: I corroborate the evidence of Mr. Ewen as to the labour question, what it costs in machinery and the like. I might differ with him a little about the number of canneries. We could do with fewer canneries, but the people who put their money into them, that is their concern. We require the Japanese in order to get fish, to keep running the canneries. I have never employed them. I have employed white men and Indians exclusively; at the same time it might become necessary for me to employ Japanese. We are up the river a little more than others, and we have more control over the labour there. We employ farmers up there as fishermen. Norwegians and Swedes used to come here from the American side, but the new regulation of issuing licenses only to British subjects will bar these men out. I think the new regulation barred men out, and that was what led to the Japanese coming; that is only my opinion; I have never employed Japanese.

My opinion is to get rid of Chinese and Japanese, if the conditions will allow it. I think you can do better without the Japanese than without the Chinese.

David Douglas, bookkeeper at the Deas Island Cannery, said: The head man of the Japanese came to us and asked to be allowed to supply us with so many fishermen. Any Japanese who came to us had to be able to produce citizen's papers, and show that they were prepared to fish. The Japanese live in one house, and the man who can speak English the best generally does the business for the others. We have two contractors, Japanese; one supplies us with twelve boats and the other fifteen. Cannerymen are careful in making advances to Japanese, so there will be no risk. We certainly never advance money to bring them from Japan. I have seen Japanese go out in a fishing boat that I did not think was under their license. He (the license holder) would probably be sick and they would go out and handle the boat for him. I have seen whites do the same thing. They are treated the same as white fishermen. We credit their fish to the license number of the boat, and if they came from a certain house, we make all our settlements with the head man. Every man who has a fishing boat is there when the settlement is made, and sees that the settlement is just. We refused to take fish from a fisherman who had made arrangements with another cannery, and owed them. In one case the Japanese who ran the house owned the gearing. In another case there were several brothers who owned all the gearing in the house. Both Japanese houses salt fish. One crew moved up to the cannery in the fall and salted fish there, buying from white fishermen and others on the river.

Lee Soom, a Chinese merchant, of New Westminster, with a capital of \$30,000 invested in the cannery business, employs 100 hands, says: The fishermen say there are too many boats,—I think not too many boats, but too many canneries.

## 2ND. THE FISHERMAN'S VIEWS.

Charles Kilby, of Nanaimo, who has fished on the Fraser for many years, says: It is almost impossible for a white man to make anything at fishing on account of the



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Japanese employed, The Japanese obtain the licenses illegally. The river is overcrowded with boats and nets. There are altogether too many.

The unsanitary condition of Japanese and Chinese in Steveston has been the cause of a large number of deaths among the Japanese from typhoid, and other diseases peculiar to themselves called berri-berri. They are also doing the work of the white fishermen which we used to do during the winter months, when the salmon fishing was over. The white fishermen used to supply cordwood to the canneries, and clear the land and cut shingle bolts. The Japanese do that now, and in fact they have almost monopolized the unskilled labour that the white fisherman used to work at during the winter.

Japanese have also gone largely into boat building on the Fraser river. I have tried to obtain work outside of the mines, and I found that in almost everything I tried I had to compete with the Japanese. During the fishing season the river is overcrowded with nets. There are altogether too many licenses issued, and the great majority of them are issued to Japanese. I was one of the delegates from the Fishermen's Union to the Canneries Association, and in that interview it was admitted it would be better for the canners and for the fishermen if the number of licenses were restricted.

Alfred Tetterman, of Vancouver, fisherman, said: In the early days when there were no Japanese the whites could make a good living, but they occupying the space in the waters it lessens our catch, or even if we caught as many, the canneries cannot get away with them. Four years ago we were limited by the canneries to 100 fish a day, and we had to throw 500 overboard for ten days. The number of fish is divided among so many, there are only a few for each, and when we have a big run the canners can't take care of them. I could not fish last season, so many Japanese, I thought I could not come out even. It is aggravating to a man to be pushed out by Japanese. We don't want so many, and the canners don't want them. I'd rather starve together with my own race.

John L. Anderson, Vancouver, engaged in fishing for eleven years, said: The fishing in the river is overdone by an over-supply of fishermen of different nationalities. There are too many. We have to set our nets too near together. The Japanese take the place of white fishermen. The French-Canadians would come in. They would help to populate the country. They live well, too. I say our government issues too many licenses by one-half. We can't set half the number of nets within the space allowed. The nets are set within fifty feet of each other on the Fraser river. I think there are white men and Indians to fill all the space. From a fisherman's standpoint the government issues too many licenses for the Fraser river. I think the nearest that nets should be set to each other should be 1,500 feet. It would be better for this country and for the fisheries at large if there were not more than one-half of the present licenses issued. Japanese are fairly good fishermen from what I could see of them.

I do not believe that the market has much to do with reduction in the price that is paid for the fish to the fishermen. It is just the canners' action. Last year they simply starved the men into their prices, at least they finally starved the Japanese into or drove them into it, between them and the militia. On Puget Sound canners generally own the traps. The fish caught in the traps do not cost them as much as the fish caught by net fishing. They pay a higher price for fish on Puget Sound than they do on the Fraser River. If there were a reasonable number of fishermen here, I would be satisfied with fifteen cents all through the season. There are fully as many white fishermen here now as there were in years past, but they are divided up among the canneries more.

I say that instead of the Japanese, the government or someone should bring in white men, and the country will be benefitted all over. I belong to the Fishermen's Union. The cannerymen do not appear to manifest any disposition to prevent the overcrowding of nets on the river, because every year they are taking more boats to the canneries. They rather encourage than discourage the increase. I do not think it will last five years more before there will be very few white men fishing on the river. They are fast decreasing in numbers now. I consider a white man at \$1.50 a day as cheap as a Japanese at \$1 to work in the lumber mills or any other industry except the fishing. In fishing the Japanese are just as able to catch as many as the white man if he pays

attention to it. They ought to be excluded altogether. They are certainly a greater menace than the Chinese. They build boats and sell them to the canneries for \$60, such a boat as I have got \$150 for some time ago.

John McCarthy, contractor and foreman for Stevedore, says: I fish every year. The Japanese have overrun the fishing business. They are so thick you cannot get your nets out. There are too many licenses. I believe there are enough whites and Indians. I have a family here. There is little encouragement to rear a family here, because there is no place for boys. I think the whites are badly treated.

Peter Smith, for fourteen years a fisherman on the Fraser, a half-breed of Indian descent, says: In the first place British subjects are driven out into the deep water. The Japanese are taking the white man's place in fishing. I was born here, married and have three children. My complaint is the Japanese have more rights than whites and Indians. I went to get a license, and he asked me if I was British born. A white man has to attend personally, but a Japanese can send a boss, and my own brother could not get it through me. There are too many fishermen on the Fraser River. It is overcrowded with Japanese. It has been that way for the last three years, because there is not space enough between the nets. The best fishing grounds are crowded. I fish the year round. If any more Japanese come in there will be bloodshed.

I used to get five cents a pound for smelts and three cents a pound for herrings. Now the Japanese cut that down to two cents for smelts and one cent a pound for herring. I have been driven out of the business. I cannot make my living out of it.

John Ibbotson, fisherman, New Westminster, said: There are too many licenses and too many Japanese. Limit the licenses, and give the preference to the settlers.

John Scott, farmer and fisherman for fifteen years, has a wife and three children, said: The longer I have been here the harder I have been pushed. I used to think this was a white man's country, and one of the best under the sun. I am discouraged on the fishing question. In gardening they have me to do what the Chinaman can't. I want to see the country prosper, but I don't want to feel that I am being squeezed out of my inheritance. I am an Englishman, and I came out when I was 17 years old.

George Henry West, fisherman, New Westminster, since 1894 on the Fraser, said: There are too many fishermen on the river. There were sufficient whites and Indians.

Hezekiah Stead, New Westminster, followed fishing for nine years until the last two seasons, puts it in this way: I think there are too many fishermen on the river. The fewer the fisherman, the more fish they could catch, and the cheaper they could sell the fish to the canners, and be more successful all round.

John Kendall, New Westminster, says: I am supposed to be a fisherman, and try very hard to be, and it is a failure. The trade is monopolized by the Mongolians. There are too many fishermen on the river. I am a Newfoundlander by birth: am married and have five children, four boys and one girl, oldest 12. I am over \$200 behind what I was last year this time. If the Japanese and Chinese still continue to come I have got to leave or starve. I am British to the backbone. I wish to stay under the British flag. When the fishing season is over I find it the hardest task I ever had in my life. I find these Mongolians have me coralled, the same as they have in fishing. I apply at various places, sawmills and factories, and I may say every place, seeking employment. In three years I have worked about four months outside of fishing. I got a little work outside the city. Last year I tried the same means of cutting shingle bolts or cordwood. I found I could get no job. I saw shingle bolts and wood being cut by Chinese and Japanese. I applied to Mr. Jardine and Mr. Scott to buy shingle bolts, but they refused. There were Japanese working there. A dozen people asked me to write them in Montreal. I wrote one or two and told them not to come.

Nicholas John Coulter, the vice-president of the Grand Lodge of the British Columbia Fishermen's Union, born in Jersey, Channel Islands, says: With a smaller number of licenses the whites and Indians could catch more each, and be able to supply the canneries. They can take every fish out of the river that ought to be taken out, and could afford to sell them less, and both would prosper.

Patrick Cain, New Westminster, a fisherman from New Brunswick, says: I think white men and Indians could catch all that could be handled. Half the boats would catch as many as are caught now.

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Thomas Sheaves, New Westminster, says: I have been fishing here for twelve years. Till the last three years I could make a living, and a good living. Since that I can't do it. I can't pay for the gear and make any wages at all; cannot catch the fish; too many fishing. There are too many Japanese got in here the last two or three years. I came from Newfoundland. Have a wife and three children; live here; have a house and lot of my own. I like the country. It is just this way, either the Japanese have got to get out or we have got to get out.

George Mackie, New Westminster, said: The presence of the Mongolians not only prevents immigration of white people, but it drives many who are here out of the country. Men who came from Scotland and Canada are returning to where they came from. A floating population that used to come here only come now in small numbers. We were not in love with them and they stopped coming. The restriction of licenses was objected to by some fishermen who were not citizens of the country and who wished to fish here. Since the department made a rule that only British subjects could get a license to fish, subjects who were bona fide fishermen, they have evaded it by manufacturing orientals into British subjects so that they might get licenses. A bona fide fisherman is a man who has had some experience in fishing. The license stipulates he should have his own boats and nets. Most decidedly he should have one to be a bona fide fisherman. I believe a great majority of the Japanese do not use their own boats and nets. The majority of resident fishermen own their boats and their gearing. The Japanese bosses own the boats that are fished in by Japanese, in the majority of cases.

Many other fishermen gave evidence to the same effect; in short, it was their unanimous opinion that the river was overcrowded, and that the white men were being driven out.

## 3RD.—PROTESTS OF INDIAN CHIEFS.

The chiefs of the different Indian tribes made request to the Commission that they might be heard upon the question of Chinese and Japanese immigration. This request was readily granted, and as Nanaimo and Vancouver were the more convenient points it was arranged that they might be heard there. A number of the head men, Chiefs of the tribes, attended, and they selected from among themselves certain chiefs by whom they desired to have their grievances presented.

Z. Hilton, Chief of the Quamachin tribe in the Cowichan district, said: When first the white people came they took up lands and asked the Indians to work at \$2 a day. I was much pleased to get work and get that wage for myself and my family. I had something to depend on, and I bought everything I wanted, and I was pleased at the white people living where I could get the work. When the Chinese came here first they came with nothing at all. They brought no family with them and they broke up everything. In a little while the Japanese came, and they were worse than the Chinese, and it seems they have no right to stay in the place at all. I ask for something to be done for my people. I cannot get work for my people on account of these being so thick around my place. The reason I have not better clothes is I cannot get work. I have four acres in my farm and cattle and horses. If my people do go fishing the Japanese are always ahead of them. Indians do get work at the canneries, but not as much as they used to get. It used to be 25 cents each for salmon about eight years ago. Last year they got about 20 cents for a short time, and when the run was good the Japanese sent the price down. Before the Japanese came I used to get money and get paid for my work; now I have no show at all to get a living. 300 belong to my tribe of grown up people—about 400 in all. I favour keeping Chinese and Japanese out of the country. I hold the Japanese are the worst of the two. When my friends go to fish the Japanese have hurt them. The settlers employ the Chinese and Japanese and do not employ the Indians at all. For four years I have got nothing from the farmers.

Joe Kuketh, Indian Chief, gave evidence to the same effect.

Edward Halbertson said he was much pleased to meet the Commission; that when he used to work on the farm he had steady work all the time and now he cannot get



regular employment as he used to do because the Japanese and Chinese cause all this trouble, because the Japanese and Chinese put the wages down awful low and that is the reason he cannot get work. Therefore, he brings the complaint to see if the government can do anything for his people. He wants to get his work back. He wants to keep the Japanese and Chinese out of the place. He spends his money here when he earns the money. He feels bad because the Japanese just bring their clothes with them, while he has a wife and family to keep. If this goes on the Indians and whites get no money. He has the same mind towards the Japanese and Chinese as whites have. He makes the same complaint as to the fisheries as Chief Hilton. The Japanese put down wages. No advances this year from the canneries: can't get it now like we used to get it. That's the fault of the Chinese and Japanese. Our people are not willing to work for the price Japanese do. There are plenty of Indians to do all the work if there were no Japanese and Chinese. They used to work in mills but the mills are full of Japanese and Chinese.

Jacob Kaksulatza, Indian Chief, said: I go to the Fraser to fish. One time the Fraser River was reserved. We had a piece of land where they used to camp. Lots of white people then and they used to help us. I want the Chinese and Japanese kept out. All the Indians are hard up. There are lots of Indians here.

Chief James Harry, of the Squamish Indians, represented seven Indian Chiefs, namely, Chief James Harry, Chief Tom, Chief Harry, Chief Joe, all of the Squamish Indians; Chief Joseph, Capaline River, Chief Casino, Langley, and Chief James Isaac, Port Hammond. He says: The Japanese come to this country, they come too thick altogether. It don't matter where you go you see Japanese. You go to the Fraser River you see Japanese, hundreds in the summer time. You go to Howe Sound, nothing but Japanese. You go to Indian River, just the same, nothing but Japanese. In fishing time we had no chance to fish ourselves, and when we begin to fish we put our net in the boat and we go out to fish. Two or three nights we lost our nets. I lost mine: the Japanese cut it; I saw it was cut; I saw the Japanese cut it; I caught the man. The Japanese thick on Point Gray; I have no chance to fish, so I can't fish. There are too many Japanese. You see boats three miles out from the coast, nothing but Japanese, and so we cannot make a living. The Japanese kill us: they are killing Indians, killing whites. My people have no chance to make a living. Can't make bread and butter: no chance to go to work: they are all over: they work for nothing. They began about ten years ago and got thicker, thicker, thicker all the time, and last year too thick altogether. We used to catch 200, 300; we don't now. We used to get 6 cents and 7 cents, but no limit: now canneries pay 18 and 20 cents, but as soon as they are beginning to run they put a limit—first day 200, second day 150; that is the lowest limit. Each boat would not get so many. Last summer the highest I got was 150 fish. There are too many fishing on the river. I think you can get any amount of Indians and whites to supply the canneries if you look that way. My people, my father, my grandfather fished on the Squamish River and Fraser River.

The Japanese are cutting all the wood we have here in British Columbia and bolts on the north arm, Howe Sound, and here in Vancouver on the west side, and our people have no chance to go to work and cut the cedar. They used to cut the cedar and bolts and wood. The Japanese cut wood for too little—just like for nothing. My people worked in the mills: now have no chance. The Japanese work for about \$15 a month—not enough to buy clothes and keep wife and family. I have a wife and three children. Thirteen and fourteen years ago the Indians got \$1.50 and \$1.25 working in the mills: now they get no chance to go to work. The Japanese can live on a tablespoonful of rice and a little perch. We are not the same. I think the Indians and whites as good as the Japanese. The Japanese build boats cheap and make oars. We make sails, boats and oars and everything. Our women get work in the canneries; they get \$1, \$1.25, \$1.15, \$1.10, depends on what they do. Boys and girls get work when plenty of fish. We do hand-logging in winter. We do stevedoring, make good wages but not steady. I think you could get enough whites and Indians to do the work. There are a little more than 10,000 Indians, men, women and children, engaged in fishing. Canneries take fishermen just as they come along. Just as many fish now but too many



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boats and not as many fish to the boat. I should say that 2,000 licenses should be granted, but not over 3,000. Good way if government says not so many licenses. The Japanese work for nothing. The Indians want to get fair wages. This is our country, not a Japanese country.

Chief Casimil, of Langley Tribe, said: I ask that you should have compassion on me for whatever I tell you. We belong to this country; it is our country. I was born in this country. My fathers have been here long before; that is I am a citizen of this country; I am here to ask you people to look after this country for us. We are being driven out of the country, as we cannot make a living as we used to do. I wish you to remember whatever I tell you now.

The Japanese are getting too many. We cannot get work and cannot get any money because of the Japanese. Very few of us can get any food because of the Japanese. I am very glad that you are all taking stock of this, and that you will take it to Ottawa before the head man. That is all I have to say. I wish to express my sorrow; if the government does not look after them they will soon control the land. We got our land from the government, and we should have a right to fish, but we cannot fish and make a living.

Joseph Isaacs, chief at Port Hammond, was satisfied with what was said, and was not sworn.

Chief Joseph, Capilano Creek, said: The Japanese come in so numerous it cheapens labour. They bring down the fish to 3 cents. The Japanese know they don't belong to this country. They make their country good on our money. That is why our country does not improve any. Can't get a good house or make a good living. Twenty years ago we could go out fishing and bring home 200 or 300. There were two canneries. It was good then. A great many canneries now and Japanese came in numerously and things not good. I tell the truth and wish you (the Commissioners) to tell at Ottawa that they take the money out of the country. I am glad to be able to speak.

Chief John gave evidence to the same effect.

## 4TH.—OPINIONS OF OFFICIALS.

Colin B. Sword, Dominion Government inspector of fisheries for British Columbia, said: The relative number of Indians and whites would be difficult to estimate. The Indians go under white men's names in many cases. Prior to 1889 there were I believe twenty licenses allowed to each cannery. In the first instance I think there was no restriction. In 1889 the number was reduced to ten to canners and traders. In 1900 the regulation was, in respect to ten licenses granted to canners, that the fishermen would have to be registered, and were required to take out licenses in their own names. In 1900 the licenses were still limited to ten to a cannery. Licensees must all be British subjects. The number of licenses given represents the number issued for the whole province. Canners are not permitted to turn over their licenses to Japanese who are not citizens. The fisherman must be a man who is qualified to take out a license in his own name. The Indian does not require to have his name registered. Every one else does. The half breed is treated the same as a white man. I have no means of accounting for the enormous increase in the number of Japanese in 1900.

Each one of these licenses represents a fisherman, and they usually have a boat puller. At present some of them are fishing alone, but in the height of the season they generally have a boat puller.

To register, the fishermen have to attend before the officer appointed to receive them. Fishery guardians are authorized to take registration of fishermen and some others. The personal appearance of the applicant is required in every case. One of the officers last year was under a wrong impression as to that point. In issuing licenses we have no authority to go beyond the certificate of the court that they are naturalized citizens. In several cases we found an attempt was being made to obtain a license on a certificate issued to another man, a Japanese; in all such cases we refused to issue the license. There did not seem to be any intention to defraud.

I should think we have too many licenses issued for the necessity of fisheries. I think myself there should be only about one-half the licenses for the Fraser river. I think it is in the interest of the canneries and of the fishermen, and of the fish, that only one-half the number of nets should be used on the river. I say from Point Roberts to Point Gray, if there had been half the number of licenses issued the fishermen would have made more for themselves at a small price for the fish. I have not solved the question as to how that limitation could be had with convenience to all parties. The limitation of the number of licenses was attempted before I had anything to do with the office. If the number of Japanese licenses issued last year (1,892 licenses) is deducted from the whole number there would be 3,000 licenses left. I think that would have been a sufficient number to have done all the fishing with the best results to the canners and the fishermen. I think that the number of white men and Indians that can be employed now would be sufficient to take all the fish that would be required. The exclusion or limitation of the Japanese would not detrimentally affect the fishing interest, if the white fisherman and Indians can be obtained in the different localities in sufficient number, in the localities required.

All the fishermen personally known to me are men who have settled in the vicinity, but they are a comparatively small proportion of whom I can speak of from personal knowledge. I cannot say if a large proportion of them are men with families.

I cannot suggest any arrangement that could be made by the government by which the number of fishermen could be limited. The regulation that drift nets shall not be used to obstruct more than one-third of any river, and kept at least 250 yards apart has never been enforced. The regulation seems to be in regard to set or fixed nets. It had not been enforced before I took the office, and I did not attempt to enforce it. They use drift nets here for salmon.

I think the Japanese fishermen generally have a Japanese as a boat puller. It might be possible for the number of boat pullers to become qualified as British subjects and account for an increase of licensed fishermen from 930 to 1892 last year. I have no record of licenses issued to Japanese prior to 1896.

To reduce the licenses I do not see how it can be enforced as a matter of legislation or regulation by the government. No, we could not enforce the regulation in respect to the 250 yards. The nets do not drift at the same rate. The quantity of salted dog-salmon exported by the Chinese or Japanese would be shown by the reports. These are mostly taken from the custom house records. There were 39 seining licenses issued. None were issued to Japanese. All such licenses are dealt with by the department at Ottawa. Seining licenses at present are supposed to be issued where drift nets cannot be employed. I have no information on the subject. Only one trap license is issued. One for Boundary Bay. I understand the department consider that traps would result in the depletion of fish, and undoubtedly their use would dispense with labour if the traps were in proper places. If you want to employ the men of the country it will be better with gill nets. If you want simply to develop the industry, then it is different. It is very difficult to say; the fishing industry might be developed in such a way as to place men who now make their living at fishing at a great disadvantage. There would not be so many employed. If the number of fish taken now would be sufficient to prevent the depletion of fish it would be no advantage to set traps. I have been a member of the Local Legislature for some years. I would not care to express an opinion as to Chinese immigration.

Licenses have to be renewed every year. The objection to the traps is it would leave no fish for the drift men to catch. If you used traps in addition to the present system; if you adopt set nets and traps you could regulate the catch much better. The fish caught by gill nets on this side must have escaped the traps on the American side. Purse seines are illegal in this country. I think this country can be developed in time without this alien race. I think this country would suffer if it lost the canning industry. If cannery men say that the industry cannot be carried on at a profit without oriental labour I would accept it with an allowance.

There is jealousy over the Japanese coming into the fishing business. As regards individual feeling I have not seen anything but what it is friendly enough. Some parts

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of the river are more favourable for drift nets than others. Where there are snags the nets will not drift, and the nets are liable to be torn by the snags. Every fisherman pays ten dollars for a license. There were something like three thousand boats fishing on the Fraser River last season, covering about sixty or seventy miles. When a Japanese comes to get a license he has to produce naturalization papers, and to prevent fraud the officer here puts his initials and the year on the naturalization certificate.

If it is left to the cannerymen and the fishermen to reduce the number of licenses, and at the same time Japanese immigration is permitted to pour in here, the result would be an increase of Japanese fishermen, and the white fishermen would be driven out.

Thomas Robinson, assistant to the inspector of fisheries, New Westminster, said: Up to last year all the licenses were issued in New Westminster. Licenses are issued for the whole province. Some fishermen fish up north and then go south as well. I should think about 75 per cent is a fair estimate of those issued for the Fraser River. The number of licenses issued to canners in 1900 on the Fraser River was 397; Rivers Inlet, 50; Skeena River, 75; Naas River, 20; total, 542. In 1899, 157 licenses were issued to canners; in 1900 the restrictions were relaxed somewhat. The endorsement of the fisherman's name on the license was abolished, making them transferable to any registered British subject.

If there is anything in the name of an applicant for a license, or in their speech, which would lead me to suspect that they were of foreign birth, I would demand the production of citizens papers, and I would do the same if I was not personally acquainted with the man.

It is very difficult to tell an American citizen. If he denies his citizenship we have no means of proving otherwise. People from the old country do not generally apply until they have been here for some time. They cannot fish until they get citizen's papers. The object is to keep the industry in the hands of our own people. If a fresh immigrant he would first engage in boat pulling until he had the proper qualifications. I had four years' experience on the river as a fisherman. I think on the river the fishing industry is overdone. If there were two-thirds the number of boats it would be better. There are not necessarily too many canneries. With fewer boats they would be able to get as many fish, and it would pay the fishermen better as the canners could take more fish from each boat. In a large run it becomes a question not of how many fish you can catch, but of how many fish you can dispose of. I am not prepared to say that canneries compete among themselves. When there are few fish running, and there is a demand for canned salmon, of course better prices will rule. The fish are not all caught in the river; a good many are caught outside the river. The American traps get a larger toll out of our fish than most people have any conception of. There is no room for the number of nets inside the river that are at present licensed, and men are forced outside. The conditions at present make it almost impossible to carry out the fishing regulations as to the distance of nets being apart and one-third of the river being left free. A little more than two days in the week for protection would not hurt the fish. The catch has not shown any sensible diminution. Fishing is more or less a game of chance. The permanence of the industry should be of first consideration. I have not seen any particular advantage in the Japanese as fishermen over any other fishermen. Their equipment is practically the same. The objection of white fishermen to them is that they have crowded the people of the country out of their own grounds. The development of the canning industry on Puget Sound has made the conditions on the Fraser River, both for fishermen and canners, more hazardous. I believe their sock-eye type is somewhat larger than ours. The sock-eye type is made up of Fraser River salmon. They use traps and purse-seines. They have no close season until the fish are gone. The waters there are regarded as territorial waters. Within the last seven or eight years the canning industry there has developed more largely. Even with those traps on the other side, I think two-thirds of the number of boats on the Fraser River, would be equal to handle the run of fish. The traps nearest the Pacific Ocean generally get the sock-eyes, before they are caught on the Fraser River. In round



numbers, at the end of last month (April), 800 licenses were issued to Japanese, and 200 to whites. I think it was because of some rumour that got abroad among the Japanese that there was going to be some restriction in regard to issuing licenses to them. The government would be justified in discriminating between citizens in issuing licenses if the preservation of the fish was concerned. The preservation of the fisheries in their full strength depends a good deal on the regulation as to the number of fishermen, and I think the American regulations are very important to be considered in that matter. They allow more machinery to be used there. Too many fishermen will result in an injury to the fish, injury to the canneries, and injury to the fishermen. In good runs fewer boats and fewer nets would supply the demand. In the case of the limitation of the number of fish to canneries in a heavy run, a great number of fish are thrown away. If there were a less number of boats last year they would have got more than the number of fish which would have been warranted. The canners' pack is not the first object. The less the run, the less should be taken out of it. To have 3,000 or 4,000 men who are employed only for a short time, and then looking for odd work, is not in the interest of the community. It tends to keep white settlers out.

W. L. Fagan, Provincial assessor and collector for the City of Vancouver, said : There is but one way to drive the Japanese out of the river, and that is by the immigration of some fishing races from Ireland, Scotland and the Baltic ; bring those men here and give them fifty acres each to cultivate. If white men were brought here and given land to cultivate, say fifty acres each, they would soon be able to compete with the orientals. Do not allow them to preempt for some time, charge them but a nominal rent. They would then have small holdings of their own, and in the fishing season they would go on the river. At present there is no room for immigration ; there is nothing for them to do. If they had land, that would occupy at least two-thirds of their time. I do not think any more orientals would come here as the contractors know the market and will only import sufficient to supply the demand. Those white people are not well off in their own country, and would only be too glad to come here. I would sooner see the white labourer here, even although it took a longer time to develop the country. Fishermen from Ireland, Scotland or the Baltic cannot come in here unless the government assists them. The Japanese have got their places and they keep them as long as they can ; we would have to help the whites to come here. Certainly the government ought to protect our own people. If white men can come here and get land and settle on it, it will soon solve the problem of the Japanese on the river. The Japanese do not seem to care about making homes here ; they do not take up land ; they do not seem to care about settling here. They come here and make a few hundred dollars and then go back to Japan when they can get away. There is no contractor, either Japanese or Chinese, will go over to China and Japan and spend money to bring labourers here without there is a market for them.

At the time of the rush to the Klondike a great many white fishermen left this country, and the Japanese were here. I do not know how they knew to come here at that time ; what happened to bring them here I will never tell you, but they saw there was an opening here and they came. If you had something to put in their place I would restrict more of the Japanese coming here. I think you could easily get enough fishermen to come here if there were inducements for them to come, which do not exist at present. They wont emigrate here on chance. You cannot show them anything to induce them to come here. It would require the government to take an interest in them and show that interest by restriction of Chinese and Japanese immigration.

Most undoubtedly it would be a good regulation to make the Japanese prove that they were British subjects before they got their licenses. I have no doubt many of them have been illegally naturalized. The Japanese ought to be compelled to appear personally to get their licenses, and they ought to be able to prove that they have been legally naturalized. I would have everything arranged that the fishermen of British Columbia would have proper protection against aliens. A great many of the Japanese fish all the year round.



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## FRAUDULENT NATURALIZATION PAPERS.

The natural irritation caused by this large and sudden influx of Japanese as fishermen was much aggravated by the fact that there was grave irregularity, if not actual fraud, in obtaining certificates of naturalization by very many of the Japanese. It appears that the fare from Japan to British Columbia, being very low, large numbers of Japanese have been in the habit of coming out for the fishing season, arriving in April and May, and returning after the fishing season is over. Many of these were engaged as boat pullers for the Japanese fishermen, the regulations not requiring for this service that they should be British subjects. It appears that these boat pullers were naturalized. It is certain that many of them never resided in Canada for one full year. Some of them may have resided here during the fishing season only for three years, and yet hundreds of these men, who had never in any way complied with the requirements of the law, were naturalized. The Commission took sufficient evidence to establish these facts. It was impossible for them to inquire into every case. A short reference to some of the evidence will suffice.

E. W. McLean, notary public, of Vancouver, says: I naturalized quite a number of them (Japanese). My commission was revoked. There was never a Japanese but what was accompanied by another Japanese who vouched for him. I swore the Japanese who vouched. There was no case within my knowledge where there were any naturalized before they were here three years. I naturalized about 208 Japanese between May and July, 1900. They came before the fishing season. They came three, four or five at a time, not ten in a batch. They were accompanied by an interpreter. Half signed their names in English characters, others wrote their names in Japanese. I could not tell that was his name. The oath was read to them by an interpreter, and there was an interpreter's jurat. I had known about a dozen of them for over two years. I took the interpreter's word for it. It did occur to me there might be a fraud on me. I satisfied myself beyond a doubt that they were entitled to be naturalized. I don't now think they committed a fraud. I had not naturalized any before this. Most of these people were boat pullers and had gone to Japan, and were now returning so that they could get naturalization papers and go fishing. I had the naturalization forms there. I never had any instructions or orders in council affecting that. A great many go to Japan and return in the spring. The mass of the other affidavits that were taken were of the same class. I knew in the fall of 1899 a number went to Japan. Nearly every steamer that went was loaded. The passage was about \$30.

Gin Kanga, smoking room steward on the *Empress of China*, says: I work on the *Empress of China*. My run is from Vancouver to Yokohama. I remember that by the *Empress* 200 Japanese came out for fishing in April, 150 of them returned in September. The fare is about \$25 from Yokohama, and \$50 to go back, and sometimes \$35. I know by the number of tickets that they are fishermen. Just fishermen and farmers emigrate here.

Robert T. Burtwell, dominion fisheries guardian, said: When I received my appointment as fishery guardian, I had to go to Captain McFadden's office; he was the fishery inspector; I copied the entries in his book into my book; I noticed there were a great number of Japanese and others entered as fishermen, who could only have been a very short time in the country; and I noticed them there in the office that many mere children were coming over and presenting certificates claiming to obtain fishing licenses as British subjects. They were not old enough, many of them; I called Captain McFadden's attention to that; I called the attention of the fishermen's union to that fact, and I went to Mr. Bremner, the dominion labour commissioner, and called his attention to it. With reference to the Japanese who came into the office when I was there, I used to go and fetch Mr. Bremner up. He used to interrogate the Japanese; he would take them up before the Japanese Consul, and there he would elicit the information. In a great number of cases they had only been a short time in the country, that they had been in all probability prompted by others to come there and perjure in order to obtain these certificates to get licenses. In my presence Mr. Bremner elicited the information that Japanese who had been here for some little time were in the habit

of personating other Japanese for the purpose of obtaining licenses to fish; in this way the matter was brought before Mr. Shimizu, the Japanese Consul. I went to a certain notary public here in Vancouver, Mr. Thicke, I went there with the purpose of getting naturalization papers myself to find out how the thing was done.

Q. To examine into the method?—A. To get at the way the thing was done: to find out the way that naturalization papers were secured, and how the certificates came to be granted. I told Mr. Thicke it was imperative I should have my paper in very short order. He said he could manage that very easily, that he had secured a great number, and he showed me quite a pile of Japanese applications that he had on the table. He said he was going to put these through, and he would put mine through at the same time. He asked me if I knew of any others who wanted naturalization certificates; I told him I knew of several Italians who wished to become naturalized. He said if I introduced any trade to him, he would put them through for the sum of \$2, and he would give me a rake-off of 50 cents. So from that I came to the conclusion that the system of naturalizing Japanese and others in British Columbia was perfectly rotten. I may say in reference to my duties as fishery guardian, that I found the Japanese were more prone to fish illegally than the white people or white fishermen.

Q. What do you mean by that?—A. They would fish with nets longer than are permitted by law, and they would stake nets in violation of the law, and they would fish during illegal hours; and I came to the conclusion as a fact, though it was very difficult to trace it, that the Japanese had transferred licenses. The Japanese are very hard to identify. I considered that the number of nets fishing around the Fraser River was far too many; that there being so many nets around the mouth of the river they drive the fish back and prevent them entering the river, their natural spawning ground: the result of that was, I have seen salmon go past the river and go into some of the little inlets that were dropping ripe spawn in salt water.

Q. Now, what was it that lead you to think that there was illegal naturalization of Japanese?—A. From the manner in which I found that the Japanese were being represented by others. One man would come to the notary public and say that a number of Japanese desired to take out naturalization papers; the notary public would swear him, and then the process would go on; but other irregularities I have no doubt crept in. Mr. Thicke forgot to swear me until I jogged his memory that I had not been sworn. The notary public will then ask the party if he had been three years in the country, and his name and address; he would then make out a form, and he would attend to the rest of it.

Q. Is the person you refer to still a notary public?—A. No, sir.

Q. Why?—A. His authority was cancelled by the provincial government after the investigation.

Q. Have you ascertained how many of those naturalization certificates were issued to men who were not entitled to them?—A. There were five parties brought up in one of the courts here, brought before the court by Provincial Constable Campbell, and it was proved that they were not entitled to certificates, that they had not been in the country. The investigation was not a sweeping one, it simply embraced the men brought into court. Mr. Bremner, the dominion labour commissioner, had a list of those who went before the Japanese Consul, and who it was found out were not entitled to be naturalized. A great many of those cases I brought to his notice.

Edward Bremner, labour commissioner for British Columbia, said: I was asked by some of the fishermen to make some inquiries at the office where licenses were issued. On questioning some Japanese who appeared with naturalization papers and asked for licenses, I discovered that many of them had not been the required time in the country to get those papers legally. In one case a Japanese had papers where he had only been three weeks in the country. I know personally of three different cases. Out of thirty Japanese who applied one afternoon, not more than four could make any attempt of understanding English. Even those four could speak very little English. I had to employ an interpreter, and notwithstanding the disadvantage, one of them admitted that he had been only two and a-half years in the country at the time, and yet his naturalization certificate was granted the year before. On another occasion out of about

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fifteen questioned through the secretary of the Japanese Consul, two accused of fraud were prosecuted, one was accused of impersonation; the excuse he gave was that the man whose papers he presented was sick. This was last year, 1900. These were the only cases I investigated. In the case of Sayo Tario Mokogama, I understand from the secretary of the consul that he could neither read nor write in his own language even. He admitted that he had only been in the country three weeks. This would seem to show that the man was not perhaps as much to blame as those who had brought him there. The impression I got was that there were a great many cases of fraud. I got possession of this naturalization paper as it was left at the office pending the decision of the fishery officer, whether he would grant the party applying a license or not, and the party never called for it again, that is the original. The name here is Nakakama, and that was handed in, and a certificate applied for by a man who gave his name as Soyo Tario Nakagama. It would seem there was some mistake made by the notary public.

Thomas Robinson, assistant inspector of fisheries, New Westminster, says: Last year it occurred to me that a great many had secured their citizen papers without complying with lawful conditions. My experience with the Japanese is that when they have been here two years they have some knowledge of our language, whereas last year numbers of them did not understand the meaning of 'yes' or 'no' but their papers being in proper form as issued by the court, I had no alternative but to recognize them. There were several cases of personation, one last week where a man presented papers as his own, which I proved to be false. He was a Japanese. I took possession of the papers until the proper party applied for them. The papers had been drawn from a bunch. I have had cases of this kind before, but found there was no provision for which action could be taken. They never seem to have taken our fishery regulations very seriously.

Mr. A. E. Back, of Vancouver, district registrar of the Supreme Court, since its establishment there, presented a carefully prepared statement on this subject, from which the following extracts are taken:

In respect to Naturalization Acts, Naturalization Act, 1870, United Kingdom, provides that:

An alien who has resided in the United Kingdom for a term of not less than five years may apply to one of Her Majesty's principal secretaries of state for a certificate of naturalization.

The applicant shall adduce in support of his application such evidence of his residence or service, and intention to reside or serve, as such secretary of state may require. The said secretary of state, if satisfied with the evidence adduced, shall take the case of the applicant into consideration, and may, with or without assigning any reason, give or withhold a certificate as he thinks most conducive to the public good, and no appeal shall lie from his decision, but such certificate shall not take effect until the applicant has taken the oath of allegiance. (Sec. 7, Naturalization Act, 1870. United Kingdom.)

*Re. North-west Territories.*—Section 2, Order in Council, January 29, 1899, provides:

His Excellency in Council has been pleased to make the following regulations:

Section 2. In the North-west Territories the certificate mentioned in the twelfth section of the said Act shall be presented to a judge of the Supreme Court of the North-west Territories, who shall take such measures to satisfy himself that the facts stated in the certificates are true, as shall in each case appear to him to be necessary; and when satisfied that the facts stated in the certificate are true, he shall grant to the alien a certificate of naturalization, authenticated under his hand and seal of the Court.

This law in my strong opinion should be applied to British Columbia. In theory the general Act of Canada hereinafter referred to is a proper measure, taking into consideration the need of immigration, but a condition has arisen on this coast which needs the protection of above section 2, giving the judge to whom the J. P.'s or Notary's certificate is presented, the power to take such measures to satisfy himself that the facts stated in the certificate are true; and here I see no reason why, as in the English Act,



power should not be given to the judge to give or withhold a certificate as he thinks most conducive to the public good, with or without assigning any reason.

On July 30 last, I inquired of the registrar of the Supreme Court, at Regina, what measures as a matter of fact the judge did take to satisfy himself. It appears that in addition to the J. P.'s or Notary's certificates an affidavit of some other responsible person as to the good character of the applicant is required.

Now, regarding the Naturalization Act of Canada, after consideration in the light of my experience, I see little to complain of. I suspect that there exists an improper and incomplete method of carrying out the Act by the persons entrusted, either through ignorance or inadvertence. I refer to the persons mentioned in section 9, particularly the J. P.'s and Notaries, and in doing so I wish here to say that these persons are possessed of all the skill and intelligence expected by the statute delegating the power.

I respectfully submit and earnestly recommend the following observations to the Commissioners: Naturalization forms should have marginal notes: directions to the notary that in the case of a marksman, that the affidavit was first read over and explained to the deponent, and that he appeared perfectly to understand the same; and in case an interpreter is required that the notary first swear the interpreter to truly interpret.

By section 8, the alien must take the oaths of residence and allegiance. By section 10, the alien shall adduce such evidence, &c., as the person before whom he appears requires, and such person on being satisfied with such evidence and that the alien is of good character, shall grant the certificate. Section 8 having already provided for the taking of the oaths of residence and allegiance, section 10 surely requires some additional evidence, it may be much or little, but some must be adduced, without casting any imputation on the honesty of the justices of the peace or notaries. I venture the opinion that no evidence whatever other than the taking of above-mentioned oaths is ever adduced. Now, if I am right in this conjecture, it follows that by last paragraph of section 11, the certificate referred to in section 10, form B, was not properly before the court, and all things had not been done to entitle the certificate to be presented, read and filed of record in the court, and it therefore follows that any certificate of naturalization issued on the evidence of an uncorroborated affidavit has been improvidently issued and may be cancelled. The justice of peace or notary's certificate as presented to the court is in appearance proper and valid, and the court would hardly on a mere conjecture direct the justice of peace or notary to be cross-examined, admitting the power to do so.

A stop should be put to trafficking naturalization certificates.

#### EXPORT OF FISH TO JAPAN.

Ewen W. McLean, Chinese interpreter, said: I was asked to ascertain the quantity of dog fish—what are called dog salmon—shipped last year. I find that in the year 1900 the shipments to Japan of that salted fish amounted to some 2,200 tons. I got the information from the Japanese exporter, a man named Koronaga. He made the contracts for the Japanese shipping the salmon. He tells me there were 16,000 tons shipped through Dodwell & Co., and 600 tons by the ship *Alpha*, which was lost upon the coast. They did not ship by the Canadian Pacific Railway. They could not get freight by the Canadian Pacific Railway boats. They shipped mostly from Victoria, by the American line, for which Dodwell & Co. are the agents.

Q. Why wasn't any of the dog salmon shipped by the Canadian Pacific Railway?—  
A. The Canadian Pacific Railway does not care to ship any of that kind of freight.

Q. Why?—A. Because there is quite a difference I understand in their through freight. I understand most of the fish is put up by Chinese contractors in the canneries. They generally occupy a part of the cannery after the general fishing season is over. I understand that each fish costs about 16 cents; that includes catching and packing. There is no reason why the business should not grow to large proportions. The business should be large here, but last year, on account of the war, they could not get



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freight from here. I know that quite a number of Japanese went home from here to join their army, and I know that freight was difficult to get from here. They have been shipping that class of salmon three or four years. They are caught after the regular fishing season is over, by the Japanese. They are an inferior fish.

Q. Are the steamers that carry the freight not controlled by the Canadian Pacific Railway?—A. No, they are under the control of the Northern Pacific, I understand. Their headquarters are at Victoria, and their general agents or general managers are Dodwell & Co. They run in connection with the Northern Pacific. It is an American line of boats.

Q. So that this trade, whatever it amounts to, is carried in American waters and the fish are caught and packed by Japanese?—A. Yes.

Q. What benefit do we get from that?—A. Only the small freight to Victoria, \$1 a ton. The salt comes principally from Liverpool and Australia. The fish are salted and put up in boxes. They are made at the lumber mills. I cannot tell the value of the fish. That is a new industry; it was started as an experiment by the Japanese some years ago. During the big run of 1897 they salted a good deal of the sock-eye salmon not required by the canneries; they salt them in big tubs or tanks that they have for the purpose. I think it is an industry likely to grow to large dimensions. The canneries do not seem to have facilities for salting sock-eye salmon as the Japanese. I think Japan is a big market for fish. Fish going from here would have to compete with fish caught in Japan by cheap labour. I don't think there is a great deal of deep-sea fishing in Japan. A great part of the fishing is coast fishing. Where we have one fishing boat they have thousands. There are so many fish easily caught on the coast there that there is little or no necessity for deep-sea fishing. They catch fish with lines there generally. They have no such thing as our large runs of salmon. There is abundance of fish in Japan but not of the kind we have here.

Thomas Robinson, assistant to the fishery inspector, said: In 1898 the value of dry salted dog salmon amounted to \$160,000. In 1899 the value was \$120,000, and in 1900 the value was \$298,000. I think that covers the ground. The value is reckoned at three or four cents a pound, I cannot recall which. We have no information as to the number engaged in that business.

The export of fish and fish products to Japan since 1896, is as follows:—

1896.....	\$ 2
1897.....	1,069
1898.....	17,986
1899.....	40,270
1900.....	47,773

(See the Report of the Department of Trade and Commerce, 1900, page 614.)

## SUMMARY.

Prior to 1896 comparatively few Japanese engaged in fishing, and a record of licenses issued to them was not kept. In that year 452 fishing licenses out of a total of 3,533 were granted to Japanese. This number has increased until in 1900 out of a total of 4,892 fishing licenses, 1892 were granted to Japanese, and in 1901 out of a total 4,722 licenses, 1,958 were granted to Japanese. The increase in the number of licenses is in direct proportion and corresponds to the increased number taken out by Japanese. Each canner receives a certain number of licenses, and a number of these are given to Japanese; so that about two thousand licenses were held by the Japanese for the year 1900, and over that number for the year 1901.

For each boat there is at least one additional puller, making over four thousand Japanese directly engaged in the fishing business, and many more indirectly connected therewith. The Japanese are expert fishermen, having followed that calling in their own land, and unless something is done it is perfectly evident that they will in a few years supersede the white fishermen and control this business. Not one in twenty can

speak English beyond a few words. Numbers of them return to their own land after the fishing season is over, and the rest are thrown upon the labour market to find employment where they can, to the great detriment of the white working man and the incoming settler.

It is manifest that Japanese become naturalized not for the purpose of becoming citizens of the country in the ordinary sense of that term, but for the express purpose of qualifying themselves for fishermen's licenses.

The following table will show the rate of increase and the danger apprehended :—  
(Prior to 1890 there is no record of any Japanese having been naturalized in British Columbia.)

JAPANESE NATURALIZED IN BRITISH COLUMBIA.

Year.	Victoria.	Vancouver.	New West- minster.
1890.....	0	0	0
1891.....	1	2	0
1892.....	0	4	16
1893.....	1	5	60
1894.....	7	47	59
1895.....	14	72	9
1896.....	38	197	12
1897.....	85	230	6
1898.....	37	93	9
1899.....	144	94	140
1900.....	238	437	231
1901 to August 29.....	36	182	3
	601	1,363	545

Total.....	2,509
Nanaimo.....	3
Chiliwack (for year 1900).....	179
Nelson (for year 1897).....	1
	2,692

During the same period the returns show that 1,156 Chinese were naturalized in British Columbia.

At Vancouver the total number of Japanese naturalized is 1,363, while all other nationalities, including Chinese, that took out naturalization papers amounted 734, exclusive of whites naturalized during the year 1901, which would probably make the total number of whites naturalized about 900. Nearly 1,700 Japanese have been naturalized during the last three years.

The great increase in the number of licenses granted on the Fraser has had the effect of overcrowding, forcing many of the fishermen to leave the Fraser for the open water, which requires a large sea-going boat at two or three times the cost of the smaller one formerly used on the Fraser River. This overcrowding also decreases the individual catch and forces the fishermen to demand more for their fish than formerly, and receive less remuneration for their work, both the canner and the fisherman losing thereby. It has created serious irritation between the white fisherman and Japanese, the former complaining that they are forced out of an industry which they helped to develop, and that after the fishing season is over they are met by large numbers of Japanese in every industry where unskilled labour is employed, who work at very low wages, have no family to support and send or take most of their earnings out of the country.

The natural irritation caused by this large and sudden influx of Japanese as fishermen was much aggravated by the fact that there were grave irregularities if not actual fraud in obtaining certificates of naturalization by many of the Japanese. It appears that

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the fare from Japan to British Columbia being very low, large numbers of Japanese have been in the habit of coming out for the fishing season, arriving in April and May and many of them returning after the fishing season is over. Many of these were engaged as boat pullers for the Japanese fishermen, the regulations not requiring for this service that they should be British subjects. It appears that these boat pullers were afterwards naturalized. It is certain that many who were naturalized never resided in Canada for one full year, some of them may have resided here during the fishing season only for a part of three years, and yet hundreds of these men who had not complied with the requirements of the law, were granted naturalization papers and received their license to fish. The naturalization certificate being regular in form the officer considered he was bound to recognize the holder as entitled to a license.

The Commission took sufficient evidence to establish these facts. It was impossible for them to inquire into every case.

When we visited Steveston at the mouth of the Fraser in May, and therefore before the fishing season had commenced, we found a busy hive of men almost exclusively Chinese and Japanese, except the overseers. The Chinese engaged in making cans in the canneries and the Japanese in boat building and otherwise getting ready for the opening of the fishing season. What was particularly noticeable in this busy throng was the absence of white men.

This class of Japanese almost without exception come without their families and are rapidly taking possession of an industry which for national as well as economic reasons should be retained in the hands of the white population, the actual settlers. What is wanted and is essential to the welfare of the country is to establish a permanent class of fishermen, householders, who, owning small holdings, may be assisted in earning their livelihood by having an opportunity of making a few hundred dollars additional during the fishing season.

As long as the fishing is profitable to the fishermen so long will the white men be willing to engage in it. As the margin of profit grows less, they will drop out, and the Japanese who can obtain licenses, who live on less, and are content with smaller remuneration, will occupy their places. This displacement is evidenced by the number of licenses issued. Whether that margin of profit grows less by reason of overcrowding, depletion of the fisheries, or for any other reason, the tendency is towards the complete occupation of salmon fishing by Japanese while they continue to be licensed. Practically none of the Japanese of the fishing class bring their families with them. They have shown no signs of settling permanently in the country or of becoming merged amongst our people as all the various classes of white men do who are engaged in the fishing here. They have contributed in part to the present abnormal development of the industry. The opinions stated by those most interested was that white men are preferable and that they would not desire to see the industry get under the control of the Japanese. It is not right that this important industry should fall into the hands of a class who are foreigners and who do not assist in settling the country with a permanent class of citizens.

## PART II.—BOAT BUILDING.

Boat building is and always will be an important industry in British Columbia. Until a few years ago it was entirely in the hands of Canadians. It has passed largely into the hands of Japanese, except in the case of one large manufacturing firm where the work is chiefly done by machinery, and high class pleasure boats, which are chiefly built by whites. The Japanese make not only their own fishing boats, but also large numbers for the white fishermen. Formerly small boats were used almost exclusively on the Fraser, but within the last few years by reason of the large increase in the numbers of fishermen crowding on the Fraser, has resulted in large numbers fishing at the mouth of the Fraser and in the Gulf, for which larger and seaworthy boats are required. These of course are more expensive.

The fact is that the Japanese practically control this branch of the business except as above mentioned. Along the shores and bays from Port Moody to the mouth of the Fraser many hundreds are engaged in this business.

Boat building is an important adjunct to the fisheries and both are rapidly passing out of the hands of Canadians and into the hands of Japanese. This cannot but be regarded as a very serious matter.

Andrew Linton says: I am a boat builder. I came here in 1884. I learned to be a shipwright and boat builder in New Brunswick and State of Maine. I was born in New Brunswick. The Japanese have interfered with my business. In the first place I used to build flat-bottom boats and boats used for logging work and around booms. The Japanese commenced on those first. I could not compete and had to quit. I then built a higher class of pleasure boats. They did not affect me there so much. There were seven or eight firms employing a number of men, I can't say how many. I also built fishing boats. The reduction in price drove me out. I think the boat business would be better if the Japanese were out of it and we could start apprentices, but now it is hard to get young people to take up the trade. They fear competition with Japanese. The fishermen get their boats for less than they did before, about one-quarter less cost. We never feared competition from outside, that is from a white man's country.

Henry Mundon says: I am a boat builder. I have been here four years. I only employ one man now. I did employ as high as ten. The boat building is being done too cheaply now and I am not taking fishing boats to build. I can't get my price. Lots come to me to buy and ask the price. My price is \$85, and they say they can get them from \$60 to \$65. The Japanese sell to the whites. I know they have built for the canneries at \$65. When I had ten men employed I paid \$2.50 to \$3.00 a day. I am married and have three children. The Japanese get their help cheaper. There is one shack where they all live together. The boats I build ought to last seven or eight years. I could have built a lot of boats for fishermen and cannerymen too, but I would not take them. I built a few for \$75 for cannerymen and lost money on them. I could have employed ten men if I had taken contracts of those who spoke to me. There are 100 being built (by Japanese) near where I am. Last year more were built than this year. I employed six men last year. The material in my boats cost \$47 and 18 days' work. The Japanese used poorer material. They put in maple ribs. I have seen them whip sawing lumber. The Japanese can build as good a boat as a white man can for fishing. They build a cheap boat. I favour the exclusion of Japanese and Chinese. It was the year before last I employed ten men.

Other witnesses gave evidence to the same effect.

Alfred Wallace carries on boat building on a large scale. His evidence presents many important features. He says: I run a ship and boat-building establishment and employ 64 hands. The only way they (the Japanese) affect our business is they (the cannerymen) give them the boats to build, and they (the Japanese) guarantee to furnish them the number of men to fish the boats that year. The cannerymen themselves told me. There is not more than 3 per cent for private individuals. I don't think my trade has been affected any. We buy the lumber in the rough and manufacture everything ourselves. We manufacture cheaper than formerly. I have been in business eight years. They have cheaper labour; that reduces the price of boats. Last year we built 392 boats; of these 80 per cent were for the canneries. We run a union yard exclusively and pay union wages, \$3 to \$4 and nine hours per day for skilled men. We hire boys from \$1.25 to \$2.50—twelve boys altogether. About 50 per cent of the boats are built by Japanese. The Japanese have offered their services to me for 10 and 11 cents per hour; 24 of the men and boys are employed in boat-building; 33½ cents per hour is the lowest wage I pay to skilled workmen. I think the Japanese are very good mechanics, but very slow. You can get all the men you want, of good skilled men. There is no trouble about getting white labour. I have never had Japanese working for me. We may have to have them after awhile—get cheaper men to turn out cheaper articles. By machinery we can compete. We could not compete if the Japanese had machinery. We employ the men the year round. We have few unskilled labourers. It don't make much difference to me whether they come or not. My principal customers are the canneries so far as fishing boats are concerned. We can do the work about 15 per cent cheaper by machinery. No one building by hand can compete with machinery. We keep the staff steady. We build stock boats in winter. All round from Port Moody to the Fraser



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River, that is 35 or 40 miles, you will find shacks where boats are built by Japanese all along the shore. They cut the timber and rip-saw it and build boats wherever you see a shack. We build many for the Skeena trade. A boat will last eight years. The canneries buy new boats to replace the skulls. I don't want to do anything to interfere with the fishing business. My principal patrons are cannerymen. I think there are just as many men building boats to-day as four years ago. It is a different class of boats to-day. We can compete with them at a profit. I don't say a good profit. If a company started who employed them we would have to cut wages or shut down. If prices are reduced as much in the next four years as in the last four years, we could not compete at the same wages and cost of material. I think we have enough Japanese here now. The arrangement with the Japanese and canneryman gives them an advantage. I can't get any of my boat builders to go fishing. The canners are our best customers. You will find the Japanese boat-builders everywhere. The men who build the boats do the fishing. They work from daylight till dark. One Japanese takes the contract and he is the responsible party. They are an intelligent race. They may go into this business and if they do we will have to get cheap labour, and then I would be opposed to further immigration. They live in boat houses. Two-thirds of my men are married men. I would not like to hurt the cannery business. They are my best customers; but I think we have enough here now. The opinion of canners will not alter my opinion.

## SUMMARY.

The following facts are made clear by the evidence:

Boat builders working without machinery have been driven out of the employment of building fishing boats. The wages formerly paid for this class of work was from \$2.50 to \$3 a day.

The Wallace factory employs 24 hands in boat building of this class, exclusively white labour, and pay union wages,—men from \$3.00 to \$4.00 a day for skilled labour, and boys \$1.25 to \$2.50 per day, and is able to compete by using machinery. The manager declares that he could not compete if Japanese employed machinery. If a company started who employed Japanese he would have to cut wages or shut down. If the selling price was reduced in the next four years as much as in the last four years this factory could not compete at the same wages and cost of material.

All whites engaged in this business are opposed to further immigration of Japanese.

The fishermen get cheaper fishing boats but lose more than they gain by competition of Japanese fishermen.

This industry is a good illustration of the effect of oriental labour. It grew up to meet the requirements of the trade exclusively by white labour and so flourished, giving employment to large numbers of men at prices that would enable them to live and support their families. The Japanese was not a necessity. When he comes, by reason of his low standard of living, he is able and has driven out all but the large machinery-supplied factory. This factory would not now compete if another started employing Japanese labour, or if the Japanese employed machinery. That this will take place in a short time if they continue to come can scarcely be doubted; and then the same argument might be presented as is now made in respect of other industries;—it cannot be successfully carried on without cheap labour. Of course it cannot if the competition of cheap labour brings down the price. The cure is to remove the cause; not more cheap labour, but less. While cheap labour continues to come in it creates the conditions which it is said make it necessary.

## CHAPTER III.—THE LUMBER INDUSTRY.

## PART I.—SAWMILLS.

The Japanese are employed to a very considerable extent in the lumbering business. Their proportion to whites and Chinese employed will appear from the following table:—

Mill.	Whites.	Chinese.	Japanese.
Cheminus Mill . . . . .	58	56	56
" (in camp).. . . .	128	19	30
Hastings Mill . . . . .	164	0	93
" (in camp).. . . .	245	10	0
Royal City Mills, New Westminster. . . . .	180	57	29
The Moodieville Sawmill Co. . . . .	60	10	40
Sayward Mills, Victoria . . . . .	30-49	60-70	0
Munsie Mills, Victoria. . . . .	10	17	0
Haslam Mills, Nanaimo. . . . .	39	13	9
North Pacific L. Co. . . . .	45	0	46
Robertson & Hackett, Vancouver. . . . .	80	0	20
Royal City Mills, Vancouver. . . . .	90	11	60
Brunette Mill, near Vancouver . . . . .	168	10	78
Shields' Mill, Kamloops. . . . .	30	3	9
Yale Mill Company—Head office at Rossland controlling mills at Rossland, Robson, Nakusp, Cascade, Roche Creek, Deadwood	200	3-4 as cooks.	0
Hillyer's Mill, Nelson . . . . .	40	0	0
Buchanan's Mill, Kaslo. . . . .	10 50	6	0

Probably the best idea as to whether the Japanese are necessary for this business, and as to whether there are sufficient in the country to meet the demand, may be gathered from the evidence of the employers. As most of these witnesses have been quoted from at length, in dealing with this question as it affects Chinese immigration reference may be had to that evidence.

Edmund James Palmer, manager of the Victoria Manufacturing Company's mill at Chemainus, that exports nearly as much as all the other mills at British Columbia, says: We first employed Japanese about a year ago last February. I never employed them in the mill except three months ago. I let them a contract for grading the road. I know the Port Blakeley mill on Puget Sound, Washington, employs Japanese. All the other mills there employ whites.

Q. What do you say as to the Japanese?—A. I think there are plenty of them here. I would say that all further immigration of Chinese or Japanese should be prohibited. What we have here now I think quite sufficient, and I think we can gradually work white labour in until we would soon have sufficient white labour in the country to answer all demands.

The Japanese are more inclined to adopt our mode of living and more inclined to spend money in doing so.

Richard H. Alexander, manager of Hastings Mill, Vancouver, says: We employ ninety-three Japanese, in trucking and piling lumber. They are paid from 90 cents to \$1.25 a day. The Japanese are all in inferior positions, with the exception of the lath mill, at which there are six or seven of them at the cut-off saws and trimmer. We first engaged them twelve years ago.

(The evidence of this witness is fully given in Part I, Chap. XII.)

Robert Charles Ferguson, manager of the Royal City Mills, Vancouver, which forms one of the three mills under the control of the British Columbia Mills and Trading Company: the other two being the Hastings Mill and the Royal City Mills of New

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Westminster, says: We employ 150 men, of whom 60 are Japanese. Over half the Japanese are paid 90 cents a day. Three Japanese have charge of saws. They are satisfactory. We get as much done as if run by a white man. We pay a Japanese sawyer \$1.25 a day. We pay white labour of the same class (sawyers) \$2.25. If no more Chinese and Japanese were admitted I would be satisfied for the present time, but I don't think we could do in the future because the Japanese are spreading out more. That is they are going over the country and going into business for themselves and are employed more largely. I don't think we could get white labour to take their place at present. I don't see why Japanese should not be able to run the higher class of machines. I would not care to run my mill with Japanese altogether. Certainly I would employ cheap labour all through if competition made it necessary. In handling the machines the Japanese can handle as much as the white man. If it came to heavy work the white man might be worth a little more, not over 15 per cent.

White men could not live on the same wages we pay Chinese and Japanese. Our firm tried to take a couple of carloads of people from the east at one time. We brought them out by rail with the usual result, they tried to beat their fares and left the employment of the company. They were bushmen and loggers. The lumber industry is languishing here at the present time, partly because of the foreign trade being dull and a dullness in the North-west market. Our trade last year was hurt by the labour unions here demanding higher prices for labour in the first part of the year. I should judge the employment of Chinese and Japanese have an effect on labour associations. We have a great deal of difficulty getting men to work during the fishing season. I would sooner employ all white labour if I could get it.

Robert Jardine, the local manager of the Royal City Planing Mills at New Westminster, who employs 29 Japanese out of a total of 266 men, says: The Japanese came in in 1897; prior to that Chinese were used. In 1897 we had a number of white men employed that filled the positions now held by Japanese, and they left and went fishing and we were compelled to get whatever labour we could. Probably eight or ten left and more left gradually. I would as soon employ white men at \$37 or \$38 a month as Japanese at \$1 a day. It is not because of the difference in wages, but the difficulty in getting men, that we employ Japanese. We require cheap labour and the Chinese is the kind we have. We have to have cheap labour or shut our business down, because two-thirds of our cut is shipped east, to the North-west Territories, Manitoba, Ontario, Quebec, and as far east as Halifax. If we had to employ all white labour at from \$35 to \$40 a month, it would amount to a thousand dollars a month or over. We would have to pay 60 per cent more. We don't feel the competition so much. We have a price list between the different owners. It is not always adhered to. We only use 29 Japanese. I suppose the employment of Chinese and Japanese, and that white labour has to compete with them, does keep white labour out to a certain extent. (*See further evidence of this witness Part I, Chap. XIII.*)

Henry Depencier, manager of the North Pacific Lumber Company, that employs 46 Japanese out of a total of 91 men, the rest being white, says: The mill had been shut down for ten years on account of the depression in the lumber trade here. We commenced within the last year. We employ Japanese because of the 16 in the mill they do as much as white men. Two white men will do as much as three Japanese. I prefer white men. There are sufficient Japanese here now. In the east, Ottawa Valley, we had a whole mill outfit at what we pay the Japanese. Now wages are higher in the east. We had labour from Quebec at \$1 a day and they boarded themselves. It is higher now. We never tried to bring that labour here. They could not come at that rate of wages. They are better than Japanese. We could pay them 50 per cent more. I think they would be brought here if the Japanese were not here. They can do more anywhere about the mill. At piling lumber the Japanese do about as much in a day as whites. We can produce lumber much cheaper here than east. They can work it up more closely there than here. They work up everything there. All of it can be sold. It was not a labour question at all. It was a question of finding a profitable market. We pay white labourers \$1.50 to \$1.75; skilled \$2.50 to \$3.85; two boys 18 years old \$1 a day. We pay the Japanese \$1 a day, and three \$1.25 a day.

John G. Woods, superintendent of the Moodyville Sawmill Company, which employs 110 men, of whom 40 are Japanese, says: 'We pay white men from \$30 a month and board up to \$140 for foremen; Japanese 90 cents and board to \$1.25 and board. Board costs 35 cents a day. In most positions they are as good as whites. They are behind machines and keep the machines clear. The Japanese run machines, namely, the edger and trimmer; one edger and five trimmers run by Japanese. We formerly had white men do it. He runs the machine as well as a white man and we keep him there. I don't see why a Japanese should not do anything there is to do about a sawmill. I very much prefer white men if other conditions are equal. The competition is as keen as the mills can stand and keep afloat. I guess we could fill the positions with white men if the Japanese were out—get them here in the country, but would have to pay them more. We would have to pay whites \$15 a month more. If we had to pay \$700 or \$800 more than we do now we would have to shut down. I would close down so far as I am concerned rather than employ Asiatic labour. I have had large experience here in mills. For the last five years the Moodyville Mill has just about held level without the owners getting one cent interest or dividends. The property has been kept up. Our position is good for foreign markets but not for local trade. We do simply a foreign trade. We ship to China and Japan.

James W. Hackett, of the firm of Robertson & Hackett, that have a sawmill and sash and door factory. They employ 100 men in and about the mill and factory, of whom 20 are Japanese. Only white men are employed in the camps. Their market is local and east. He says: 'We tried to run our mill without Japanese. We found that it was necessary to have a certain amount of cheap labour. We had to compete with others who had cheap labour; besides cheap white labour is very unsteady. You can get white labour for \$1.50 a day, but they won't stay with you. If others had employed exclusively white labour we would. We don't employ Chinese. The export mills have a good deal to do in fixing the local price. What they do not export they sell cheap. The local market would be better without the export mills. The more there is shipped for foreign markets the worse it is for local trade, because every million feet leaves a lot rejected which comes in competition with the local trade. Our white men are a very sober class of men. Some kinds of work Japanese will do as well as whites. I think it would take as many whites to do the work of Japanese. It would make a difference of \$24 a day. The greater portion of our labour is skilled labour. Public opinion on the Chinese and Japanese question is very strong. Last year I paid out \$50,282 in and about the mill and factory. Of this \$3,282 was paid to Japanese and \$47,000 to whites. I also paid to whites in the camp \$24,125. I would have had to pay \$1,640 more to whites if I had employed all whites and no Japanese. Our realty and plant is worth about \$100,000. We have a good class of labour in this country, better than in most countries.

Andrew Haslam, sawmill owner at Nanaimo, said: 'I think the Japanese are stronger physically than the Chinese. Japanese can do harder work than the Chinese. I am certainly in favour of employing white men. I think myself the Japanese will finally be the keener competitors of the white men. I do not think anyone will deny that the Japanese are a progressive people and have advanced more rapidly of late years than any other nation; but on the other hand their wants are so few and their habits so simple they can live very well for a small sum of money, for such a sum that a white person could not possibly live on; and to bring an unlimited number of these people here to enter into competition with our white people, I do not think is in the interests of the country by any means. It is a question to my mind whether it is wise to encourage immigration beyond what can find profitable employment in the country. I have heard very little of the Japanese question here. I do not think it would be wise to persist in any regulation that would tend to irritate the Japanese people at the present time. As far as I know of the business of British Columbia, and I have had an opportunity of studying it for 35 years, all I can say is that the white men got less wages before the Japanese and Chinese were in the country than they did after they were in here.



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Lewis A. Lewis, manager of the Brunette Sawmill Company, New Westminster, pays out in wages in connection with his sawmill, planing mill and logging camp annually \$141,937; for white labour, \$119,773, and the balance to Japanese and Chinese; that is about 85 per cent to whites and 15 per cent to orientals. He employs in all 168 white men, 78 Japanese and 10 Chinese. He says: The average wage of the Japanese is \$1.00, Chinese, 90 cents, and white labour \$35 to \$100 a month. Have had Japanese four or five years, but not as many as now. Had 10 or 12 more last year than the year before, using more men in 1900 than in 1899. The business has increased, but the number of white men is about the same. The increase has been 10 or 12 additional Japanese. The Japanese have gradually taken the place of white men—in some places they have. Some of our tally men are Japanese. He could do it as well as white. The Japanese have taken the place of white men in piling lumber. We paid \$35 to \$40 a month. We now pay Japanese \$1 a day of 26 days. That is instead of \$35 to \$40, we pay \$26. I don't think a Japanese will do as much work as a white man. They don't understand. The Japanese don't understand English. I would as soon pay a white man \$35 a month as a Japanese \$26 in certain kinds of work. There was no advantage in taking on Japanese instead of white men as to that work. In trucking rough lumber out of the yard, Japanese are cheaper. As far as I can recollect when the Japanese did not do it, the Chinese did. Our market is all the way from here to Quebec. Our principal market is the North-west Territory, Manitoba, Ontario and Quebec. When it goes east of Winnipeg it is large special timber for bridge building. We export to Glasgow, Scotland and to Japan. It is not regular, it is incidental. It would not be a tenth of our business. The Chinese are engaged in piling lumber in the yard. No Chinese work in the mill; some of the Japanese do. They work behind the edger. None run the edger. None of the Japanese do any skilled work; one of them uses a trimmer saw for cutting off, for the last year or so. We formerly paid a white man \$40 a month, and we pay the Japanese \$1.35 per day, say \$32.50 per month. He can't do the work as well. He can do as much. The man at \$40 could get his job back at the price. I have resided here fourteen years. Japanese were not in the saw-mills then; white men and Chinamen did the work.

I don't know of any Japanese or Chinese with families. The white men are, I think, mostly married. We give preference to married men. I don't think we could get along without the Japanese in the lumber business. We could get along without the Chinese. I am speaking from the lumberman's standpoint. Labour is short during the summer time till after the fishing season is over. White labour is short during these months. There is abundance of white labour during the winter months. If you give Japanese employment in winter they will stay in summer. Our white men stay with us in summer. We supply lumber and boxes to the canneries. This year it may be \$50,000 if a big run. Last year it was \$30,000 to \$40,000. Two other mills also supply the canneries. The business is in a fair condition, but it could be better. The last three years have been better. For eight previous years we did not make money. We get a special order and we have to get out special lengths. British Columbia can fix the price for the east, but there is such keen competition among the mills that it cuts the price. If you want half a dozen men, Japanese, you can get them on short notice by speaking to a boss Japanese, same as to boss Chinamen. There is very strong competition in British Columbia. The prices are below what would give a reasonable profit if we had to employ white labour.

Alexander Shields, manager of the Kamloops Sawmill, employs 9 Japanese out of a total of 42 men. He says: We have some difficulty in keeping whites. We shut down for a while and the men were then discharged and when we started we brought in Japanese. The whites were not invited to come back. The management is in favour of further restriction. I would restrict it so no more would come in. I think there are enough here. In the logging camps we employ about 100 men, all whites. We prefer them. We would not have Japanese or Chinese. I think the Japanese are more desirable as a class than the Chinamen. I don't think any serious loss would result if no more came in. In the sawmill business it is necessary to have cheap labour. We come

into competition with the coast mills. Our management would favour no more coming in.

Charles Hillyer, of Nelson, employs 40 men in his sawmill and sash and door factory, and pays for unskilled labour from \$2.25 to \$2.50 and for skilled labour \$3, \$3.50 and \$4 a day. The market is local and for the mines. He says: I favour further restriction. If any restriction can be put on it ought to be done. In 15 years there wont be a white man working in a sawmill. If I compete with the coast mills I will have to put my white men out and put in Chinese. I will have to put in Chinese. I will have to put in Chinese and Japanese within two years.

Geo. A. Buchanan, sawmill owner of Kaslo, employs from 10 to 50 men, according to the season; no Japanese or Chinese, except occasionally as cooks. He says: I am not in favour of putting restriction upon anybody as far as I am concerned. I think all kinds of men should be free to come and go and make their homes anywhere it suits them. God made of one blood all nations of the earth.

William C. Dickinson says: I was bookkeeper and yard foreman in the Royal City Mill. I had from 25 to 35 Japanese under me. In heavy work I would rather have one white man than two Japanese. I could have done the whole work with 20 or 25 white men. I favour restriction to keep out Chinese and Japanese. Japanese compete more keenly. I remember when only one Japanese was employed there. In the last two years they have increased. They are increasing more rapidly than in the past. The Japanese range from 50 cents to \$1.10, the average was about 80 cents. The white men struck and the Japanese took their places,—I should say about ten who are still in their places. The above is the wages before the cut. \$10 was taken off my wages. The tally men and markers were succeeded by Japanese. I don't agree that whites are getting higher wages by reason of Japanese being employed. Eight or nine years ago there was only one Japanese, and the whites are not getting more wages now than then. I don't think their wages would be higher if the Japanese and Chinese were turned out.

#### AMERICAN MILLS.

It will be convenient here to refer to the statements obtained from lumbermen in Washington State and compare the wages on either side of the line in this industry.

The Stetson and Post Mill Company, Seattle, employ 125 men; no Chinese or Japanese.

Q. What is the average wage for unskilled labour here?—A. The average wage will be about \$2 a day for unskilled labour. It ranges from \$1.75 to \$2.25 or \$2.50 a day. Sawyers are paid from \$3.50 to \$4 a day.

W. H. Perry, the assistant general manager of Moran Brothers, who operate a sawmill at Seattle and employ about 100 men, stated that the average wage paid to common labour was \$2 a day, that being the minimum. The men who operate the planers they are to a certain degree skilled labour and are paid \$2.25, \$2.50 and \$2.75.

Theodore Ludgate, a Canadian, who has recently engaged in the sawmill business at Seattle, and employs 150 men in and about the mill, says:

Q. What is the average wage for unskilled labour?—A. The lowest wage we pay is \$1.75 a day to roustabouts, men who are here to-day and are to be found some place else next week. A great many men we pay \$2 a day to; \$1.75 a day is our cheapest labour and it runs from that up to \$5 for our filers and sawyers. The filers get \$5 a day. The planer foremen get \$3.50 a day and the planer feeders get \$2.25 a day. No mills in the city or neighbourhood employ Japanese labour. The only mill employing Japanese labour is the Port Blakeley mill, nine or ten miles across the Sound from here.

A. S. Martin, secretary of the Puget Sound Sawmill and Shingle Company, Fairhaven, Washington, said: We are employing 265 hands. We have 110 men employed in logging camps. We never employ Chinese or Japanese. They are only employed at one mill, at Port Blakeley. Minimum wages for unskilled labour is \$1.50 per diem. There are about ten men working here for that wage. At present \$2 is our minimum. Wages run up to \$5 and \$6; average, \$3.33 $\frac{1}{3}$  per diem. We make a specialty of cedar shingles, having the largest cut of any mill in the world.

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W. T. Harris, of Whatcom Fall Mill Company, at Whatcom, Washington, says : We employ about 75 men. No Chinese or Japanese. We buy our logs. I think no Japanese or Chinese are employed in the logging camps. Wages for ordinary labour are as low as \$1.50 per day, but for skilled labour run up as high as \$150 per month. Board is worth from \$4 to \$4.50 a week. The proportion of unskilled labour employed by us is two-thirds, including some machine attendants. We ship some of our product into Canada. Our chief market is in the east. We experience no difficulty in getting common or skilled labour. Chinese are not employed in Whatcom at all. Don't see them here at all. The population of Whatcom is about 10,000. The principal industry of Whatcom is lumbering. There are no canneries. The coal mines are several miles out from town. They employ all white labour.

W. Sherman, of the Bellingham Bay Improvement Company, Washington, said : We employ about 350 men. No Chinese or Japanese. We engage in export lumber business to South America, Australia, Hong Kong and Japan, and also ship to San Francisco and east of the Rockies. There are no Chinese or Japanese employed on the Bellingham Bay and British Columbia railway. The average wage paid to unskilled labour is from \$1.75 to \$2 per day, and to skilled labour up to \$4 per day; average, \$2.50 to \$3.75. There is no difficulty in getting labour. We buy our logs.

## WAGES ON THE AMERICAN AND CANADIAN SIDE COMPARED.

## CANADIAN MILLS.

*Chemainus Mills (Chemainus, B.C.).*

Japanese—\$1 to \$1.25.

Chinese—\$1 to \$1.25 and one at \$1.50.

Whites—\$2 for unskilled labour, and from \$2.25 up for skilled labour.

*The Hastings Mill (Vancouver).*

Japanese—90 cents to \$1.25.

Whites—\$40 to \$45 a month, and in the woods the whites received from \$2.25 to \$2.50 a day.

*The Royal City Mills (Vancouver).*

Japanese—From 90 cents to \$1 for common labour : sawyers, \$1.25 to \$1.50.

Whites—Labour : unskilled, from \$1.75 to \$2.50 ; skilled, \$2.50 to \$3.50.

*The Brunette Sawmill Company (New Westminster).*

Japanese—95 cents to \$1.25 ; average \$1.

Chinese—90 cents.

White labour—\$35 to \$100 a month.

*The Royal City Planing Mills at New Westminster.*

Japanese—85 cents to \$1.40 ; average \$1.

Chinese—85 cents to \$1.35 per day ; average \$1.

Whites—\$35 to \$125 per month, and \$1.75 to \$3.40 a day for skilled labour.

## AMERICAN MILLS.

*The Stetson and Post Mill Company, Seattle.*

Japanese—None employed.

Whites—\$2 for unskilled labour. It ranges from \$1.75 to \$2.50 a day. Sawyers are paid from \$3.50 to \$4 a day.

*Moran Brothers, Seattle.*

Japanese—None employed.

Whites—Average wage for common labour \$2 a day, that being the minimum.

*Theodore Ludgate, Seattle.*

Whites—\$1.75 is the cheapest labour employed, and up to \$5 for filers and sawyers. Planer foreman \$3.50, planer feeders \$2.50. A great many of the common labourers are paid \$2 a day.

Japanese—None employed.

*Puget Sound Sawmill and Shingle Company, Fairhaven, Washington.*

Japanese—None employed.

Whites—Minimum wage for unskilled labour \$1.50 per diem to \$2. This company employs 265 hands. At present \$2 is their minimum.

*The Whatcom Falls Mill Company, Whatcom, Washington.*

Japanese—None employed.

Whites—Lowest \$1.50 per day ; for skilled labour as high as \$150 a month.

*The Bellingham Bay Improvement Company.*

Japanese—None employed.

Whites—Average unskilled labour \$1.75 to \$2 a day. For skilled labour up to \$4 a day.

## SUMMARY.

In dealing with this industry it was found impossible to limit the evidence and summary to the Chinese and Japanese respectively, and for a fuller statement of facts and evidence reference may be had to a former chapter where the bearing of Chinese immigration upon this industry is dealt with, which in connection with what is here said will give a fair idea of the present condition of the industry.

In 1900 there was exported from British Columbia eighty-four million feet of lumber by six mills, the Chemainus 38,365,000 ; Hastings 23,873,000 ; Moodyville 19,312,000 ; The Royal City Planing Mills of New Westminster 1,312,000 ; The Northern Pacific Lumber Company 659,000, and the Canadian Pacific Lumber Company 687,000.

It will be seen that of the total export the first three mills exported  $81\frac{1}{2}$  millions of the 84 millions. The following statement shows the destination :

Destination.	Total Exports from B. C. Mills.
Great Britain and Continent.....	25,043,613
Australia.....	33,936,773
Africa.....	5,887,385
Peru.....	4,554,350
Chili.....	3,858,830
Other South American Ports.....	327,995
China and Japan.....	9,463,501
U.S. Atlantic Port.....	1,061,405
Mexico.....	76,701
Total.....	84,210,553

The exporting mills compete with the other mills in the local market.



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The Chemainus Mill exports nearly as much as all the other mills together, and employs 56 Japanese about the mill and 30 in the camp. The manager of this large concern stated that they had never employed Japanese in the mills until three months ago. In the camps they are employed for grading. He thought there were plenty of them here now, and stated that in his opinion all further immigration of Chinese or Japanese should be prohibited. He said: What we have here now I think quite sufficient, and I think we can gradually work white labour in until we would soon have sufficient white labour in the country to answer all demands.

The manager of the next largest exporting mill, the Hastings Mill, that employs 164 whites and 93 Japanese, explained that they had always had in a mill a certain proportion of cheap labour; in the earlier days Indians; they gradually got off from working in the mill and were replaced by Chinese; and on the other hand, on account of the strong feeling against Chinese, they discontinued them, and have since been using Japanese. It was ten or twelve years since Japanese were first employed. He further stated that the Indians were not crowded out by either the Chinese or Japanese. The Indian camp was removed. They lived on the other side of the inlet, and it was difficult for them to go over to the mill in time, and during the construction of the railway got more profitable work with the contractors. The Indians were paid 75 cents a day and board, equal to \$1 a day. The Chinamen will go along like a machine and do the same work every day until night at the same work, but the Japanese has got more spirit, and if he sees the machine crowding him he will put on a spurt and keep the machine clear, whereas the Chinaman will let the machine block up, and he will want another man to help him. The Japanese may not work as steadily but he works quicker, and is better for the work than the Chinaman in that way. Neither Chinese nor Japanese are used in the woods. They are not suited for it. This witness declined to express an opinion as to restriction on Japanese immigration.

He further stated that he desired to confine himself to its effect on the lumber trade, and said: The question is this,—we have always had a certain amount of cheap labour in connection with the operation of the lumber industry. It is quite possible that white labour would be generally profitable if we could get it under the same conditions. If the Japanese are to be replaced with white labour it will mean an increase in our expenses,—an increase in the cost of production of the lumber, but as it is at present the white men cannot work at the rate of wages that the Japanese do. Now, if the Japanese is replaced by white labour at a higher rate of wages on the industry on the manufacture of lumber, there can be but one result,—we would either have to raise the price of the article produced, or shut down the manufacture altogether. In our case the article manufactured has to be exported; it has to meet competition in the markets of the world with the same commodities from other places.

The superintendent of the Moodyville Sawmill, the next largest exporter, stated that they employed 40 Japanese out of a total of 410 men. This mill is situated across Burrard Inlet from Vancouver. They are paid from 90 cents to \$1.25 and board. The board costs 35 cents a day. In most positions they are declared to be as good as whites. White men are paid from \$30 to \$140 a month. This would make a difference of about \$600 per month in wages if whites were employed instead of Japanese, and the witness stated if they had to pay \$700 or \$800 per month more than they do now, they would have to shut down, but that so far as he was concerned rather than employ Japanese in responsible positions he would close down. This mill exports over four millions to China and Japan, out of a total of nine and a half millions.

The Hastings Mill, and the Royal City Planing Mill of New Westminster, under the same general management as the Hastings Mill, exported the balance of the nine and a half millions that went to Japan and China in 1900.

The local manager of the Royal City Mills of New Westminster says that the Japanese came in in 1897, but prior to that Chinese were used, but it is not because of the difference in wages but the difficulty in getting men that they employ Japanese; that they require cheap labour and the Chinese is the kind they have. They employ 57 Chinese and 29 Japanese and 180 white men. He further stated that they have to have cheap labour or shut down their business, and the reason given is that two-thirds of the cut

is shipped to the North-west Territories, Manitoba, Ontario, Quebec, and as far east as Halifax; that if they had to employ all white labour at from \$35 to \$40 a month it would amount to over a thousand dollars a month, and would be 60 per cent more than the cost of the labour of Chinese and Japanese now employed. He stated that he would as soon pay a white man \$37 or \$38 a month as a Japanese \$1 a day. He further stated that they did not feel the competition so much because they had a price list between the different owners. He thought that the employment of Chinese and Japanese kept white labour out to some extent.

The manager of the Brunette Saw-mill Company at New Westminster that employs 78 Japanese, being the largest number employed by any mill except the Hastings mill, stated that they had employed Japanese for the last four or five years but not in such large numbers as at present. That the Japanese had gradually taken the place of the white men. They pay the Japanese \$1 a day or \$26 a month, instead of \$35 or \$45 a month formerly paid to white men. He did not think that the Japanese did as much work as the white man, and stated that he would as soon pay a white man \$35 a month as a Japanese \$26 in certain classes of work, but that in certain other classes of work the Japanese was cheaper, and finally added that he did not think they could get along without the Japanese in the lumber business, but that they could get along without the Chinese. This gentleman spoke purely from the lumberman's standpoint.

The next largest employer of Japanese labour is the Royal City mills of Vancouver who employ 60 Japanese, 11 Chinese and 90 white men. This case affords a fair illustration of what applies to nearly all the mills where Japanese are employed. The proportion given must not be understood as indicating the number of Japanese and unskilled white labour employed, the fact being that very little if any unskilled white labour is employed at these mills. The Chinese and Japanese practically fill all the positions of unskilled labour and have almost entirely displaced white men and Indians in these positions. The manager of this mill stated that they paid the Japanese 90 cents a day as common labourers and \$1.25 a day as sawyers, three Japanese being employed in that capacity. It should be noticed here that the Japanese receive 90 cents a day without board whereas at the Moodyville mill they are paid 90 cents a day and boarded. The manager stated that he would be satisfied for the present if no more Chinese or Japanese were admitted, but thought that there might be difficulty in future because the Japanese are spreading out over the country and are going into business for themselves and are employed more largely. He did not think that white labour could be got to take their places at present. He thought that the Japanese would in time be able to run a higher class of machine, and declared that he would employ cheap labour all through if he found it necessary.

The Northern Pacific Lumber Company employ 46 Japanese and 45 whites, no Chinese. The manager stated that they employed Japanese because out of the total number 16 do as much as white men. In other classes of work two white men will do as much work as three Japanese. He preferred white men and thought there were enough Japanese here now.

The Robinson and Hackett Company of Vancouver employ 20 Japanese. The manager stated that they tried to run the mill without Japanese, but found that they had to have a certain amount of cheap labour to compete with others who had cheap labour, and that if others would employ white labour exclusively, their company was willing to do so. They do not employ Chinese.

The proprietor of the lumber mill at Nanaimo, employs 9 Japanese, 13 Chinese and 39 white men. He pays a total monthly wage of \$4,350, of which \$140 only is paid to Japanese, \$368 to Chinese and \$3,845 to whites. This gentleman ran his mill for 17 years with white labour exclusively, until two years ago. The cause of the change as stated by him was that the profits were getting so small that he could not afford to pay the white men for outside work, that is work apart from handling the machines; that there was an increased cost of everything that enters into the production of lumber, and that the selling price has remained the same for the last four or five years, and that owing to American lumber coming in free, they could only raise the price so that the American lumber could not be sold. The market is purely local, Nanaimo and vicinity.

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He said that American lumber did not come to Nanaimo, but that it competed with other mills, and those mills took the trade that he otherwise would have got. The remedy he suggested was the admission of mill supplies free of duty and in that case he would only employ white men. He was in favour of employing white men and in the interests of the country, would choose them. He spoke very favourably of the Swedes and Norwegians as a desirable class of immigrants for mill work, and expressed the opinion that we had a sufficient supply of Japanese and Chinese here now, and did not think any serious inconvenience would accrue to his business if no more were allowed to come in. He thought there were enough in the country for some time to come. He further stated that he thought the Japanese were the keenest competitors of the white man; that a few years ago white men were getting out timber for Mexico; that is now done by Japanese. They contract for it themselves, several cargoes each year; that they more readily fall into our methods and habits; they are not as steady as the Chinese, and he did not know if they would make better citizens. He added that as long as the timber is in the country it is an asset, and unless we get out of it something commensurate with its value we lose it. He added that mills on the Sound employ white labour exclusively, except the Blakeley mill which employs 300 Japanese.

At the Kamloops sawmill, 9 Japanese out of a total of 42 men are employed. The manager thought Japanese more desirable as a class than the Chinese, but did not think any serious loss would result if no more came in.

No Japanese are employed at the Sayward mills and Munsie mills at Victoria, nor by the Yale mill company, which controls the mills at Robson, Nakusp, Cascade, Roche Creek, Deadwood and Rossland, employing 200 men, all whites, with three or four Chinese as cooks; no Japanese are employed at Hillyer's mill, at Nelson, or at Buchanan's mill at Kaslo.

The result of the examination of this industry shows that about 500 Japanese, as far as we can ascertain, are employed therein. These have largely taken the place of Chinese within the last few years. In some employments in and about the mill it is said that they will do as much work as a white man. One manager stated that 16 Japanese out of the 40 employed would do as much work as an equal number of white men, and that the balance was in the proportion of about 2 white to 3 Japanese. It will be seen, therefore, that the difference in cost between the employment of white labour and Japanese is not the difference in wages paid to each, but the difference in the value of their work. This latter sum it is difficult to estimate with accuracy, but approximately it may be stated to be from two-fifths to a half of the difference in wages; that is, that there is a saving to the mill owner of from two-fifths to one-half of the difference in wages between what is paid to a Japanese and what would have to be paid to white men. If only white men were employed in the above instance the saving would be \$8, not \$20. This probably expresses the view of the majority who favour cheap labour, but it must not be forgotten that some managers of large experience insist that white labour is as cheap in the long run as Japanese or Chinese, but it is not to be had at the present time, and that the reason of scarcity of white labour is because of the presence of the Chinese and Japanese, which has a tendency to keep out the desired class of white labour.

An examination of the conditions of this industry on the American side shows that no Japanese are employed in the mills there, with one exception, and that is at Port Blakeley where they were first employed last year.

The average wage paid for unskilled labour is from \$1.75 to \$2. In one instance a few men were employed at \$1.50 per day, but the largest proportion are paid \$2, and from that up to \$3.50 and \$4 for skilled labour. There is no difficulty there as far as we could ascertain in obtaining abundance of white labour at these wages. There is a large export trade from the Sound, amounting to over 156,000,000 feet last year, and a still larger cut for local and eastern trade. It is proper to observe that the only mill that employs Japanese labour is a large exporting mill.

We are of opinion that if no more Japanese come in, having regard to the number that are now in the country, that there are sufficient for the present requirements, and for some years to come, and that the change from Japanese to white labour would take



place gradually and without any serious loss to the business. As this industry is one of the few that gives employment the year round, it is of great importance that it should give employment to white labour, and so build up a permanent community.

#### PART II.—SHINGLE BOLTS, MINING TIMBER AND CORDWOOD.

While the Japanese are not engaged to any extent in the shingle mills as the Chinese are, they have crowded out the Chinese, the white men and the Indians to a very large extent as labourers in getting out shingle bolts, mining timber and cordwood; although as yet they are not employed to any large extent in the lumber camps.

John Murray, provincial timber agent, says that on the coast the larger percentage of cutting shingle bolts is now done by Mongolians. Ten years ago they did very little. The same thing applies to cordwood. The Mongolians monopolize it now. The wood business is done by the Chinese and the bolt business by Japanese. It is difficult to say how many are engaged in the business. It would run up into the hundreds.

W. H. Ellis, provincial immigration agent, says: I visited the cordwood camps on Main Island in the latter part of February. Several hundreds of Japanese are engaged in cutting cordwood on this and adjacent islands, chiefly for canneries and steamer companies. It is delivered f.o.b. on the scows at \$1.80 to \$2 a cord. I am informed that the contractors make little profit at these figures, and wages paid employees must be very small. The Japanese engaged in the work are principally from the Fraser River and owing to the small run of salmon last year they were in destitute circumstances at the close of the season. On their arrival at Main Island to commence work, they were without supplies and subsisted for some time on clams and thistle roots and whatever came and fish they could secure. The frequent heavy rains during the winter prevents continuous work. It would be impossible for white men to cut cordwood at the price and make very ordinary wages. The Japanese live in cedar shacks, sleep in bunks, ranged in tiers, and altogether have a wretched existence.

Andrew Haslam, carrying on a large lumber business at Nanaimo, said: I think myself that the Japanese will be the keenest competitors of the white men. A few years ago white men were getting out timber for Mexico and that is now done by Japanese. They contract for it themselves,—several cargoes each year.

C. Uchida, a Japanese contractor for shingle bolts, says: I contract to get out bolts, \$2.05 per cord delivered on the scows. I pay \$2 per cord and get 5 cents and what I make on supplies. The men do not have to buy in my store; they can buy in any other place. I take out about three thousand cords a year. We employ all Japanese, 36 men in the camp. There is only one family out there. Japanese have wives and children in Japan to whom they send money. Single men send very little money home. I buy groceries at the wholesale stores. I keep store and buy \$2,000 a month; \$360 a month goes into camp. I supply them with overalls and working clothes. I buy some from white men and some from Chinese. The white men do not get out shingle bolts. The 36 men in camp are not naturalized. I am not a British subject.

Edward H. Heaps, a shingle manufacturer, says: We employ in camps on contract about 80 getting out bolts. We let contracts to Japanese, Chinese and whites. The Japanese contractors employ Japanese, the Chinese employ Chinese, and the whites employ Japanese and Chinese. Ninety per cent would be Japanese and Chinese. We pay out \$5,000 a month for eight months, \$40,000 besides the factory wages. The division of wages would be the following:—

To Chinese and Japanese for bolts. ....	\$36,000
Japanese and Chinese in the mill . . . . .	8,000
Total . . . . .	\$44,000
Whites in the mill. ....	\$10,000
For bolts. ....	4,000
Total to whites. ....	\$14,000



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The Japanese and Chinese are paid \$3 to \$1 paid to the whites.

Robert Jardine, the manager of the Royal City Planing Mills at New Westminster, who manufactures also a large quantity of shingles, says: We don't use shingle bolts. We cut them from the log and so we can carry on the shingle business without Japanese, because we get out ours all by white men.

## HOW THIS AFFECTS FARMERS AND OTHERS.

James Thomas Smith, a farmer from New Brunswick, fourteen years in British Columbia, has 170 acres, says: We had 20 acres of heavy wood. We generally had white men to cut it, for a small figure. Always had a hundred cords cut, but owing to the Chinese and Japanese we have half on our hands yet. We could not sell to clear ourselves on it. We cannot compete.

John Kendall, fisherman, says: Last year I tried to get a job cutting timber bolts or cordwood. I found I could get no job. I saw shingle bolts and wood being cut by Chinese and Japanese.

Much other evidence was to the same effect.

## SUMMARY.

The Japanese have gradually driven out the white man and to a large extent have taken the place of Chinese in getting out shingle bolts and cordwood, and seem now to have the exclusive trade for mining timber for Mexico, for which they contract and employ exclusively Japanese labour. The Japanese contractors pay the Japanese the contract price within a few cents and make their profits on their supplies.

One manufacturer, out of a total expenditure of \$44,000, stated that he paid to Chinese and Japanese for bolts \$36,000, and that he paid to whites for bolts \$4,000.

Some of the manufacturers engaged in the shingle business purchase their bolts, which are gotten out chiefly by Japanese, and at first it appeared as if this were the cheaper method, but the manager of one of the largest mills stated that they do not use shingle bolts, but get out the material in the log, exclusively by white men, and so do not employ the Japanese at all for this purpose.

In the largest shingle mill in the world, situate at Fairhaven, Washington State, the material out of which the shingles are made is brought to the mill in log lengths. Shingle bolts are not used, and neither Japanese nor Chinese are employed in connection with the business. The Japanese are only employed in connection with the shingle business in getting out the bolts: and as it would appear that this is not the only or the cheapest method of procuring material for shingles—even from the point of cheapness the Japanese do not seem to be essential to the success of this business.

There are a great many shingle mills in Washington State, and the output is enormous and yet Japanese are not employed. The effect of the employment of so many Japanese in getting out shingle bolts, cordwood and mining timber is very serious upon the white settler.

It is clear that the shingle business does not depend upon Japanese labour for the supply of the raw material. Their monopoly of this branch of the business handicaps the settler in disposing of his timber while clearing the land, and deprives him of an avenue of employment necessary to success until his holding becomes sufficiently productive to be self-sustaining. (See Part I, Chapter VII, Land Clearing, and Chapter XIV, Shingle Business.)

## CHAPTER IV.—OTHER OCCUPATIONS.

The advent of the Japanese is comparatively recent, but for the time since they have commenced to come into the country in considerable numbers, their employment in the different industries and callings has been very rapid. Particular mention has been

made of those trades and callings wherein they are most largely employed, and only a short reference is necessary with respect to the others.—

- (1.) The Mining industry.
- (2.) Railways.
- (3.) Sealing.
- (4.) Domestic servants.
- (5.) Farming, land clearing and market gardening.
- (6.) Tailors, etc.

#### I. THE MINING INDUSTRY.

*Coal Mines.*—It is only within recent years that Japanese have been employed at all in connection with the coal mines, and even now to only a limited extent. They are not employed at the Fernie mines nor by the New Vancouver Coal Company, Nanaimo. Japanese to the number of 102 are employed at the Union Mines, as miners, helpers, runners, drivers, labourers, timbering, blacksmiths, and labourers above ground,—77 being employed under-ground and 25 above ground. Only one Japanese is employed at the Extension mine and he above ground.

It is manifest that the Japanese are not essential to this important industry.

*Metaliferous Mines.*—The Japanese have not been employed in any of the metaliferous mines in the Kootenay district or elsewhere on the mainland, but they have been employed in mines near Victoria and on Texada Island.

Henry Croft, who is engaged in mining at Mount Sicker, 45 miles from Victoria, says: We employ both white labour and Japanese labour at the mines. White labour only in the mines and Japanese only in sorting of the ore. We employ from 30 to 35 Japanese in sorting the ore. We had previously tried to get white labour for that purpose. We tried to get boys from 15 to 20 years of age. We paid them \$1.50 a day. We had the greatest difficulty in securing boys even in the city or in the country. The boys from the town would come up and work for three or four days and then leave us suddenly. The consequence was we had to look for other labour, either we had to look for other labour or shut down. I thought about securing Japanese from 16 to 21 years of age. We secured the Japanese for that labour. We found them perfectly satisfactory in every way. We pay them 90 cents a day. We cannot employ white men, white labour, for the simple reason that trade prices will not allow it. If we were to employ labour at \$2.75 a day, which is what I understand to be paid in the Kootenay, it would make a difference to us in profit of over \$19,000 a year. That profit enables me to employ more white miners than I otherwise would do.

I am adverse to Chinese and Japanese immigration, but I consider that in new countries like South Africa and Australia you must have cheap labour, and for instance in our own country we require cheap labour to run the saw mills. I hope that Norway and Sweden where they have cheap labour, they will ship some of it to us. There, cheap labour works in the sawmills, and the markets for their products are the same as ours. Unless we have some cheap labour, the lower grades of labour to do the lower class of labour in mines and lumbering camps, we cannot bring this country into the state of development we would wish. I think there are sufficient numbers of Japanese here now to meet the demand and also of Chinese. I do not think it necessary to permit any more Chinese to come into the country. I think there are enough of the Chinese and Japanese here at the present time. No serious inconvenience would arise to our business if no more were allowed to come in.

Q. Is there any industry with which you are familiar that you think would suffer any inconvenience, or to which any inconvenience would arise if no Chinese or Japanese were permitted to come in?—A. No, I believe it is now like a tap, when you want water you turn it on and when you have enough you turn it off. All you have got to do is to put a per capita tax on the Chinese high enough to exclude them.

Alfred Raper said: The Japanese have been employed as miners in one mine. Only the shift foremen and three white men. There must have been between 40 and 60. They were discharged. They worked in the mine and above ground. They did black-

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smithing. There are only 30 or 40 Japanese on the island now all told. There were about 150 before they were discharged. There are 175 whites. White miners were paid \$3 on hand drills and \$3.50 for machine men. Muckers and shovellers \$2.50. The Japanese miners and muckers were paid \$1.25 per day. The cause of dismissal was that it cost too much. The output was too small. It did not pay. The manager said he had taken the Japanese out for good.

The number of Japanese employed in the metaliferous mines as a whole is insignificant, and it cannot be said that this industry is dependent upon their labour.

## HYDRAULIC MINING.

The Japanese have displaced Chinese labour in the Cariboo Consolidated, where about 100 are now employed. (*See* Part I, Chaps. IX, X and XI.)

## II. RAILWAYS.

The Japanese are not employed as yet to any great extent upon the railways: indeed with the exception of the Canadian Pacific Railway they are not employed at all.

The general superintendent of the pacific division of the Canadian Pacific Railway states that only seventy are employed in that division (main line) steadily. At certain seasons of the year as many as 300 or more are employed. Of the seventy, thirty are engaged as section men and forty on extra gang work from time to time. The Japanese are paid from \$1 to \$1.10 and white men \$1.25 to \$1.50. This out of a total number of nearly five thousand is comparatively small and it is manifest that this great overland railway has not hitherto been dependent upon this class of labour to any considerable extent. The numbers employed as compared with the whole number of employees on this division is so small, that it would be idle to urge that this class of labour is essential to the success of that great enterprise.

It is said that Japanese labour is largely employed on American Trans-Continental and other coast railways. We were informed, however, at Seattle, that the railways are letting them go, that one or two of the railways have already ceased to employ them, and that the Great Northern is getting rid of them as fast as it can.

The superintendent of the pacific division of the Canadian Pacific Railway stated: This company is not interested in employing a single oriental if we can get white labour. I don't desire to express any opinion on the question of immigration. I don't think white men with families could live on what we pay Japanese. We do not encourage white men with families. If the government had brought in whites to build the road it would have been better. More was lost than gained (that is by bringing in Chinese). The Japanese is a better man than the Italian.

(*See* Part I, Chap. XIX, Secs. 8 and 10, Railways.)

## III. SEALING.

Wm. Munsie, Victoria, engaged in the sealing business, says: The Japanese make excellent sailors. I have been employing them for several years in the sealing vessels; I usually employ two, three or four to each vessel, but just now the sealing business is amalgamated into one company and there are quite a number of Japanese out this year, but I cannot say how many. No difference is made between the white men and Japanese as sailors. The principal reason of my employing them is, as sailors they are handy and sometimes white sailors are scarce.

A vessel usually carries 24 men all told, and among those there would be two or three Japanese; some vessels have no Japanese at all, and some have four or five Japanese. All vessels should carry Indians; the Indians are the hunters. Half of the number on board would be Indians, and sometimes a larger proportion. The Japanese do not hunt, they are sailor men; where the Japanese are employed on schooners they are boat pullers. The Indian schooners always carry a crew of about seven white men at least to man the vessel, and sometimes one or two Japanese are employed on them as sailors.

Sometimes we ship four distinct races,—the fourth a coloured man. The hunters and boat pullers eat forward and the mate and sailors take their food in the cabin. The captain and white men live together and have their food together, they live aft, and the Indians live in the forecastle. In such a case the Japanese lives aft and eats with the white men. When there are sailors or schooners carrying white hunters the sailors and Japanese eat in the forecastle, the white hunters and the captain and mate live aft. The reason is that the cabin would be too small for a crew of 24 men and the sailors go forward to suit the accommodation.

We have no Japanese overseers or superintendents. We only employ them as sailors, they are good sailor men, and trustworthy; there is not anything aboard the ship they cannot do. If no more came to this country I think we would not be inconvenienced.

They are not hunters; they are only fit for sailors, boat pullers and boat steerers. There are some Japanese hunters on the Japanese coast, but not on this coast, not even on Japanese schooners, and these vessels are even officered by white men. I think there are not as many of them employed now as there were five years ago. There is such a small percentage of them in the business that if none but white men were employed it would make no practical difference. There has never been an attempt to fill our vessels with Japanese. We seek white sailors first and then we pick up, if we require them, two or three Japanese. I do not know that there is any objection to them in limited numbers. I would be in favour of their exclusion.

#### IV. DOMESTIC SERVANTS.

What has been said under this heading in dealing with Chinese immigration applies in many particulars to the Japanese, and reference may be had to the discussion of the question there for a fuller statement of the views of the Commissioners upon this important subject.

A large number of Japanese are employed as domestic servants and chore boys, but they are not employed nearly to the same extent that Chinese are, nor are their wages as a rule as high, nor do they give the same satisfaction. In some few cases they were highly spoken of, but they seem rather to have accepted situations on their first coming to the country as a means of livelihood until they could find some other occupation. In Victoria out of a total of 139 males, 57 found employment as domestic servants. They seem to be employed where less wages are paid than are usually paid to the Chinese domestic servants.

#### V. FARMING, LAND CLEARING AND MARKET GARDENING.

The Japanese are employed to a limited extent on the farm and in land clearing and market gardening, and while in a few instances they are favourably spoken of as affording cheap labour, yet the great mass of the farmers, fruit growers, and those interested in agriculture regard them as undesirable immigrants and are strongly in favour of the view that no more of that class should be permitted to come in.

#### VI. TAILORS.

A few carry on business as merchant tailors, and in some cases Japanese tailors are employed by Chinese, but they have not yet encroached upon this or other trades to any considerable extent.

### CHAPTER V.—HOW JAPANESE ARE REGARDED.

The Japanese are regarded as likely to prove keener competitors with white labour than the Chinese. With few exceptions this was the opinion generally expressed both



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by employers and employees. It was also generally stated that they were more ready to adopt our mode of dress and habit of living than the Chinese are.

A reference to the evidence will more clearly indicate the views held in regard to them.

Joseph D. Graham, government agent at Atlin: The Japanese are a little cheaper than the Chinese. I would rather deal with them. They are a more manly class of people. They purchase goods from our ordinary tradesmen. They have got more of the western method about them. Everybody has his own idea. I draw my own conclusions from what I have seen of the Japanese: that they are a more manly race of people, and I have always drawn that conclusion. I have only met a few of the Japanese. Those I have met have been more manly than the Chinese. I cannot speak of them as a race.

Dr. Roderick Fraser, medical health officer for the city of Victoria: The Japanese live in any part of the city and wear European dress and occupy ordinary houses. I do not think they adopt the manners, customs and habits of our own people except in the matter of dress. They do not adopt our food, and the labouring Japanese does not sleep in the same kind of bed, but on a hard bed, like the Chinese, with a wooden pillow. They live close together.

Dr. Alfred T. Watt, superintendent of quarantine for British Columbia: I consider they are apparently more like our own people. They dress in English clothing; but you find in the boarding houses where they live—there are three or four Japanese boarding houses in the city—there they will put on the Japanese costumes in sitting around in their own houses and eat food prepared much in the same way as it is prepared in Japan; live on rice and fish principally.

The Japanese do not crowd together in the same sense the Chinese are crowded. They do not all live in the same quarter. They are congregated in large boarding houses. Large numbers sleep in one room. I think they are scarcely crowded in that respect as much as the Chinese. The Japanese in Victoria is more of a floating population.

William P. Winsby, Tax Collector for the City of Victoria: The Japanese assume our dress more generally. They live in boarding houses. I think they buy most of their food here. In some instances it comes from China; in some instances they use chopsticks, but a great many of them use knives and forks. They assimilate with the white man as far as they know how, and I should say the Japanese is a more dangerous competitor than the Chinese, because he is more adapted to white men's labour. He does not confine himself to one or two things. He does not seem to be so domesticated. He will work at any kind of work. A Japanese will take less wages than a Chinese will. As soon as they come here they open schools. Every man goes in to learn English.

James Andrew Grant, merchant tailor, of Victoria: The Japanese dress in European clothes and they are a better class of men taking them all around. They are small but they would be more likely to conform to our institutions, but the effect of their presence here on white labour would be just the same as that of the Chinese. I would favour their exclusion on the ground that they endanger the welfare of the labouring class the same as the Chinese do. I say they are a detriment to the country. Our country ought to be for our own people first. Self-preservation is the first law of nature.

Clive P. Wolley, formerly executive officer of the sanitary commission for the province: I have had very little experience as to Japanese. I am very much prejudiced in their favour. I do not want them, but I think better to have them than the Chinese, if we have to have either of them, for the reason that he seems to be willing to live more or less the white man's life. He will live as a white man does, and he is cleaner in his surroundings. He is more like our own people in assimilating to our manners and customs and mode of living, and he is more civilized—he is more manly and gentlemanly. I would rather have him because he buys our produce and dresses like ourselves and seems to be willing to adopt our habits and customs. He is a more dangerous competitor with the white man. He adapts himself more easily to our civilization than the Chinese. The Chinese will do the lowest kind of labour and stick to it. The Japanese

will get higher if he can, and he has brains enough to rise into any of the mechanical pursuits. It would certainly be better for all concerned if there was either a free importation of cheap labour or else that there should be a law enacted to keep out the Chinese and Japanese altogether.

Thomas R. Smith, of Victoria, general merchant, also engaged in salmon canning and general agent: They are not of the same class as the Chinese. The Chinese are sober. I do not think the Japanese are always sober. I do not think they are as law-abiding as the Chinese. I should say that of the two the Chinese is more desirable I think. If I made restriction against the Chinese I would make restriction against the Japanese. I do not say that the Japanese are preferable to the Chinese.

William John Taylor, of Victoria, barrister-at-law, who has resided fifteen years in the province says: I believe there is a great inclination on the part of the Japanese to become a citizen and he spends more of his earnings in the community. I think in some cases he will be a keen competitor with white labour. He can do more work than the average Chinese. Taking the average run of the Japanese they are more muscular. I think it would be advisable to exclude Japanese labour also, purely from industrial reasons: that they do not make for the benefit of the community so much as an equal number of whites would.

Charles F. Todd, who has resided in Victoria for over thirty years, wholesale grocer and salmon canner, says: Chinese and Japanese are much the same. My experience is that the Chinese are more trustworthy than the Japanese. I think restriction is quite as necessary with the Japanese as with the Chinese. I should say as much as on the Chinese.

Albert E. McPhillips, who has resided in Victoria since 1891 and is a member of the local legislature for the city of Victoria, says: I have had very little to do with, and I have observed the Japanese less than the Chinese. There are very few in Victoria. Those I have observed and my knowledge of the work performed by them is to the effect that they often work for less wages and compete more strongly against our labouring people than the Chinese.

Q. Do you think they are more inclined to adopt our habits and customs than the Chinese?—A. I think they do on the surface, but I wouldn't like to say more than that.

As at present advised I do not put one race above the other. I think they are equally objectionable. I would like to see the national government in some way meet the question as a whole to exclude these people from our shores: both races if possible; and in such a reasonable way as not to cause any disturbance of the relations between the Imperial government and Japan, because I admit that should have some weight with us. I still think it would be against the best interests of this country to have that race here in any appreciable numbers.

Joseph A. Sayward, of Victoria, manufacturer of finished and dressed lumber, and a large employer of Chinese labour, says: I am opposed to further immigration of Chinese in the interest of the country at large. I think the Japanese are pretty much of the same class. I do not know there is any difference. The same objections would apply to the Japanese.

Robert George Tatlow, member of the local legislature for Vancouver city, real estate and general brokerage business, says: My view is for prohibition of the labouring class. I may say I am in favour of prohibition as far as it can be got as to both Chinese and Japanese, with due regard to the existing treaty. I think they are equally dangerous to the future welfare of this country.

William Munsie, of Victoria, who is interested in several lines of business, sawmilling, sealing, &c., and employs Chinese in his lumber business and Japanese in the sealing business, says: In regard to Chinese immigration I prefer to exclude them—to exclude any further immigration. I do not like our country to be invaded with foreigners of the type of Chinese and Japanese. I do not think they will ever become Canadians in the proper sense of the term.

Q. Would that apply with the same force to the Japanese?—A. I think it would.

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William H. Ellis, provincial immigration officer for Vancouver Island, says: I consider Japanese cleanly in habits, industrious and intelligent; believe them more dangerous competitors in the business of the country than the Chinese. They adopt European dress and food and conform as much as possible to the customs of the country. As a race they believe they are capable of taking an equal place among the civilized nations of the world. They are more aggressive than the Chinese, and if permitted to enter this country without restriction, would in course of time become a considerable portion of our business and working community and would undoubtedly insist on becoming enfranchised. I do not consider them desirable as citizens from the fact that they do not or cannot assimilate with the white race. At present they, like the Chinese, occupy a special place in the community. They furnish labour at which a white man cannot compete. They do not support families, and they trade almost altogether among themselves. They are meagre contributors to the general welfare and are a positive detriment to the white labourers. Their advantage is altogether from the standpoint of capital.

Edmund J. Palmer, manager of the Chemainus mills (exporters of lumber), that employ both Chinese and Japanese labour, says:

Q. I notice that you seem in the lumber business to employ more Japanese than Chinese!—A. It is the same class of labour, but the Japanese are better than the Chinese. The Japanese spend a large part of their money here. They will never settle our country up.

Q. What you mean is a great many of them have not brought their wives over here?—A. Not that altogether, but it is just like this,—if you want to improve the stock in the country you import good stock from the east or from other countries. The same thing applies to a country as to stock. If you want to settle it up and have a thriving community you import good men and their families, but here if you are figuring up to settle up the community and open up the country the Japanese are no good.

Henry Croft, engaged in mining near Victoria, where from 30 to 35 Japanese are employed in selecting ore, says:—

Q. Do you think there are a sufficient number of Japanese here now to meet the demand!—A. I think so. I think there are enough of the Chinese and Japanese here at the present time.

I do not think the Japanese will become permanent residents. White labour will not come in while the Chinese and Japanese are occupying the place in cheap labour that they are doing at present. That with restriction on immigration, white labour will gradually come in here, and the Japanese will leave the country. I favour restriction to a certain extent. We do not require any more Chinese or Japanese here at present. I favour a restriction, and that might be relaxed to a certain extent, as they are required from time to time.

Edward Musgrave, of Cowichan, retired farmer, says: I do not see any necessity for restriction as far as it has gone, and I look upon the state of affairs as temporary, and if there was any great volume of these people coming into the country I would be in favour of pressing the home government to do something, with a view to limiting the number of Chinese and Japanese to a certain number in the twelve months or something of the kind.

Edward Berkley, retired captain in the Royal Navy, who is now ranching near Victoria, is postmaster, magistrate, &c., says: The Chinese are good men but the Japanese is rather better on the ranch. I would have cheap labour regardless of colour.

Michael Finerty, farmer, Victoria, says: I never had any Japanese working for me. As far as I can see about them they are quick and active, but still I want white people to come into the country and make homes for themselves, people of our own race, who would make good citizens, or people of any white race who would make good Christians and good citizens. We ought to have good citizens and good protection for the country in the immigrants that are allowed to come in.

James Wilson, sanitary inspector for the City of Victoria, says: I do not think there is much difference between Chinese and Japanese. I think the Japanese do a great deal more harm than the Chinese. They will work cheaper than the Chinese and

they get into the white man's ways quicker. I consider them a greater menace to the interests of labour than the Chinese. I favour their exclusion.

John Legg, journeyman tailor, Victoria, says: Most of the objectionable features mentioned in connection with the Chinese apply to the Japanese. I favour their exclusion.

A. M. Sandell, cutter for Lenz & Leizer, manufacturing tailors, Victoria, says: I think the Japanese are a preferable race to the Chinese. They are not as desirable as Europeans in this country. I do not think the Japanese will assimilate with our people; it would not be desirable if they were inclined to.

George A. Shade, shoemaker, Victoria, says: The Japanese will come among us and learn our language. He will work for very little when he comes here in order to get an opportunity of learning our language, our habits and customs. He is more dangerous in competition than the Chinese. I do not think they are better men than the Chinese. They are an oriental race and their habits are about the same. I do not think the Japanese will make a better British subject than the Chinese. Even if they became naturalized citizens of this country I do not think they would be likely to take a stand in opposition to Japan. I do not approve of the Natal Act. There will have to be some other protection. Some of the Japanese learn to read, write and speak English before they come here. The law would have to be prohibitory to keep those people out.

William Smythe, shoe dealer, Victoria, says: I do not think the Japanese are good citizens of this country. I think they would be more dangerous competitors if they remained in the country.

Andrew Strachan, market gardener, Victoria, says: I do not think there is much difference between the Chinese and Japanese. I think they both retard the progress of agriculture in the country, for the simple reason that they are in the way with their cheap labour, or so-called cheap labour, and have driven out of the country white men who would have become actual settlers and developed the country. I think the Japanese are more inclined to adopt European methods than the Chinese. I think the Japanese are more liable to assimilate to our manners and customs. Whether that would continue for long I do not know. The Japanese here only adopt our dress; that is all.

Robert H. Johnson, seedsman and nurseryman, Victoria, says: I would say the Japanese are a greater menace to the country than the Chinese. They will not only compete with the labourer, but they will soon compete with the proprietor in my opinion. I do not think the Japanese will assimilate with us.

Frederick S. Hussey, superintendent of provincial police, Victoria, says: I think the Japanese will be more injurious to the interests of white labour than the Chinese. They engage in many more pursuits. They are ambitious, and get into more avenues of labour in this country. I think it would be better if their immigration were restricted, if they come in as they have been coming for the last two years. They keep to themselves. They wear our clothes, but they do not do anything to help us, and they do not assimilate with our people. The Japanese are more vicious than the Chinese. I should say inclined to fight and use weapons. The Chinese do not do that. I think it would be better for white people if we had no Japanese at all here.

William M. Wilson, printer, Victoria, says: I would favour restriction of the immigration of Japanese. I would favour the strict application of the Natal Act. I believe the Japanese will be more likely to assimilate with us, to live like our own people, adopt our habits and mode of living, and live with us like other people.

J. W. Balmain, civil engineer and architect, Victoria, says: What I have said in regard to the Chinese refers in a great measure to the Japanese. (*See* evidence of this witness, Chap. XXII, Part I.) This witness stated that it was not desirable that these people should assimilate with ours. He favoured restriction of their immigration.

Alexander R. Milne, C.B., collector of customs for Victoria, says:—The Japanese are more dangerous competitors than the Chinese, because they labour for lower wages. I think a restriction on immigration would only excite the Japanese, because they are very sensitive as to their status as a people and a nation. I think the Japanese nation



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has reached the stage in which they want the same privileges and amenities as are given to a first-class power.

A. S. Emory, carpenter and joiner, Victoria, says : I think the Chinese and Japanese are equally detrimental. Of course there is a difference between the two races ; one has the advantage of the other in some respects, but I consider that they are both equally detrimental to the interests and the development of our province. I think some measure should be adopted to prevent them coming into the country. The educational test, as under the Natal Act, would, I think, be a great force if it was sufficiently stringent. I do not think any Imperial interests would be in the slightest degree in danger by dealing directly with the Japanese government in arranging for a mutual restriction. Let the Japanese government restrict the immigration of white labour, unskilled white labour, into their country, and let the same rule apply as against Japanese labour here.

William George Cameron, retail clothier, Victoria, says : I think the Japanese are a better class of people than the Chinese. As far as labour is concerned I think them as dangerous as the Chinese.

Samuel L. Reid, retail clothier, Victoria, says : The Japanese are not a desirable class of citizens. I do not think it would be desirable for them to intermarry with our people. I think it would be disastrous if they were permitted to come in in great numbers. The feeling does not seem to be as strong against the Japanese because they seem to be more inclined to adopt European customs and seem more inclined to make themselves at home. I am in favour of prohibiting any further immigration of the Asiatic races.

John Piercy, wholesale dry goods merchant, Victoria, says : I maintain that with the present number of Japanese in the country there is quite enough to supply all demands. I think there should be restriction on them. If there were no restriction I think they would be in a short time worse than the Chinese, flooding the country on the same principle as the Chinese do. I do not know whether we are affected by any treaty with Britain or not. International law is something I do not know anything about. That would have to be discussed in Ottawa. They will have to discover some means there, either by treaty or otherwise, of restricting the Japanese.

George Gawley, fish and poultry dealer, &c., Victoria, says : The Japanese are an injury to the white and Indian fishermen. I do not think they are the right class of people for this country.

Alexander Gilmour McCandless, retail clothier, Victoria, says : I favour exclusion of the Chinese and Japanese. There may be difficulties in the way as to the Japanese, but I favour the exclusion of both. I consider the Japanese superior to the Chinese. I consider there are enough Japanese here now to do all the work required for years to come, for those people who want cheap labour.

Joseph Shaw, market gardener, Victoria, says : I think the Japanese are worse than the Chinese. They work for much lower wages ; when they first come they go out and work at farming for \$5 or \$7 a month, and when they get used to the work they get up to about \$10.

Robert Erskine, retail grocer, Victoria, says : The Japanese are a race that do to a certain extent ape the white race. They fall more in line with the methods of white people. Those in the province for a number of years are better than the Chinese. They compete as keenly as Chinese.

Arthur L. Belyea, barrister-at-law, Victoria, says : I do not think the Japanese are more desirable than the Chinese. I qualify that only by saying that the Japanese catch on to our manners and customs faster than the Chinese. They imitate as far as they possibly can European civilization, but when it comes to be a question whether they will be European or Japanese, they are Japanese all the time.

Q. Would you say our race would receive benefit by assimilation with the Japanese?—A. I would not say. I do not like to express an opinion on that, but I would rather see no such thing as assimilation.

Hugh Gilmour, M.L.A. for Vancouver, says : The country and its interests would be better developed by white men. The country is a good place to live in. I think the

country is good enough for anybody to live in if we only had the Chinese and Japanese out.

Charles F. Dupont, capitalist, Victoria, says: I think the Chinese are better in their habits than the Japanese. The Japanese conform more to the manners and customs of the European nations. I think the danger of the Japanese assimilating is greater, but we do not wish them to assimilate. I am opposed to anything like assimilation between any of these races.

Dr. O. M. Jones, Victoria, says: As to cleanliness the Chinese and Japanese are about the same. I think they are both objectionable. I would prefer the Chinese to the Japanese if I had any preference. I think the Japanese coolie immigration ought certainly to be restricted.

Q. Would you take the chances of prejudicing the Japanese Government?—A. They look upon themselves as a great power. That is a diplomatic question; but I certainly think the Japanese coolie is not desirable as a part of our population any more than the Chinese.

Rev. Leslie Clay, Presbyterian minister, Victoria, says: The current idea is simply this, that the Japanese with the Chinese will not and cannot assimilate with us. I do not think the Japanese will ever assimilate with us. I do not think the Japanese will ever assimilate and become an integral part of our race.

Joseph Hunter, Superintendent of E. & N. Railway, Victoria, says:—I prefer the Chinese to the Japanese as far as ability is concerned for workmen. I think the immigration of Japanese ought to be restricted. If you restrict the Chinese I do not think you should allow the Japanese to come in. As far as my knowledge goes I do not think there is a great deal of difference between the Chinese and Japanese.

David Spencer, merchant, Victoria, says: Further immigration into the country of this class of people (Chinese and Japanese) will be very detrimental. I think the Japanese would assimilate with Europeans. They would bring their families here and get homes here more readily.

Robert F. Green, M.L.A. for Slocan, says: The Japanese will never become an integral part of the race that will develop Canada. As long as the Japanese are here we will be unable to induce the better class of immigrants to come into our province.

Rev. Canon Beanlands, Victoria, says: I think there is a greater danger from the Japanese than the Chinese, and I believe there should be some restriction. I think the morality of the Japanese is much lower than that of the English labourer. I think you are certainly running a risk of danger in introducing the Japanese ideas of the race relations and of the marital relations in British Columbia. I think the Chinese are preferable to the Japanese because they are non-assimilating. If there were many Japanese coming into this country it would be desirable to restrict the immigration. I think they are a more dangerous element in the country than the Chinese.

William McAllan, coal miner, Nanaimo, says: I am opposed to any further immigration of Japanese.

William Woodman, locomotive engineer, Nanaimo, says: I cannot detect any superiority at all between the Chinese and Japanese. I would pass legislation in the direction of fixing a minimum wage, and I am certain that would have the effect of putting both classes out.

John Knowles Hickman, locomotive engineer, Nanaimo, says: I would say prohibit both the Chinese and Japanese. If the Chinese and Japanese were excluded we would have plenty of white labour, and it would not be compulsory on our young boys to walk about the streets without employment. I do not think the Japanese will ever assimilate with us.

John C. McGregor, secretary of Trades and Labour Council, Nanaimo, says: The Japanese come here, do not bring their families, purchase land, or anything of the kind. They live in little old shacks and they compete with white people and work for much lower wages. In case of trouble I should think they would be more dangerous than the Chinese. They work for lower wages than the Chinese.

James Cartwright, coal miner, Nanaimo, says: I think the Japanese compete worse than the Chinese, by working for less wages. All my objections to the Chinese apply to the Japanese.

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Andrew Haslam, mill owner, Nanaimo says: I think the Japanese will finally be a keener competitor with the white man than the Chinaman. I do not know of anything objectionable about the Japanese. I do not think anyone will deny that the Japanese are a progressive people, and have advanced more rapidly of late than any other nation, but on the other hand their wants are so few and their habits so simple they can live well for a very small sum of money, for a such sum that a white person could not possibly live on; and to bring an unlimited number of these people here to enter into competition with our own white people I do not think is in the interests of the country by any means. I do not think it would be wise to persist in any regulation that would tend to irritate the Japanese people. I think the people in this province should be prepared to sacrifice something for the sake of Imperial interests.

Marshall Bray, Government agent, Nanaimo says: I am in favour of the total exclusion of the Japanese.

Samuel M. Robins, superintendent of the New Vancouver Coal Company, Nanaimo, says: I never employed but one Japanese either for the company or for myself since I have been in the province.

Dr. W. W. Walkem, Nanaimo says: The Japanese are a better class of people I think than the Chinese. They may after a long time become settlers, but at the present time and under the present circumstances they are not desirable as settlers. Great Britain is well able to take care of herself. I do not think that any legislation in regard to the Japanese will hurt the friendly feeling between Japan and Britain a bit. A power like the Japanese would not like to see a class of citizens come here to represent their power who from their social conditions were not desirable, and who would come into competition with the working classes here, and that therefore the government here would be called upon to legislate against them. No doubt the Japanese government would assent to that if proper representations were made to it.

Andrew Brydon, manager of the Extension Colliery, near Nanaimo says: If the Japanese were permitted to come in here and the Chinese were prohibited, they would be just as great a menace to the various trades and callings in this country and to the country at large as the Chinese. I do not see any difference.

Charles Edward Stevenson, president of the Board of Trade of Nanaimo says: I have the pleasure to present to the Commissioners a petition from the Board of Trade of Nanaimo. It is against any further immigration of either Chinese or Japanese. It is in favour of the prohibition of further Chinese immigration and of the restriction of the Japanese by the application of the Natal Act. The Japanese are as undesirable as the Chinese, and I think something should be done in the way of coming to an understanding with the government of Japan, if it could not be done in any other way.

Edward Quenell, butcher, Nanaimo, says: We can get along very well without Japanese. I lived here when there were none of the Chinese or Japanese at all and we got along all right.

Francis Deans Little, general manager of the Wellington colliery company union, says: The Chinese and Japanese are pretty much alike. I think the Chinese are stronger workers.

James Abrams, stipendiary magistrate for Comox district, says: I think the Japanese should be placed in the same position as the Chinese in the matter of further immigration.

John Murray, government timber inspector, Vancouver, says: I think there are enough Japanese here now. We do not want any more. The Japanese is a keener competitor in labour with the white man.

Robert J. Skinner, provincial timber inspector, Vancouver, says: I favour the total prohibition of both Chinese and Japanese.

Robert Marrion, health inspector for the city of Vancouver, says: I feel that the Japanese immigration is a greater menace to the country than the Chinese. The Japanese as he improves by the contact with civilization in this country becomes a very dangerous competitor.

Joseph Wright, assistant health inspector, Vancouver, says: I favour the exclusion of the Japanese from this country. I look upon them as great a menace to labour as the Chinese.



Robert T. Burtwell, Dominion fishery guardian, Vancouver, says: I think it would be better for the country if there were fewer Chinese and Japanese here.

Albert E. Beck, district registrar of the Supreme court, Vancouver, says: I think it is a serious thing in many ways introducing a class (Chinese and Japanese coolie labour) of the kind into the country. It affects everyone. I think it a proper exercise of our authority to exclude from our shores people who will not inter-marry. The Japanese are a Mongolian race who will not assimilate with our people like the Swedes and Norwegians. If the British nation was subjected to the same conditions we are subjected to on our coast I do not think they would stand it for a moment. It is a most serious question, this naturalization of Japanese. I do not know of any law more free and easy than the Canadian Naturalization Act. The Japanese should be restricted.

Richard H. Alexander, manager of the Hastings saw-mill, Vancouver, says:

Q. Do you favour any further restriction on Japanese?—A. Well, gentlemen, if you will allow me to demur from answering such a question as that, I would like to confine myself to its effect on the lumber trade. The Japanese supplies the want of the proportion of cheap labour that is necessary to compete in the markets of the world. I submit that there is great necessity that they should be here to supply that proportion of cheap labour in order that we may employ a larger number of whites. The point is this: We have always had a certain proportion of cheap labour, and in order to operate successfully we must have it yet, and having that cheap labour we are enabled to employ white men in the higher branches of industry.

Robert C. Ferguson, manager of the Royal city mills, Vancouver, says: I do not find Chinese or Japanese assimilate with our people at all. The only difference I see is that the Japanese are always trying to pick up English. I do not know whether I would be in favour of the restriction of those people coming in or not. It may be well to restrict for a time, but a man has to be governed by the wants of his business.

John Valentine Cook, tallyman and lumber rater, Vancouver, says: I favour restriction of both Chinese and Japanese. My idea is that the Japanese are more dangerous than the Chinese. I would exclude any more coming in of the working class.

Stephen Ramage, saw-filer, Vancouver, says: The Japanese are fast becoming to be a greater menace to the white population than the Chinese will ever get to be. They are more able-bodied and they are quicker to adapt themselves to their surroundings. Very few of them have families here. My principal objection to them is that they do not assimilate, cannot assimilate, with our race, and that our country should be for men of our own race, instead of being overrun by an alien race.

Arthur C. Gordon, shingle manufacturer, Vancouver, says: I favour the restriction of Chinese and Japanese immigration. That applies more to the Japanese than to the Chinese.

William C. Dickson, bookkeeper and mill yard foreman, Vancouver, says: I favour restriction being put on Japanese immigration to the extent to keep them out entirely. I think the presence of the Japanese here injures the labouring man fully as bad, if not worse, than the Chinese.

John L. Anderson, fisherman, Vancouver, says: The Japanese show no indications of becoming citizens except in an illegal way. There are a large number of Japanese who have naturalization certificates who ought not to have them if that subject were gone into. The Japanese are certainly a greater menace than the Chinese. If there cannot be an exclusion law my idea would be to try and get by some diplomacy the Japanese Government to agree to limit the emigration from Japan to a certain number each year, and that number should not be increased under any circumstances.

Peter Smith, fisherman, Vancouver, says: My complaint is that the Japanese have more rights in this province than the whites and Indians as far as I can see. I complain that people who are born in this country are being driven out of it by the Chinese and Japanese. As far as I can see there is no use or benefit to the country in allowing Japanese immigration into this country. We do not want to see any more of them here. I think if there are any more Japanese allowed to come to this country that there will be bloodshed.



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Abel Wenken, brickmaker, Vancouver, says: My view is that the system of living among the Chinese and Japanese does harm to white men. I would say have exclusion. I do not see that there is any difference between the Chinese and Japanese.

Francis Williams, journeyman tailor, Vancouver, says: The Japanese are a very objectionable class of people to come into our country.

Angus M. Stewart, clothing manufacturer, Vancouver, says: I would be in favour of keeping the Japanese out just the same as I am in favour of keeping out the Chinese, because if they are not restricted they will very soon become as great an evil as the Chinese, as far as I can make out.

William Lawrence Fagan, provincial assessor and collector for the county of Vancouver, says: The Japanese do not seem to care about making homes here. They do not take up land. They do not seem to care about settling here. They come here and make a few hundred dollars and then go back to Japan if they can get away. If you had something to put in their places I would restrict more of them coming here.

John M. Bowell, collector of customs, Vancouver, says: I am in favour of the Natal Act.

Benjamin F. Rogers, manager of the sugar refinery, Vancouver, says: It would be impossible to exclude the Japanese. The Imperial Government would never agree to that.

Truman S. Baxter, law student, Vancouver, says: I am in favour of prohibition of further immigration of Chinese and Japanese. I think that either by enactment or by treaty with the Japanese Government they can arrange to either restrict immigration or prohibit immigration altogether from Japan. There would be no objection whatever in passing an Act similar to the Natal Act. Mr. Joseph Chamberlain has said so much.

Andrew Linton, boat builder, Vancouver, says: I put the Japanese on the same basis as the Chinese, if not worse. I think they are more dangerous to the country than the Chinese.

Henry Mundon, boat builder, Vancouver, says: I would favour the exclusion of Japanese from this country.

Alfred Wallace, boat builder, Vancouver, says: I think we have enough here at the present time of the Japanese. I would be opposed to further immigration of either Chinese or Japanese.

Richard Marpole, superintendent of the Pacific Division Canadian Pacific Railway, Vancouver, says: Japanese labour in my opinion is fully equal to Italian labour.

Alfred Raper, miner, Texada Island, says: I think it would be much better for the island and much better for the province at large if we had fewer Chinese and Japanese here. I favour the exclusion of these people from the country.

Rev. Edmund E. Scott, Methodist minister, Vancouver, says: They are awakening to the fact in Japan now that too many of their people have emigrated here, and I have no doubt there will be little difficulty in arranging the whole matter with the Japanese government. I think Japanese immigration is not desirable.

Rev. R. G. McBeth, Presbyterian minister, Vancouver, says: I have formed a more favourable opinion of the Japanese as a class. I am satisfied the Japanese I have come in contact with are brighter and more liable to assimilate with the Anglo-Saxon race than the Chinese. They take more kindly to our institutions and customs because they are not under the same superstition as the Chinese from a religious standpoint.

John Morton, secretary of the parliamentary committee of the trades and Labour Council, Vancouver, says: The skilled trades claim that the Japanese are worse than the Chinese because they are a class of people more likely to enter the skilled trades than the Chinese. I do not want them on any consideration at all. If the Japanese will associate with me and live in the same way as I do I would not object to him, but he would do it; he simply refuses to do it.

Walter Taylor, fruit canner, Vancouver, says: I think we have got too many Japanese here now. I think in a great many cases if the Japanese were not here white labour would take their places. Sufficient white labour could be found to take their places.

Frank Burnett, canner, Vancouver, says: I think there are enough Japanese here now. As far as the Japanese are concerned I think the Japanese are no more objectionable immigrants than the slavs from Europe. I think the desired further restriction of Japanese could be obtained by negotiations.

Henry O. Bell-Irving, canner, Vancouver, says: I am rather in for free trade in labour for some time to come. I believe it will be the best policy. I consider that the restriction of labour will act very detrimentally to the prosperity of the country. For the development of this country we must have cheaper labour than we have now; otherwise development will be retarded and the population will increase very slowly. Take the mines for instance: only mines that are exceedingly rich can be worked under present conditions, whereas with cheaper labour the miners will be steadily employed, the miners would work systematically, they would have steady work right through, but as at present the cost of working the mines being very high, and in consequence a large number of mines have had to close down.

Samuel McPherson, merchant tailor, Vancouver, says: As far as this province is concerned I think it would be a good thing if they (Japanese) were restricted, because they work so cheap; they work cheaper than a white man possibly can.

Alexander McCallum, merchant tailor, of Vancouver, says: The Merchant Tailors' Association of Vancouver are opposed to further immigration of the Japanese.

Gordon W. Thomas, farmer, Vancouver, says: I think something should be done at once to stop the further flow of Chinese and Japanese into this country. The one is just as injurious to the settlement of the country as the other. The Emperor of Japan I believe has expressed himself in favour of restriction. It would be impossible for a white man to maintain his family and to educate his children on \$15 a month, and that will soon be the wage if these people are allowed to come in.

N. C. Show, journalist, reeve of Burnaby, says: We are strongly in favour of restriction of Japanese immigration by some kind of convention with Japan. It seems to me that this can be arranged on a fair and equitable basis by arranging with the Japanese government that they will not allow more than a small percentage of labour emigrants to come to Canada in proportion to our working population, the Japanese stipulating in return for the same restriction on Canadian labour immigration. Japan would thus assert her position as an equal sovereign power with Great Britain, by the restriction of Canadian immigration to Japan.

Honourable James Reid, senator for Cariboo, says: I think as far as labour is concerned they (Japanese) are a greater danger than the Chinese. I think if restriction is applied to the Chinese it should be applied to the Japanese as well. If they are a detriment to the country, the restriction should be applied to them as well as to any others. I think that could be done through the Imperial Government. I think the Japanese immigration to this country could be arranged between Japan and the Imperial Government, and so many allowed to come in each year without there being any friction at all.

John M. Duval, wood-turner, Vancouver, says: Japanese labour is more dangerous than the Chinese, and my objections to the Chinese apply equally to the Japanese with more so.

James G. Scott, mayor of New Westminster, says: My objection to the Japanese is that they may invade other industries in the country and come into competition with our own people more keenly than the Chinese.

James Anderson, canner, New Westminster, says: My opinion is to get rid of both the Chinese and Japanese, if the conditions will allow it. I think you can do better without the Japanese than you can without the Chinese.

Henry T. Thrift, farmer, secretary of the Settlers' Association of British Columbia, New Westminster, says: Any distinction as far as I have been able to decide is that the Japanese are more dangerous than the Chinese, on account of their superior intelligence. The presence of the Chinese and Japanese here hinders the better class of people coming in here and settling up the vacant lands of the province.

William J. Brandrith, secretary of the British Columbia Fruit Growers' Association, New Westminster, says: I believe they (the association) are all in favour of total pro-

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hibition of any further immigration of that class here. It applies equally to the Chinese and Japanese.

John Armstrong, farmer, reeve of Surrey, says: Farmers in my neighbourhood are in favour of prohibiting further immigration. They are distinctly against any more coming in. That applies fully as much to Japanese as to Chinese.

Henry Haggaman, expressman, New Westminster, says: I am opposed to further immigration of the Japanese.

George H. West, fisherman, New Westminster, says: I think the further restriction of Japanese immigration is absolutely necessary.

Hezekiah Stead, fisherman, New Westminster, says: I have nothing good to say about the Japanese. They are detrimental to our interests and to the interests of the country altogether. They are detrimental to the working man in every way. They work so low and they can live on so very little, that it is impossible for white labourers to live in the cities and pay taxes and pay rents for houses. I know that some of us have tried it and have failed.

George Mackie, fisherman, New Westminster, says: If they (Chinese and Japanese) continue to come in here I will either have to leave or to starve. Circumstances cannot better with these people here. The Mongolians have cut me out of everything as well as they have done in the fishing. I have applied at various places, at sawmills and factories, for employment, and cannot get it. During the three years I have been here I have only been able to secure work for four months outside of the fisheries.

John Perry Bowell, Methodist minister, New Westminster, says: I consider the immigration of Chinese and Japanese to be detrimental to the labour interests of the country, mainly because a great many avenues of industry where white people used to be largely employed are now being monopolized by the Chinese and Japanese. I think the fact that the Japanese is better qualified to adapt himself to the conditions prevailing here makes him a greater menace than the Chinaman to our own labour people.

N. J. Coulter, vice-president of the Grand Lodge of the Fishermen's Union of B.C., New Westminster, says: I am opposed to further immigration of the Japanese: firstly, because they cannot and never will assimilate and become amalgamated with the white citizens of this country; secondly, because they labour cheaper than a white man can afford to work and live; and thirdly, in the fishing industry they are not individual but contract labour, which in my opinion is not the standard of British Columbia or of the British Empire, and is contrary to all the traditions of British subjects.

George Hargreaves, painter, New Westminster, says: I am strongly opposed to further immigration of Japanese.

E. Goulet, Canadian Pacific Railway agent, Kamloops, says: I do not think the Japanese will ever assimilate with our people, and it would not be a good thing if they did.

M. P. Gordon, mayor of Kamloops, says: I think it would be beneficial to the country to restrict the Japanese coming in, to the same extent as the Chinese. I think the reason for excluding the Chinese would be greater than for excluding the Japanese.

Albert Riordan, miner, Kamloops, says: Out here at the Glen Mine the foreman wanted me to work with the Japanese and I quit. I would not work with the Japanese. I favour absolute exclusion of both the Chinese and Japanese.

Joseph McGee, secretary of the Labourers' union, Kamloops, says: I represent the Labourers' Union of this town. They consider that the Chinese and Japanese are a detriment to white labour, and though the union are aware that the Chinese and Japanese are not as plentiful as at the coast cities, yet they feel that the effect of the invasion of the Chinese and Japanese has had on the coast is the same as it is here, and they express themselves that the union is decidedly in favour of the total exclusion of Chinese and Japanese from the Province of British Columbia.

Dr. James W. Cross, health officer, Revelstoke, says: We have no Japanese in this town except in railway work, but I would prefer to see prohibition of both Chinese and Japanese.

Robert B. Farwell, machinist, Revelstoke, says: They are in every sense a most undesirable class of immigrants. They retard the progress of the country and keep good



immigrants from coming in here. If they were not here white men would take their places. I would favour preventing the Japanese coming into this country.

James C. Tunstall, mining recorder, Vernon, says: The Japanese are just as bad as the Chinese. There is just as much opposition to the Japanese as to the Chinese, as far as the labour question is concerned.

Joseph Harwood, expressman, Vernon, says: I favour total exclusion of Chinese and Japanese from the country. The Japanese are just as objectionable as the Chinese.

J. B. McArthur, mine operator, Rossland, says: I do not think legislation for or against the Chinese or Japanese would interfere with the investment of capital in this section. Of course, there may be Imperial and State reasons for dealing with Japanese differently from the way in which you would deal with the Chinese. That is something I cannot say anything about, but I will say this,—we can help to solve the question by representing to the Imperial Government that these people are an injury to our own people.

Honourable Smith Curtis, M. L. A. for Rossland, says: I am strongly in favour not only of restriction, but of exclusion of all oriental races. The opinion throughout the country I believe is practically unanimous. It is almost a unanimous opinion of all classes that there should be no immigration of this class of labour into British Columbia. If there are any reasons why it is inexpedient to adopt this course (\$500 poll tax) against the Japanese for Imperial reasons, we ought to have restriction on the lines of what is known as the Natal Act, providing an educational test on emigrants, and that should be brought into force without delay. That is a method that has been suggested by the Colonial Secretary, the Right Honourable Joseph Chamberlain, and can hardly be objected to by the Imperial authorities.

John C. Egan, journalist, Rossland, says: What little I have seen of them (Japanese) I think they are as undesirable a class of citizens as the Chinese are in this country.

Frank E. Woodside, secretary of miners' union, Rossland, says: I think that the immigration of Japanese should be prevented entirely.

Edmund B. Kerby, manager of the War Eagle and Centre Star, Rossland, says: I do not think that it is for the best interests of the community to have an unlimited supply of Chinese and Japanese labour coming into the country.

Bernard Macdonald, manager of the British American Corporation, Rossland, says: My knowledge of the Japanese is not extensive, but I think they are preferable to the Chinese because they are more progressive, and therefore more profitable.

Thomas H. Long, sanitary inspector, Rossland, says: I think the Japanese should be excluded from the country.

James Devine, miner, Rossland, says: I am in favour of exclusion of both Chinese and Japanese.

Bullock Webster, provincial chief constable for West Kootenay, says: I find that the Japanese are honest, are better men than the Chinese, and their manner of living is more similar to that of white men. I think that the restriction of Japanese immigration is desirable.

Charles Hillyer, sawmill proprietor, Nelson, says: I consider that if the Chinese and Japanese are allowed to come in freely, in 25 years the white man will be the slave and the Chinese or Japanese the boss.

John Houston, M. L. A. for Nelson, says: They do not assimilate with English speaking people, and from my standpoint no race of people that cannot assimilate with ours is desirable, whether they be Chinese, Japanese or Europeans. I certainly would take the risk, if risk there is, of offending the Japanese nation. I do not know any good reason why our people should be degraded, and I do not see any reason why we should not be on good terms with the Japanese government, even if we did exclude the Japanese from the country. Self-preservation is the first law of nature and we cannot get over it.

Gustave A. Carlson, mayor of Kaslo, says: Personally I don't think we should have any more here than we have.



W. H. Perry, assistant general manager of Moran Brothers, Seattle, says: We have never employed Japanese. If I had to choose between an immigration of the one or the other I would prefer the Chinese.

J. W. Clise, president of the Chamber of Commerce, Seattle, says: There is no disposition at present to exclude the Japanese, but the people do not feel any more kindly inclined to the Japanese than to the Chinese.

A. H. Grout, labour commissioner, Seattle, says: There is a distinction between the Chinese and Japanese. The average Japanese is more intelligent, adapts himself more readily to our ways, and to that extent is looked upon with more favour. There has been quite a little agitation against them in the last few years.

Theodore Ludgate, mill owner, Seattle, formerly of Peterborough, says: If the Japanese come here in large numbers and conflict with white labour, the agitation would soon be acute, and the government would find some way of excluding them the same as the Chinese.

W. H. Middleton, secretary of the Western Central Labour Bureau, Seattle, says: The Japanese are looked upon as a more serious danger to white labour than the Chinese. The people generally are in favour of the same exclusion being applied to the Japanese as has been applied to the Chinese. A strong effort will be made to make the laws the same with regard to the Japanese as it is now in regard to the Chinese. The Japanese are looked upon as a greater menace than the Chinese at the present time.

A. S. Martin, secretary Puget Sound sawmill and shingle company, Fairhaven, Washington, says: The sentiment here is opposed to both Chinese and Japanese. If the matter were put to the popular vote not one would be allowed in town.

E. B. Deming, manager Pacific American Fishing Company, Fairhaven, Wash., says: Japanese are unsatisfactory. We would not think of employing them as Chinese are. I prefer white labour at higher wages to Japanese.

S. E. Masten, secretary of the Board of Trade, Portland, Oregon, says: We would rather not have the coolie class here. We would rather not have Japanese labour coming in here at all.

H. S. Rowe, mayor of Portland, Oregon, says: Very few of our people favour either the Chinese or the Japanese. The Japanese are getting more and more into domestic service here. They seem to take more to our ways and to be more inclined to settle here. I would not like to see this class of people filling up the State of Oregon.

W. J. Honeyman, merchant, Portland, Oregon, says: The Japanese do not appear to be satisfactory as servants, and they are not considered as good on railroad work. They are not as reliable in my experience.

A. A. Bailey, secretary of the federated trades, Portland, Oregon, says: The objection now is as great to the Japanese as it has ever been to the Chinese.

J. M. Lawrence, city editor *Oregonian*, Portland, says: I do not think the Japanese are any better than the Chinese. There would be irritation here if large numbers of Japanese were coming in, but I do not anticipate any danger from that question now. I think we have sufficient numbers of Japanese here now. We do not require any more of them, and if it can be arranged by diplomatic means that there will be an exclusion of the Japanese as there is an exclusion of the Chinese, the country will be benefitted.

T. M. Crawford, labour agent, Portland, says: The Chinese will not work for as low wages as the Japanese will. Here we get the worst class of the Japanese. It may be called the coolie class. They are a low type and an ignorant class. They answer all questions very nearly verbatim. They have been trained by the contractors who go to Japan.

R. Ecclestone, immigration officer, San Francisco, says: The Japanese coming in here are of the very lowest class. They work cheaper than the Chinese. Very few families come in. If they come here in large numbers there will be a similar agitation to that against the Chinese twenty years ago.

J. H. Barbour, immigration officer, San Francisco, says: People prefer the Chinese to the Japanese when they can get them. They are more reliable than the Japanese. The sentiment amongst the labour unions is that the Japanese is a stronger competitor.

H. F. Fortman, president of the Alaska Packers' Association, San Francisco, says : I would apply the same restriction to the Japanese as to the Chinese ; in fact if I could I would double the tax on the Japanese, simply because they are not to be preferred to the Chinese. The Chinese are more reliable and law-abiding ; even the Japanese consider the Chinese more reliable and more honest in their acts. In every Japanese bank and in every large Japanese institution you will find a Chinese compadore as cashier or manager. I think the trade with China is increasing more rapidly than our trade with Japan.

F. V. Meyers, commissioner of the bureau of labour statistics, San Francisco, says : The general feeling in the community is in favour of the continuance of the Exclusion Act in regard to the Chinese and to have the same measure of exclusion extended to the Japanese as well. The question of Japanese immigration is becoming acute. When the agitation for the Exclusion Act is brought up again, there will be a very pronounced agitation to have the Exclusion Act extended to prevent the Japanese coming in.

James D. Phelan, mayor of San Francisco, says : There is no preference here for the Japanese. They have the reputation of being less reliable. From our experience the Chinese observe the obligations of business more carefully, but the Japanese seem to be more ambitious to advance themselves along the line of western civilization, but they do not assimilate. They keep themselves a good deal by themselves.

#### TRADE WITH JAPAN.

The following figures show that Canada's trade with Japan is very small.

In 1900 the imports were valued at \$1,762,534, of which \$1,301,215 were free, and \$461,319 dutiable.

Of the goods admitted free of duty, tea amounted to \$1,276,736. It may be noticed that settlers' effects amounted to \$952, and for the previous year \$97.

The exports for 1900 were valued at \$112,308, of which \$47,773 was fish and fish products, and \$21,946 lumber and wood manufactures, breadstuffs \$6,471, provisions, butter, cheese, &c., \$3,049.

The following table shows the imports and exports since 1896 inclusive :—

	1896.	1897.	1898.	1899.	1900.
	\$	\$	\$	\$	\$
Imports . . . . .	1,648,232	1,329,980	1,458,233	2,009,747	1,762,534
Exports . . . . .	8,253	141,946	148,728	135,265	112,308

The increase of American trade with Japan is largely made up of two items,—cotton and flour. Its development is indicated by the following table :—

#### COTTON EXPORTS TO JAPAN FROM UNITED STATES.

	1896.	1897.	1898.	1899.	1900.
	\$	\$	\$	\$	\$
Wheat . . . . .	1,481,056	2,345,016	7,428,226	5,775,784	12,712,619
Flour . . . . .	286,111	819,620	644,039	722,710	1,554,739

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## CHAPTER VI.—PART I.—RESUME.

## CHAP. I.—JAPANESE IMMIGRATION.

From fourteen to fifteen thousand Japanese have arrived in British Columbia within the last five years. Of these over ten thousand arrived in one year, namely, between July 1, 1899, and July 1, 1900. No record is kept of the number that have returned to Japan. Many have gone to the United States, leaving only 4,759 Japanese in Canada,—according to the last census,—of whom 4,578 are in British Columbia, nearly all of whom are adult males of the labouring class.

The total number of Japanese admitted through the ports of Washington State from July 1, 1898, to November 13, 1900, was 13,401, of whom 266 were rejected.

2,500 Japanese entered the States of Washington and California from Canada by card. Washington State has 4,532 Japanese males and 185 Japanese females; Oregon State, 2,405 males and 96 females.

The number of Japanese in the United States, as given by the last census, is 86,000, of whom 61,111 are in Hawaii, and 24,326 in the United States proper, of which number 23,376 are in the Western States.

## CAUSE OF THIS LARGE INFLUX.

The most probable cause assigned for this large immigration of Japanese seems to be that the emigration agencies in Japan had booked a large number of emigrants for Honolulu, that about the time they were aboard ship the bubonic plague with its resulting quarantine appeared at Honolulu, and prevented the emigrants being sent there. The agencies rather than surrender their commissions induced the emigrants to go to the United States and Canada instead; and that, owing to the American Alien Act, many came to British Columbia that were really destined for the United States.

In this connection it may also be mentioned, that six out of the twelve companies in Japan organized to promote emigration have agents in the United States and Canada, and, taking advantage of favourable conditions, fostered the emigration of Japanese to the United States and Canada as a matter of business for the sake of the accruing commissions.

Wages are very low in Japan, particularly of the class that come to Canada, namely, fishermen, domestic servants, farm and other labourers. Farm labourers are said to receive from 15 to 17 cents a day, fishermen 19 to 20 cents a day, domestic servants \$1.40 to \$1.50 a month, and other servants 80 cents a month.

## THEIR HOMES.

It is said by a high authority, that the wants of the people are few and easily supplied, their homes simple, their furniture limited and cheap, and their clothing scant and inexpensive. Their houses are of wood, light and airy and generally one storey high, the floors are covered with mats and serve at once for seats and for beds; a Japanese simply folding himself in his outer coat and stretching himself on the matted floor; the window frames are movable, filled with oil paper instead of glass, the furniture is on the same simple plan. Everywhere, however, it is said you will admire the cleanliness observed in these homes. One witness stated that an ordinary Japanese house would cost about \$20.

## THEIR EMPLOYMENT IN BRITISH COLUMBIA.

On arrival, the Japanese immigrant seeks work wherever unskilled labour is employed,—as domestic servants, farm labourers, in getting out shingle bolts, wood,

cordwood, and in the mines to a limited extent. They are also employed on the railways, in sawmills, shingle mills, boat building, and large numbers engage in fishing during the season. A few are employed as tailors and in other trades. Their average wage is from 90 cents to \$1 day. Their competition is keenly felt in the fisheries, in the sawmills, and in getting out wood, shingle bolts and mining timber, in boat building and to a less extent in the mines and railways. They are generally regarded as more dangerous competitors than the Chinese. It is said he adapts himself more readily to our civilization, that the Chinese will do the lowest kind of labour and stick to it, while the Japanese will get higher if he can. They live at a cost that enables them to work for wages at which a white man cannot compete. They work under contract much as the Chinese do, and are hired by the boss Japanese who takes the contract. He is often a merchant or a regular contractor who makes his profits chiefly on the supplies furnished the men. In no case do their wages appear to be higher than that paid to the Chinese in the same calling, and in many places it is lower.

#### SANITATION.

On their first arrival there is the same difficulty in getting them to comply with sanitary regulations that there is with the Chinese, but after a few citations before the magistrate they are more attentive to the requirements of the law and give less trouble in this regard.

They do not live in aggregations in a particular part of the town, as the Chinese do, but their boarding houses are frequently overcrowded to the same extent.

#### CHAP. II. PART I. THE FISHERIES.

Prior to 1896, comparatively few Japanese were engaged in the fisheries. In that year we find 452 licenses were issued to Japanese.

In 1897.....	787 licenses.
1898.....	768 "
1899.....	930 "
1900.....	1,892 "
1901.....	1,958 "

This does not show the total number of Japanese engaged in the fisheries. In 1900 542 licenses, and in 1901, 548 licenses were issued to canners; of these a considerable number are given to Japanese; about 2,000 licenses were held by the Japanese for the years 1900 and 1901; there are two men to a boat, so that between four and five thousand Japanese are engaged in the fisheries. This number ought to represent, and would under normal conditions, represent, a population of from fifteen to twenty thousand people, resident in the land, building up homes, supporting schools and churches, and forming an integral part of a settled and civilized community. Nothing of this obtains among the Japanese engaged in this industry. Very few indeed bring their wives with them. Many of them return to Japan after the fishing season is over, and the rest find employment where they can, in getting out wood and bolts, in mills, boat building and other employments, working at a wage upon which a white man cannot decently support himself and his family, and creating a feeling so pronounced and bitter among a large class of whites, as to endanger the peace and be a fruitful source of international irritation. Thus this great industry, instead of becoming a source of strength, is a source of contention and weakness.

It is essential to the well-being of the community that a permanent class of fishermen be fostered, householders and residents upon the land, and, if possible, owners of small holdings, who may by this natural industry be assisted in making their livelihood and be enabled to support themselves and their families while clearing the land.

The evidence made it clear that the larger number of Japanese become naturalized, not to become citizens of the country, but to enable them to obtain fishermen's licenses.



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Nearly the entire number of Japanese who have become naturalized, take out fishing licenses, and but few of those who do not take out licenses become naturalized.

## THE NUMBER THAT HAVE TAKEN OUT NATURALIZATION PAPERS.

Since 1896 over one thousand have become naturalized at Vancouver, as against 400 whites and 160 Chinese during the same period.

## TOO MANY FISHERMEN ON THE RIVER.

The total number of licenses has increased from 3,533 in 1896 to 4,722 in 1901, and this increase has occurred principally upon the Fraser River. While the licenses have increased by 1,189, the number of Japanese licenses has increased by 1,506. Owing to this overcrowding many fishermen stated that they had to leave the business. The bitter feeling among the fishermen, caused by their being crowded out by the Japanese, was much enhanced by the fact that grave irregularities, if not actual fraud, were practised in obtaining certificates of naturalization by the Japanese in very many cases. The fare is low, and many Japanese come over for the fishing season and return in the fall. Many of these are engaged as pullers by the Japanese fishermen, the regulations not requiring that boat pullers for fishermen should be British subjects. Many of these boat pullers who had not complied with the requirements of the law as to residence received naturalization papers.

A notary public, whose commission has since been revoked, referring to those who had been naturalized, said that most of these people were boat pullers and had gone to Japan and were now returning so that they could get naturalized to go fishing. He said that the mass of other affidavits that were taken to obtain naturalization papers were of the same class.

Other evidence established the fact beyond all doubt that naturalization papers were granted to Japanese that ought not to have been granted.

The assistant inspector of Fisheries stated that it occurred to him last year that a great many Japanese had secured their citizen papers without complying with lawful conditions. A perusal of the evidence raises a strong presumption of fraud.

## WHITE FISHERMEN FORCED OUT.

The fact that white fishermen are being forced out of this industry and that Japanese are taking their places was clearly established. It works out in this way: In a short season the fish caught are so few in proportion to the number of fishermen that it does not pay. When there is a big run so many fish are caught that the number received by the canner is limited, and thousands are thrown away, and a lesser number of fishermen could catch all the canneries can pack. In either case a lesser number of fishermen and a lesser number of canneries on the Fraser River would benefit both the the cannery and the fishermen. (*See Summary of Evidence, Part I, Chap. XV, Canneries.*)

It was stated by the cannery that the adoption of trap nets on the American side had greatly disturbed their business. The canning industry on Puget Sound is almost wholly dependent on the run of salmon that would otherwise enter the Fraser River, and not only do they deplete the supply, but place their pack in competition with the Fraser River cannery in the markets of the world, although not to the same extent as the Alaska pack. It was further stated by the cannery that the adoption of similar methods on the Canadian side would greatly lessen the number of Japanese fishermen.

## PROTEST BY INDIAN CHIEFS.

The chiefs of the different tribes of coast Indians of southern British Columbia gave evidence before the Commission, and strongly protested against the immigration of Chinese and Japanese. They explained that when the white people came and took up

lands and asked the Indians to work they were much pleased to get work and get wages; they had something to depend on, and were pleased that the white people were living where the Indians could get work. When the Chinese came they brought no family; in a little while the Japanese came and they were worse than the Chinese, and it seemed as if the Indians had no right to stay in the place at all. Formerly they used to get steady work all the time; now they cannot get regular employment, because of the Japanese and Chinese.

The evidence quoted in Chapter II—Protests of Indian Chiefs—fairly represents the views of all. They favour keeping Chinese and Japanese out of the country, and say that the Japanese are the worse of the two.

Probably one of the most important matters connected with this inquiry, is the rapid manner in which the Japanese are getting control of the salmon fisheries of British Columbia. The extent of the encroachment may be gathered from the fact that in 1896 there were less than a thousand Japanese engaged in this industry, while in 1901 the number had increased to over four thousand. Should Japanese be permitted to come into this country without restriction it cannot be doubted that this encroachment will continue until the Japanese will have control of this business.

The general consensus of opinion given by both the fishermen and the canners would indicate that this industry is not dependent for its existence upon the employment of these people. The fact that this industry has expanded to almost its present proportions, employing only whites and Indians, would indicate that the presence of the Japanese is not essential to its successful operation. The fisheries should be utilized to promote the permanent settlement of the country, and at the same time create a hardy class from whom may be drawn recruits for the mercantile marine and navy. The increased numbers of the Japanese prevent this. They come for a temporary purpose; they send a large proportion of their earnings to Japan; they do not bring their families or make homes, or in any sense become permanent settlers, and an industry which ought to be a source of strength to the country is rapidly falling into the hands of those who exploit it for a temporary purpose to the exclusion of our own people and to the permanent injury of the country.

In any event the rapid trend under existing conditions towards the monopolization of the fishing by Japanese, followed by the withdrawal of white men, on account of this overcrowding and of the diminishing profits in the business, is a matter which deserves most careful consideration. Salmon fishing has always afforded an opportunity for remuneration much greater than could be obtained in the same time from inside work which is done by the Chinese, and in this branch of the industry the Japanese are paid exactly the same as white men. Whatever necessity there may or may not be for Chinese to do the canning work, there is undoubtedly much less reason for the Japanese fishermen, who displace the white man at a white man's remuneration. It is bad enough to have one branch of the industry entirely in the hands of an alien race, who do not settle in the country, whose assimilation is impossible, and whose presence is accounted for simply for the exploitation of the opportunities of labour and its remuneration; but when the other main branch of the industry—the one which is most profitable and natural for full grown men to occupy, and is also the natural and necessary help for the actual settler—is also filled by another alien people who, in so far as permanent settlement and the general interest of the country is concerned, is equally undesirable, the seriousness of the situation can be understood.

Of the twenty thousand engaged in the industry at present one half are either Chinese or Japanese. The number of Japanese is rapidly increasing. It is only a question of time, under existing conditions until the industry is wholly in their hands, and until it is only possible for our own people to be interested in occupations and employments incidental to the industry itself.

## PART II.—BOAT BUILDING.

Boat building, especially that branch of the trade called into existence by the salmon industry, is closely identified with it. In the earlier period fishermen came from

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the Maritime Provinces, Newfoundland, Scotland and European countries and had been trained to the business, and many of them were boat builders as well as fishermen. As the salmon industry increased the boats were built exclusively by white men, some firms employing as many as ten boat builders paying good wages and their business thus forming an important adjunct to this great industry. The trade has now passed largely into the hands of the Japanese, except the boats built by the one large firm of ship-builders in Vancouver that employ 64 hands, exclusively union labour. The individual boat builder of this class has practically been driven out of the field. The Japanese who build the boats engage also in fishing.

The evidence establishes the following facts:

That the white man without expensive machinery cannot compete with the Japanese in building fishing boats, and have been driven out of the business.

A large proportion of this class of boats are now built by the Japanese, many finding employment in this business; the rest are built at a factory where union wages are paid.

The Japanese do not employ machinery; their boats are hand-built: if they did use machinery the manager of the boat factory declared that he could not compete, and that if a company started who employed Japanese and used machinery he would have to cut wages or shut down. If the selling price were reduced in the next four years as in the last four years, the factory could not compete at the same wages and cost of material.

While fishermen get cheaper fishing boats, they lose more than they gain by the competition of Japanese fishermen.

All whites engaged in this business are opposed to further immigration of Japanese.

The industry is a good illustration of the effect of oriental labour on white labour. It developed into a thriving trade exclusively by white labour, giving employment to large numbers of men that enabled them to live and support their families. The fishermen paid good prices for their boats and did well in the fisheries. The Japanese came in, displaced to a large extent the labour employed in this industry and entered into competition with the fishermen. He has driven out all labour except that employed in the large machine fitted factory. Should the white men in the factories give place to the Japanese labour the same argument might be presented as is now made in respect of other industries,—the business cannot be carried on without cheap labour. Cheap labour creates the condition which afterwards is said to make it necessary.

## CHAP. III, PART I.—THE LUMBER INDUSTRY.

The Japanese are not employed in lumber camps, except a few in building roads, &c. There are employed in and about the mills on the coast, referred to in the foregoing table.

Whites.....	924
Japanese.....	461
Chinese.....	263

In the upper country there are comparatively few employed; in most of the mills none. For instance the Yale Mill Company, with its head office at Rossland, and controlling the mills at Rossland, Nakusp, Cascade, Roche Creek and Deadwood, and employing 200 men, employ no Japanese or Chinese in or about the mills. Neither Japanese nor Chinese are employed in the mills at Nelson and Kaslo.

The Japanese are paid from 90 cents to \$1.00 a day and board themselves; in a few instances they are paid as high as \$1.25 a day. For unskilled white labour the average is from \$1.50 to \$2 and for semi-skilled from \$2 to \$2.50, and skilled labour from \$2.50 to \$3.50, and in a few instances \$4.50 and \$5,—the fact being that nearly all of the strictly common labour in and about the mills and yards is performed by the Japanese and Chinese.

It may be noted here that the mills upon the Sound with one exception employ only white labour, and the average paid for unskilled labour is from \$1.75 to \$2 a



day, the larger number being employed at \$2 a day, and for skilled and semi-skilled labour the wages run up to \$3.50 and even \$4 and \$5 a day.

It was alleged by some that the employment of Japanese and Chinese enabled the mill owners to pay, and they did pay, higher wages to their white employees than are paid in the mills on the Sound, but a careful comparison of the wages paid by each does not sustain this view. They may vary a little, but upon the whole the wages paid to white labour appear to be rather higher on the Sound than are paid to white men in the Canadian mills, and when you take into account the fact that no Japanese or Chinese are employed on the Sound, the wages there paid are certainly higher than the wages paid in British Columbia.

The Chinese are paid rather more than the Japanese, and for this, or some other reason, the Japanese have in a number of cases filled the places formerly occupied by Chinese. As a rule they only perform the work of unskilled labour, but in some cases they have taken the places of sawyers and do other work requiring more or less skill.

The mill owners differ as to the expediency of shutting them out. The manager of the largest exporting mill thinks we have plenty of them here now. Many of the other managers agree with him; but others, while admitting that there are sufficient in the country to meet the present demand, fear that there might in the future be a scarcity if no more came in.

The evidence establishes the following facts:

That the Japanese are employed in the coast mills approximately in the proportion of one to four.

That they have to a considerable extent taken the place of Chinese at a slightly less wage.

That they are employed as unskilled labourers in and about the mills, and in some instances are employed as sawyers and for other skilled work.

That their wages vary from 85 cents to \$1.25 per diem, the average being about \$1 per day, or a little less.

That there is a sufficient supply to meet the demands at the present time and for some years to come.

That they work for a wage at which it would be impossible for a white man to support himself and his family with comfort, or even decency.

That they are enabled to work for this low wage by their manner of living. Except in very few instances they do not bring their families with them. They frequently live together, somewhat similar to the Chinese, but have a reputation of being more cleanly.

That they are more dangerous competitors to white labour than the Chinese, because they are more energetic and pushing, work at even a less wage, live as cheaply, and are said to be quicker at learning our language and picking up our ways, &c.

#### PART II—SHINGLE BOLTS, MINING TIMBER AND CORDWOOD.

At certain seasons of the year, when not engaged in fishing, there are approximately a thousand Japanese employed in getting out shingle bolts, cordwood and mining timber for Mexico.

The whites and Indians have been practically driven out of the business, and the Chinese have been largely superseded.

Last February several hundreds of Japanese were engaged in cutting cordwood on Mayne Island. They delivered it free on board the scows at from \$1.80 to \$2 a cord. The Japanese contractors make little profit at these figures. Their profits are chiefly on supplies which they furnish their men.

A few years ago white men got out all the timber for Mexico mines. This is now done by Japanese under Japanese contractors. Several cargoes are taken out each year.

Shingle bolts are chiefly gotten out by Japanese under Japanese contractors, the contractor receiving 5 cents a cord as his profit and the profit on the supplies which he furnishes.



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One firm engaged in the manufacture of shingles paid out \$44,000 for shingle bolts, of which \$36,000 was paid to Chinese and Japanese, chiefly Japanese, and \$4,000 to white men.

The Japanese work more cheaply than the Chinese and are rapidly driving them out of these fields of industry. Their manner of living in camps is very similar to that of the Chinese and a white man cannot compete with them.

From the evidence of some of the shingle manufacturers it did seem at first that it would be difficult to carry on the business except through the agency of this cheap labour, without cutting the prices of the white men who are still engaged in the business, but subsequent evidence from a large manufacturer of shingles established the fact that it was cheaper to get out shingle bolts in the log, exclusively by white men, than to buy shingle bolts, even from Japanese, and this has been found to be so in the mills in Washington State. There are some places doubtless where this method could not be advantageously adopted.

The employment of so many Japanese in this business has largely displaced white labour and has further increased the difficulty which small landholders have in making a living. It practically prevents him from realizing something from his wood and timber and from utilizing his time to the best advantage and so assisting him in supporting his family during the tedious and expensive process of clearing the land.

Formerly shingle bolts and cordwood were chiefly gotten out by white labour. All this is being changed; the white man is practically driven from this field, and its effect upon the settlement of the country is undoubtedly very serious.

The condition of the Japanese sometimes is that of absolute want. The provincial immigration agent stated that on their arrival at Mayne Island last year to commence wood-cutting they were without supplies and subsisted for some time on clams and thistle roots and whatever game and fish they could secure, and altogether had a wretched existence. This perhaps may arise from the fact that after the fishing season is over, several thousands of Japanese are without employment at a season of the year when there is least demand for labour, and if the fishing season happens to be short, as it was last year, it necessarily leaves many of them without employment and without means of subsistence. They work, therefore, in getting out shingle bolts, cordwood, mining timber, &c., for what they can get.

The normal condition between labour and capital is deranged and will continue to be, if this large immigration of unskilled labour should continue.

## CHAP. IV.—OTHER OCCUPATIONS.

1. *The Mining Industry.*—At the Union mines 102 Japanese were employed, as miners, helpers, runners, drivers, timbering men, blacksmiths and labourers, above and below ground. Seventy-seven are employed below ground and 25 above ground. Only three Japanese are employed at the Extension Mine. They are not employed at the Fernie Mines, nor at the New Vancouver Coal Company's Mines at Nanaimo.

As they are employed to only a limited extent in one coal mine, and under the same general management they are not employed in others, it is impossible to say that they are necessary for this industry, but if they are the supply is abundant.

The Japanese have not been employed in these mines either in the Kootenay district or elsewhere on the mainland. From 40 to 60 were employed at Texada Island. They worked in the mine and above ground. They were discharged. The cause of dismissal alleged was an increased cost of production. The output was too small. It did not pay. The only mine in which they are now employed so far as we could learn was a mine at Mount Sicker, 45 miles from Victoria, where from 30 to 35 are employed in sorting ore. The manager of this mine says: I think there are sufficient numbers of Japanese here now to meet the demands. I think there are enough of the Chinese and Japanese here at the present time. No serious inconvenience would arise to our business if no more were allowed to come in. It is now like a tap; when you want water you turn it on and when you have enough you turn it off.

The number of Japanese employed in the metaliferous mines is insignificant, and it cannot be said that this industry is dependent upon their labour to any considerable extent.

The Japanese have displaced Chinese labour in the Cariboo Consolidated hydraulic mine where, as the evidence shows, about 109 are employed.

2. *Railways.*—Japanese are employed upon the Canadian Pacific Railway in British Columbia to a limited extent. The number varies in different seasons of the year. Seventy are employed steadily: 30 as section men and 40 on extra gang work. At certain seasons of the year as many as 300 more are employed. Nearly five thousand men are employed in this division.

The general superintendent stated that the Company was not interested in employing Oriental labour if it could get white labour. He did not think, however, that a white man with a family could live on what the Company paid the Japanese. He stated that the Company did not encourage white men with families to come in for section work. He declared that the Japanese is a better man than the Italian.

It is plain that the numbers employed on the Canadian Pacific Railway in comparison with the whole number of employees on the western division is small, and it can scarcely be urged that the successful operation of the railway is dependent upon this class of labour.

3. *Sealing.*—Japanese are employed to a limited extent in this industry; being good sailors, they are shipped when white men are scarce as common seamen or boat pullers. No serious inconvenience could be occasioned this industry by the restriction of further immigration of Japanese.

4. *Domestic Service.*—It may be here mentioned that while a considerable number of Japanese are employed as domestic servants and chore boys they are not employed nearly to the same extent in that capacity as the Chinese are, and their wages as a rule are much lower.

The extent to which Japanese are employed in farming, land clearing, and other minor industries is briefly referred to in Chapter IV, 'Other Occupations,' but for a proper understanding of conditions in these industries reference may be made to the chapters on the subject in Part I, where they are fully dealt with. The opinions therein expressed regarding Chinese labour apply equally to Japanese, to the extent of their employment.

#### EMIGRATION STOPPED.

The emigration of Japanese has for the present practically ceased, only 56 having arrived at Canadian ports in the last six months of 1901. This is doubtless owing to instructions given to local authorities by the Minister of State for Foreign Affairs for Japan, instructing them to prohibit entirely the emigration of Japanese labourers destined for Canada or the United States. The Commission was favoured by a copy of these instructions, through the Japanese Consul at Vancouver, which is as follows:

[No. 659].

DEPARTMENT OF FOREIGN AFFAIRS,  
TOKIO, August 2, 1900.

TO THE GOVERNORS OF THE PREFECTURES:

You are hereby instructed to prohibit entirely, for the time being, the emigration of Japanese labourers for the Dominion of Canada or for the United States.

VISCOUNT AOKI,

Minister of Foreign Affairs.

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## PART II—CONCLUSION.

In endeavouring to convey an idea of the kind of emigrant the Japanese of the labouring class is, it will be convenient to point out first wherein he differs from the Chinese of the same class. He is more independent, energetic, apt, and ready and anxious to adopt, at least in appearance, the manners and mode of life of the white man. He avails himself of every opportunity to learn English, and often makes it a condition of his contract of hiring that he may do so. It is said he is not as reliable in respect of contracts as the Chinese are, and that, while adopting to a certain extent our habits of life, he more readily falls into the vices of the white man than the Chinaman does.

As we said of the Chinaman, he has a different standard of morals from ours, and what has been said of the one in this regard applies to the other; and except for breaches of the sanitary by-laws, the absence of convictions would indicate that he is law-abiding. He often works for less wages, and in some important industries driving out the Chinaman. He comes without wife or family, and on a passport which requires him to return within three years, for which he has to give bonds before leaving. He does not contribute to the support of schools or churches or the building up of homes. He seeks employment in all kinds of unskilled labour, and works at a wage that all admit is wholly inadequate for the support of a white man and his family; and while the Japanese do not live in one particular quarter of the city or town, they are given to over-crowding in boarding houses, and the fact that they are adult males without family enables them to live in a manner and at a cost wholly incompatible with the home-life of a white working man who has a family. Coming as they do for a limited period, and very often only remaining a part of the year and returning again for the season when they can obtain employment, they carry away with them their earnings, are of the least possible value to the community, pay no fair proportion of the taxes of the country, and are a keener competitor in all the avenues of unskilled labour than the Chinese. Their presence in large numbers delays the settlement of the country and keeps out intending settlers; and all that has been said in this regard with reference to the Chinese applies with equal, if not greater force, to the Japanese. There is a clear distinction to be drawn between immigrants who, if otherwise desirable, come with their families to make Canada their home, and that class of immigrants who come for a limited period only, intending to return within a short period and take their savings with them. They contribute in small degree to that support and interdependence upon which the stability and prosperity of a community depends, and they withdraw to the extent of their savings the value of the product of the natural industries, and render it more difficult for the permanent settler of all classes, except possibly the employer, to obtain a living or to carry on his trade or calling with success.

The consensus of opinion of the people of British Columbia is that they do not and cannot assimilate with white people, and that while in some respects they are less undesirable than the Chinese, in that they adopt more readily our habits of life and spend more of their earnings in the country, yet in all that goes to make for the permanent settlement of the country they are quite as serious a menace as the Chinese and keener competitors against the working man, and as they have more energy, push and independence, more dangerous in this regard than the Chinese.

As directly bearing upon this question we beg to refer to the following despatches from the Honourable the Secretary of State for the Colonies to the Governor General of Canada :—

DOWNING STREET, July 20, 1898.

Governor General,

The Right Honourable

The Earl of ABERDEEN, P.C., G.C.M.G.

I have the honour to acknowledge the receipt of your despatches of the numbers and dates noted in the margin, in which you forwarded copies of various communications received by you from the Japanese Consul for Canada respecting the anti-Japanese legislation recently passed by the legislature of British Columbia.

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2. I shall be glad if you will lose no time in transmitting, in accordance with the request contained in my telegram of June 18, copies of the Acts to which M. Shimizu takes exception, together with the observations of your ministers thereon.

3. In the meantime I have to request that you will impress upon your ministers that restrictive legislation of the type of which the legislation in question appears to be, is extremely repugnant to the sentiments of the people and Government of Japan, and you should not fail to impress upon them the importance, if there is any real prospect of a large influx of Japanese labourers into Canada, of dealing with it by legislation of the Dominion Parliament on the lines of the accompanying Natal Act, which is likely to be generally adopted in Australia.

J. CHAMBERLAIN.

(See Appendix for copy of Natal Act.)

DOWNING STREET, 23rd March, 1899.

Governor General,

The Right Honourable

The Earl of MINTO, G.C.M.G., &amp;c., &amp;c., &amp;c.

I have the honour to acknowledge the receipt of your despatch No. 40, of February 27, forwarding copy of a letter from the Japanese Consul at Vancouver in which he calls attention to certain measures which have been introduced into the legislative assembly of British Columbia during its present session prohibiting the employment of Japanese and renewing with regard to these measures the objections which he urged against the legislation of the same nature passed by the legislature of that province last year.

2. Her Majesty's Government must regret to find the Government and Legislature of British Columbia adopting a course which is justly regarded as offensive by a friendly power, and they hope that your ministers will be able to arrange for the cancellation of the objectionable provisions and the substitution of a measure which, while it will secure the desired exclusion of undesirable immigrants, will obtain that result by means of some such general test as that already suggested in my despatch No. 214, of July 20, 1898. In any case, Her Majesty's Government strongly deprecate the passing of exceptional legislation affecting Japanese already in the Province.

J. CHAMBERLAIN.

COLONIAL OFFICE TO THE GOVERNOR GENERAL.

DOWNING STREET, April 19, 1899.

The Governor General,

&amp;c., &amp;c., &amp;c.

I have the honour to acknowledge the receipt of your despatch No. 54, of March 16, forwarding copy of an approved minute of the Dominion Privy Council to which is appended an approved report of the Executive Council of British Columbia, expressing the concurrence of the Government of that province in a report drawn up by the Minister of Finance and Agriculture on the subject of the Acts passed by the provincial legislature in 1898, containing provisions prohibiting the employment of Japanese on certain works.

2. The provincial government represent that these provisions are required by the economic conditions of British Columbia and they regret their inability to introduce legislation for their repeal.

3. Her Majesty's Government fully appreciate the motives which have induced the Government and legislature of British Columbia to pass the legislation under consideration, and recognize the importance of guarding against the possibility of the white labour in the province being swamped by the wholesale immigration of persons of Asiatic origin. They desire also to acknowledge the friendly spirit in which the representations they have felt compelled to make have been received by the Government of



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British Columbia, and regret that after carefully considering the minute of the Executive Council they feel unable to withdraw the objections they have urged to the legislation in question.

4. There is no difference between Her Majesty's Government and the Government of British Columbia as regards the object aimed at by these laws, namely, to ensure that the Pacific province of the Dominion shall be occupied by a large and thoroughly British population rather than by one in which the number of aliens largely predominates, and many of the distinctive features of a settled British community are lacking.

5. The ground of the objection entertained by Her Majesty's Government is that the method employed by the British Columbia Legislature for securing this object, while admittedly only partial and ineffective, is such as to give legitimate offence to a power with which Her Majesty is, and earnestly desires to remain on friendly terms. It is not the practical exclusion of Japanese to which the Government of the Mikado objects but their exclusion nominatiu, which specifically stamps the whole nation as undesirable persons.

6. The exclusion of Japanese subjects either from the province or from employment on public or quasi public works in the province by the operation of an educational test, such as is embodied in the Natal Immigration Law is not a measure to which the government of Japan can take exception. If the particular test in that law is not regarded as sufficient, there is no reason why a more stringent and effective one of a similar character should not be adopted, so long as the disqualification is not based specifically on distinction of race or colour.

7. Any attempt to restrict immigration or to impose disqualifications on such distinctions besides being offensive to friendly powers is contrary to the general principles of equality which have been the guiding principle of British rule throughout the empire; and, as your ministers are aware, Her Majesty's Government were unable to allow the Immigration Restriction Laws passed by some of the Australasian colonies in 1896 to come into operation for the same reasons as they are now urging against these laws in British Columbia.

8. Her Majesty's Government earnestly trust that on consideration of these explanations the Government of British Columbia will at once procure the repeal of the provisions complained of and the substitution of legislation on the lines indicated above.

9. If this is impossible, Her Majesty's Government feel compelled, however reluctant they may be to cause inconvenience to the province, to press upon your ministers the importance in the general interests of the empire of using the powers vested in them by the British North America Act, for cancelling these measures to which Her Majesty's Government object on grounds both of principle and policy.

J. CHAMBERLAIN.

Your Commissioners fully appreciate the action taken by the Government of Japan on August 2, 1900, whereby the Governors of the Prefectures of Japan were instructed to prohibit entirely for the time being the emigration of Japanese labourers for the Dominion of Canada. It is stated in a pamphlet purporting to be published by the Japanese Consul at Vancouver: 'the principal reason for the measure thus taken was to avoid any friction that might occur by allowing them to come into British Columbia where their immigration was not desired by a certain element of that province,' and that 'the Government of Japan wholly stopped the issuance of passports to any intending emigrants for Canada since the first of August last (1900), and still continues to do so, under a provision of the Immigration Protection Law. (Law No. 70, 1896.)'

The course adopted by the Japanese Government, if we may without presumption be permitted to say so, is most opportune, eliminating all cause of friction and irritation between Canada and Japan, and so favouring a freer trade and intercourse between the countries than could otherwise obtain.

Nothing further is needed to settle this most difficult question upon a firm basis than some assurance that the action already taken by the Government of Japan will not be revoked.

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Your Commissioners desire to express their earnest hope that in the continuance of this friendly policy, legislation on this subject by the Canadian Government may be rendered unnecessary. Should, however, a change of policy be adopted in this regard by the Japanese Government whereby Japanese labourers may again be permitted to emigrate to Canada, the welfare of the Province of British Columbia imperatively demands that effective measures be adopted to take the place of the inhibition now imposed by the Japanese Government.

Your Commissioners recommend that, in that event, an Act be passed by the Dominion Government on the lines of what is known as the Natal Act, made sufficiently stringent and effective to accomplish the desired result.

R. C. CLUTE, Chairman,

D. J. MANN,

C. FOLEY.

## APPENDIX.

Address of Mr. R. Cassidy, K. C.

Report of United States Commissioner upon Japanese Immigration.

Wages in Japan, 1897.

The Natal Act.

## ADDRESS OF MR. R. CASSIDY, K.C., ON BEHALF OF THE JAPANESE.

Mr. Cassidy, K.C., in addressing the Commission, said: Having to leave by boat to-day, I have to request to be heard first. I represent the Japanese in this community before this Royal Commission. The government of Japan, as it happens, is well represented in commercial matters by an able consul, Mr. Shimizu. Any remarks which I may make on the evidence will no doubt be received by the Commission in the same spirit as that in which they are offered, and in the same kindly spirit evinced by the Commission throughout this investigation. The Japanese desire to thank the Commissioners for the invariable courtesy we have received, whatever the result may be, whatever the report may be, and whatever course parliament may see fit to take after the investigation upon receiving the report of the Commission. I feel that the report cannot be otherwise than just to all of those concerned, and I am satisfied that the industrial interests of the country will receive great advantage from the evidence which has been placed before the Commission. The considerations upon which the Japanese rely, as rendering necessary the presence of this class of labour in the Province of British Columbia, have been fully and fairly put before the Commission. We all know that for some years past the presence of the Chinese here, and more recently the Japanese, has been the object of considerable agitation. While agitation is to be commended when it has for its aim the protection of the community at large, it very often happens that the circumstances on one side are very fully presented, while the considerations on the other side are paid little attention to; that is to say, the views of those who are not in the habit of gathering together to exchange opinions are not presented as fully as those of members of organizations banded together for the purpose of the propagation of their peculiar views of labour, political or economic questions. Business men, as a rule, are not in the habit of airing their views in public; therefore, I say it cannot be considered otherwise than as fortunate, that the investigation should have taken place, and have been as wide in its scope as it has been made by this Commission—all parties having had the fullest opportunity of presenting their views and of giving the facts which they considered went to support their different contentions. I also think it must be a matter of surprise to many people who have been accustomed to regard this question from one standpoint to find men who are in actual business, who are well acquainted with the country and its commercial life, who are deeply interested in the welfare and prosperity of the country, come forward and make such statements as they have done before this Commission; and, on the other hand, it is well to have had the opposing views presented, and the grounds stated upon which those who are opposed to the orientals base their objections.

It seems to me necessary to take rather a wide view of the subject. The scope of the Commission is wide enough to consider the question in all its bearings. Parliament

will thus be enabled to take a comprehensive view of the whole matter and decide intelligently what steps ought to be taken in the circumstances : and take into consideration the effect of any legislation proposed to be applied. It is impossible therefore to get away from the international question, and the Imperial question which stands alongside of it. It is impossible to get away from considerations dictated by the comity of nations, or to be blind to the important considerations of international policy, which govern civilized nations in dealing with each other. One of the first things Canada will have to consider is : What is the position which the British Empire takes with regard to matters of the sort ? We all know that Great Britain is the champion of the open door ; that the great empire of which we form a part has always made it her boast, that her territory is open to the citizens of every country ; that her territory has afforded a home and a livelihood to the people and even to the exiles of all other countries. We have also to take into consideration the questions that have more particular reference to the Japanese. As a people the Japanese have made great strides in civilization ; or rather, they have always been a civilized people, but have improved their civilization ; their ports have been opened to Europeans, and they have profited by the intercourse, and they have adopted the methods of European powers : their course in the last few years has been one of extraordinary and gratifying progress ; they are accredited to all civilized powers. We all know that instead of clinging tenaciously to ancient laws they have adopted laws based on the laws of England and the civil laws of Rome. They have adopted a constitution ; their form of government is similar to our own. In international intercourse and courtesy they have been guided by high ideals, which I am free to say cannot be improved, being founded on the course adopted by our own great Empire. The course of events in the east is tending towards the civilization and the opening up of the great Empire of China : any general Chinese war will inevitably be followed by the adoption of our industrial methods and the spread of our commerce in that country, and return commerce will be conducted in the near future on European methods. So far with regard to China. With regard to Japan, that has all taken place : Japanese merchants trade with our merchants ; not content with existing facilities by foreign vessels they have established a line of their own, as fine a line of steamers as runs on the Pacific Ocean, running from Seattle to Japanese ports. It is freely stated, by men who know, that the great development of late of the Port of Seattle is very largely due to the trade with Japan ; and it is well known that the trade of our own province with Japan is very considerable, coming by the Canadian Pacific Railway steamers and other ships. We all know that in the recent crisis in China the presence of Japanese troops substantially saved the situation. It was stated in the *London Times* that the missionaries received protection and assistance from the Japanese. And how did Japan act at a period when other people stood aloof or attacked us, not by force of arms, but in insidious ways exhibited their animosity. Japan truly exhibited a wise attitude of friendship towards us. And what was the spirit displayed by the Japanese in British Columbia at the time troops were being raised for South Africa ? They offered to raise and equip a corps from among their own people, and send them to South Africa. It was considered by the Minister of Militia wise not to accept the proposition. Now, it is an understood principle of international comity that when one nation opens its ports freely to the people of any other civilized nation, the other nation shall act on the same principle. It is a rule of practice, although it may not be an absolute obligation. No rule of international courtesy can be said to be an absolute obligation. We all know that fair and even-handed reciprocity is not always dealt out ; and that the directing principles in accordance with the doctrine of even-handed reciprocity are not always recognized, but we should assume that while as a nation we receive courtesy and friendly intercourse and welcome from another nation, that imposes some obligation on us to refrain from legislation directed against its people.

It seems to me necessary first to take a view of the condition of British Columbia. It is the best of all the provinces in Canada. It is the richest in material resources—forest, field and flood, its metaliferous ledges and mountains all contribute to its prosperity. It is also a province in which the working man has a wide field for the application and development of his skill and energy. At the present moment the wages of workmen



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here are infinitely greater than in any other part of Canada. That arises from the condition that, besides employment to be found in all the great staple industries, there are hundreds of opportunities for individual effort, almost limitless opportunities for improvement and advancement held out to every man who comes here. Because of the wonderful resources of the province, large sums of money have been spent in each year to bring skilled workmen from England and from eastern points. These men have invariably jumped at the tempting offers they received and the opportunities presented of bettering themselves; but it has invariably been found they were not any too willing to fulfil their obligations. In the case of Mr. Dunsmuir the experiment was made at a cost of something like \$15,000 of substituting white men for Chinamen in his coal mines—not under pressure of laws or of public opinion, but because he wished to try the experiment. The men were brought here, and as the evidence shows, thinking they could do better on the other side, left, and left their obligations unfulfilled. The experiment was profitless to those who spent money upon it. That, of course, is an extraordinary condition of affairs. It is a fact that in this province there are vast undeveloped resources; that, while apparently there is money to be made here, capital is very chary of investment; it is a hard matter to get enough capital to keep the established industries afoot, owing to the high cost of labour. It affords food for serious reflection. We all know there are highly valuable mines in the province, that if worked would average from \$10 to \$15 a ton; and we all know that, owing to the high price of labour, there are only one or two paying mines working to-day; and the difficulty is accentuated owing to the scarcity of labour. In the first place it is hard to get, when got it is extremely expensive—\$3.50 a day in the mines, and the labour is of an unsatisfactory character, owing to the extreme independence of the workmen. They have great advantages, and they are difficult to control. They are here to-day, and away to-morrow, and it is almost impossible to carry on the industry.

Now, the Japanese at present are not very great in numbers according to the best estimate I can make—something about 6,000 Japanese are now in the province; but I do not put that as being very important, because it may be said, well Japanese will come in in the future; it is possible more may come, most of whom—about 2,450—are engaged in fishing, and the remainder are workers in mills, or in other industrial enterprises, a considerable number of farm labourers and coal miners, a small but increasing number of domestic servants, also a sprinkling of merchants in the different cities, and a few handicraftsmen, including tailors. Now, it has been suggested among other things by my learned friend, Mr. Wilson, that no industry has been called into existence by the presence of these people. Well, that may very well be. It is not every day that an entirely new industry is discovered in the world. Most of the industries in the province have been started years ago; and the question is whether we have been able to develop those industries by cheap labour, which the Japanese offer; and there is also a more important question, whether the industries which are at present in our midst could stand were we to withdraw that class of labour. If they could not stand it would be most disastrous to the province, and to the country, to attempt its exclusion. Now, the main industries of the province are the lumbering and fishing—including the canneries, mineral mining and coal mining, the metaliferous mines being very rich—and the cultivation of the land. What I am now arguing I am arguing solely from the standpoint of the interest of the country. I am not at present considering the question whether it is in the interest of the white workmen of the country who say the oriental should be excluded. Upon that point I hold very strong views; I hold the opinion that the exclusion of the oriental would be distinctly detrimental to the white workman in the province. That is a question upon which there may be more competent judges than I am. It is for political economists and the statesmen of the country to decide. It does not at all follow because one body of men say it is so that it is so. Now, with regard to the lumber industry, it is a curious fact that the white men who are employed in the lumber industry in British Columbia, take them man for man, are better paid than men in similar places to the south of us—that is to say, in the State of Washington. Now, it has been put by some people that the reason of that is that it is an economic law that the cost of living regulates the scale of wages. I submit the view that this is only so in

thickly populated districts where there is plenty of labour offering—where labour is fluid. Wherever that is the case all you have to do is to find out, to ascertain the lowest possible cost at which men can live; they compete with each other to that point, down to the starvation point; but, however much that may apply in England and in some parts of the great nation to the south of us, we find that it does not apply in this province. We find there is not a single industry in which any class of labour in our province is forced to a living wage. We find, in other words, that the rate of wages for ordinary unskilled workmen in this province is about \$2 a day. It is quite true there are in certain industries, certain classes of work which there is no necessity for the white man to do at all, which are undertaken cheaper by the oriental than the white man; but even with regard to the orientals they are not for a moment forced down to a living wage. If the orientals were to work for what is to them a living wage, that might be an injury. We all know these men get from \$1.00 to \$1.50 a day. This province is always spoken of as a place where it is expensive to live. Ordinarily speaking, and in the proper sense, it is not expensive; but it is a place where ordinary workmen are not content with ordinary, humble fare, but live at greater expense than the same class in the east. Carpenters here get from \$3.00 to \$3.50 a day; they live up to their income, and live expensively. The staples of life are not, in a broad sense, more expensive here than anywhere else. I refer to that merely for the purpose of showing that while it is said that workmen are paid less in the State of Washington because they can live cheaper over there, my own view is that they cannot live cheaper over there. With regard to the staples of life, such a place as Seattle is more expensive; while some things may be had cheaper others are a great deal dearer. To return to that, Mr. McNair, who was a witness of the greatest importance, because his firm has mills on both sides of the line, he is in a position to speak about the matter. He says they do not pay as much to their labour in the United States, where they employ only white labour, as they do here; and he also said, if you will remember—and it was corroborated by every witness who spoke in the lumber trade—that it is the case here, that they are enabled to employ a certain proportion of cheap labour, at a lower rate per month, manual labour in the mill—that thereby they are enabled, having the rough, unskilled labour at a cheap rate, to pay the white men who occupy the positions requiring superior skill in the mills, better wages. The white men exceed the orientals in numbers, and those white men are better paid than they would be if only white labour were employed in the mill. The whole question is an economic and commercial one. There are large mills to the south of us who make of this province a slaughter market for their over-production. It is unfortunate our own lumbermen are not protected even in their own market. The result of that is, both with regard to the export and home trade, that they are driven into unequal and, therefore, unfair competition with the mill owners to the south of us. The consequence of that is, in order to live, our men over here, our manufacturers, are of necessity compelled to keep their expenses down to the same figures as those of the manufactures to the south of us. They point out that manufacturers of lumber in the United States have the advantage of us in several respects. They have a great home market, from 70,000,000 to 80,000,000 people, with no customs wall. Then they have the advantage of cheaper machinery. We know that in practice as to machinery here, a great part of it is brought from the United States, and that almost everything that enters into the cost of production is cheaper over there, except logs. That being the state of affairs, it is necessary that we should obtain, in some respect, advantage—and that one respect is the matter of labour, at least they would like to have it so; but in point of fact they do not get that; so really it is a wonder they can continue to live at all; and we are not surprised to hear, one after the other, come up here and say they are not making money at all, that it was a hard matter even to keep the mills open until within the last year or so, when things have been a little better. Now, that is not the worst of it. They might manage to get along without the orientals if they had a class of white labour in such numbers that directly an opening offered it would fall in at a reasonable wage. Now, there has never been an offering in British Columbia of a body of white labour to fill the places as they become vacant, with the labour market in a fluid condition; so that, for instance, if a mill wanted 100 men they could get them. I am referring to the

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sort of labour which is required from day to day, the lower class of labour which some exigency or rush of business may require in a larger number. Now, there is no fluid white labour offering in British Columbia to fill such an exigency as that.

Then Mr. Alexander gave evidence, which you will remember. He put it strongly and clearly; he said it was absolutely necessary that this cheap labour should be employed in the mills here, so that the larger proportion of white labour should be kept busy. Then Mr. Hackett tells you that for two years he tried to run with white labour only, but he could not keep it up, and he had to get cheap labour of some sort. Then Mr. Heaps said—I still refer to the Report of the evidence in the newspaper—some of the machines at which a man could earn from three or four dollars a day were idle because of inability to procure sufficient white labour of the lowest kind. Now, every one of those manufacturers has pointed out to you that while the proportion of Japanese employed is relatively small compared to the white that the proportion of wages paid to them was still smaller in proportion to their numbers. Now, it seems to me to be clear then, if we are to accept the statement of the saw mill and shingle mill men, that under existing conditions they are unable to get along without that class of labour; and, taking into consideration that these men are not afforded protection even in their own market, by the government, that this is made a slaughter market for American over-production, I urge that it would be an exceedingly cruel thing, and one which ought not to be contemplated for a moment, to debar them from the employment of this cheap labour. Of course it is a question whether it would be any advantage to our own white workmen to make the alteration, when the conditions are such, when the competition in the market is such that these mill men cannot afford to pay more wages. If that is true, if they are obliged to employ white men, who cannot be got for less than two dollars a day, and very few at that—the average white man cannot be got for less than \$2.50 a day, because of his peculiar position of independence here, owing to the great opportunities offered him because of prospecting and mining and other things.—I say if these mill men were compelled to hire white men for the lower class of unskilled labour at these wages, they would have to go out of existence. Isn't it better to have the mills here under such circumstances that they can exist and employ a large number of white men? Isn't the advantage largely in favour of leaving the thing as it is—and that is it not absolutely impossible, from an economic standpoint to alter it; and is it not folly to suggest there is anything injurious to our own people in the condition as it exists?

Now, in regard to the cannery business, I am not interested in that, except in so far as it relates to the fishing. The Japanese are fishermen. The cannery men say they cannot get along without the Chinese inside the canneries. The suggestion is that there are too many fishermen, and that the keen competition among them renders it impossible for them to make a living. It is to be said that the parliament of Canada, and you gentlemen as its advisers, are going to report—and make a law in this country having a wide international effect, because it will have the merely incidental effect of affecting or benefitting a few fishermen on the Fraser River, resulting in antagonizing a friendly people and inviting retaliation by restrictions in our commerce with the east. White fishermen complain there are too many fishermen on the river. Of course that is a matter which can be dealt with in the Fishery Regulations, supposing you come to the conclusion that it is true, that the interests of the province require that there should be fewer fishermen on the River—but that question is a debateable question—the cannerymen say that is not so—they prefer to have a good many on the river, because they can get fish at a cheaper rate. What the fishermen say is that there are too many fishermen on the river. That is a matter to be dealt with in another way. It is a very grave thing to think that the price of fish to the canners has kept up to a figure which renders it almost impossible for the canners to make money and that some of them have failed. It is said the reason of that is there are too many canneries and that they compete with each other for the fish. I am not prepared to say that that is not to the advantage of the country as a whole, their employing a great many fishermen and a great many people inside, and paying a good price for fish—much better than if there were fewer canneries. Then, in connection with that, it has been made a complaint against the Japanese that they build and sell boats. It is quite true that they build and equip



boats. It has been complained that they go into the woods and whip-saw logs and build and equip boats much cheaper than white boat builders. Now, that is an extraordinary complaint. These boats are sold to fishermen—they used to pay £150 for a boat which they can get now for \$60; it is quite true that some boat builders may be injured, but look at the advantage to the fishermen who get a cheap boat. I point out that one boat builder from Vancouver, who has introduced up-to-date machinery, who builds boats by modern methods—stated that he was not afraid of Japanese competition, that he could build boats as good and as cheap as the Japanese: so the only man who gets hurt is the white man who proposes to go on without any assistance at all from machinery and to build a boat. In the good old days, when they had not machinery or apparatus for doing that, in the good old days before the Japanese built boats, a man could go and buy lumber and build a boat costing \$150. The answer to that is, that it is not a fair price, and everybody is benefitted by the price to-day: a man can go and get a boat from the Japanese or from the modern manufacturer at a reasonable price. To say that the country is hurt by it, or that anybody is hurt by it, is simply absurd.

Now, then there are the coal mines. We went up to Nanaimo and from there we went to Union. In Nanaimo we found that no orientals of any kind were employed below ground there. In Union, on the contrary, we found some pits with both Chinese and Japanese. Now, it was observable that if any pit were to start now on the basis of all white labour as at Nanaimo, nobody would make money on it. For some years the New Vancouver Coal Company operating in that way paid practically no dividends: but last year it was screwed up to pay a dividend of three per cent; an interest that is nothing at all here, so it may be taken for granted, that that industry, if conscientiously run, is being run on a plane that will not pay, and certainly will not conduce to capital coming in to develop other coal fields.

CHAIRMAN CLUTE.—Where did you get that from? There is no evidence of that.

MR. CASSIDY.—With regard to the orientals being a source of danger in coal mining, as that has reference rather to the Chinese I will pass that over. I do not know it was said that Japanese were a danger to the men underground; I know that was said in regard to the Chinese. Of course it may be argued there is danger underground but if it should be attempted to apply that to the Japanese it does appear to me to be rather disingenuous. We know, we have been told, that the white men employ them underground themselves on contract work, and white men who can employ them never complain. It was shown in fact that in one mine, where they ran the whole mine exclusively with Chinese for some years, at Extension, they had no accidents. The oriental people are not more dangerous than white men: their instincts are such that they will carry on work with regularity and attention to safety much better than white men. The white man may have a wider range of thought, but it is possible he does not do his work with the same regularity and mechanical accuracy as of a machine as it is done by oriental people. That was their distinguishing characteristic, that if you wanted the work to be done with regularity and attention you could get the oriental to do it. Mr. Dunsmuir did his best to get white labour. It is within your knowledge that this question of whether he was to be allowed to employ oriental labour in his coal mines was determined by the Local Legislature in its wisdom saying orientals should not be employed underground. This was the subject of an appeal which was determined in Mr. Dunsmuir's favour by the British Privy Council. Having the principle determined in his favour, Mr. Dunsmuir turned around and said, I have shown you I am master of the situation, but notwithstanding that, I will voluntarily try the experiment, I will spend a great deal of money in doing it—for everybody knows that the real truth is when I turn the orientals out, instead of there being hundreds of white people about ready to work, there is nothing of the sort: I have to go abroad. He did go abroad, and imported a number of white miners, with the same result as has followed everything of the kind in British Columbia. The conditions were such that the men, having been brought out here in place of fulfilling their moral obligations to their employers and allowances made to them, went off, finding other work to do and left him in the lurch. There are so many good things in British Columbia that white labour is scarce here, extremely hard to get, and harder



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still to be depended upon. At all events, that was the result of it. Now, the next question is the question of the land. We have in this province as rich land as is to be found anywhere in the world, that is timbered land. We have a moderate, equable climate. The soil and all conditions are favourable to the growth of all the ordinary foods. Notwithstanding that, we import more than we produce, and the reason of that is, that the cost of clearing the land is so great that it is cheaper to buy your vegetables; everything you can get out of the ground in this country, that can grow in this country, it is cheaper to buy it in the United States and pay duty on it. Now, that state of affairs is very unfortunate. Unless some economical mechanical method of clearing the land is invented this condition threatens to continue. Everything has to be viewed from an economic standpoint. It is necessary to the success of the settlers, and of the capitalists who have invested money here, that the land should be cleared by cheap labour; and we know the Japanese offer their labour in that field not excessively cheap, but for \$1 to \$1.50 a day. The settlers cannot afford even to pay that. They go upon the land, which is heavily timbered; they pick out a little bit and endeavour to clear it, and go on year after year until they are nearly heart-broken. That is the reason why agriculture does not show as much progress as other matters here. It is necessary we should have the Japanese to clear the land. Mr. Robins, of Nanaimo, although holding strong views against the orientals, said he could not see how the land could be cleared without them. He is in a peculiar position; he has persuaded himself into the pleasant fiction or hallucination that he is master of the situation, and that the representations of the unions have no influence on him or are of little or no avail; that he keeps on the even tenor of his way without reference to them. Mr. Robins is one of the most diplomatic of men, and he is living on terms of the greatest friendship with the Labour Unions; they manage to get along nicely together. The labour union, substantially speaking, dictates to Mr. Robins what he has to do; but he is very politic, and seeks as it were by passive means, by putting forward his own side of the case, to get along with the union; but one thing he knows is that, considering the views and power of the union to which all his men belong, if he were to propose to employ cheap labour everything would be undone at once. Mr. Dunsmuir, on the other hand, is not troubled in that way; he goes on with his own white miners and deals with them directly as individuals; there is no union; the coal is got out by contract, by the white miners, who get the contracts; every one exercises his own opinion in the business; the white miner gets a contract to take out coal, he in practice usually employs an oriental to help him, and the two get along amicably and peaceably. Whether that is a good thing or bad, that is for the men to say.

CHAIRMAN CLUTE—How can you say the union dictates to Mr. Robins?

MR. CASSIDY—They have a strong union there at Nanaimo; and the attitude of Mr. Robins shows he is on such terms with the union that a certain consideration has to be given to their views; they are to have opportunity for discussion; and there will be no lockout until so many days elapse. I think it is practically manifest such a condition of affairs does exist.

CHAIRMAN CLUTE—The agreement is they will not strike without consultation with each other.

MR. CASSIDY—We all know perfectly well who it was contrived that arrangement; it was not Mr. Robins' Company at all; but they have got into that position there.

Now, my learned friend spoke of the economical and industrial questions, and the national and political considerations. I have gone into the economic and commercial aspect of the investigation I think enough. Now, with regard to the national and political, I suppose he means the social. Political only comes in in considering whether the Japanese should be allowed to become citizens of our country. That is with regard to the Dominion Elections; they are controlled by the Dominion; but not so with regard to the province. It is said they are a non-assimilable people. Now, it seems to me an entirely new doctrine that any country should prohibit from entering on its shores, and should prohibit from enjoying in the fullest degree the benefits of citizenship all peoples with whom one would not like to intermarry. Now, if that were adopted generally by nations it would result in a Chinese wall all round; it would be a retrograde movement,

and would delay civilization. The Japanese are an oriental people, because they live in the orient. It may possibly be there is some other line of division, in sentiment, between the peoples; but I apprehend to the Japanese women for instance, the white man can be no more attractive than the Japanese can be to the Canadian. Many people think the Japanese women are among the most charming of their sex. Some travellers in the east tell us that absolutely delightful is the courtesy and politeness of the Japanese women. If they came here and introduced many of their charming ideas among us, it cannot be said the Englishman would be against them. It would be disagreeable to find it necessary to exclude a people, to legislate in any way, with regard to a people who throw their doors open to us and welcome us as they do: it is contrary to the spirit with which one nation should regard another that a suggestion of the kind should be used as a pretext for turning away the citizens of a foreign country from our shores. That is not the true reason; but that they are injured in the wage question, and they desire to use every argument they can against the stranger. When you use the word 'assimilation' what do you mean? I say it just means reasonable assimilation, adoption of our laws, and our ideas, turning to our laws and institutions, friendly sympathy with us, ready to advance with us along the line of civilization and development. Are not the Japanese doing all that? They come here to Canada, they acquire our language, they aim to become citizens of our country. It has been suggested they become citizens only in order to get fishing licenses. I say that is not the case. It has been said that but few of them have a wish to live here; but it seems to me there is no objection to them on that ground. It has also been suggested, principally against the Chinese—I propose to say it does not apply to the Japanese—that they send their earnings out of the country. It is perfectly true there is a considerable margin between the wages he gets and what he lives on. The Chinaman is more frugal than the representative of any other nation. I do not consider it as a disadvantage to the country that he is frugal and economical: the result of the labour remains in the country. Has he got to spend all he earns in drinking whiskey, or indulging in any form of luxury? I do not put the Japanese on the same plane. He is not a frugal man; when he gets good pay he is like white men, he lives like white men. Rice is more expensive than potatoes. He eats meat and vegetables. I am sorry to say that of the offences charged against them drunkenness is the common one. Although that may not be a compliment to him, the result is that he spends his money in the country. It has never been suggested—I have asked the question over and over again—with regard to the fishermen, that there is any difference in cost between the equipment of the Japanese and that of the white fishermen. The only exception is that the white men eat potatoes and the Japanese eat rice, all other supplies they use equally. It is a difference in point of taste, and that is all there is in it.

Now, it is said that the presence of the Japanese in this province is keeping out of the province a desirable class of white settlers who would otherwise come in. Now, what is the desirable class we desire to come in? What we desire is cheap labour. This province can afford to pay high wages to all classes of skilled labour, and it does pay it. But, besides that, there is a large class upon the presence of which is dependent the development of our resources; and we do know the resources will never be developed until we have more labour; it is necessary there should be a considerable body of cheap labour, or rather of the lower class of labour; and that is the class it is desirable we should have come into the country. If it were so that we could get white men to come here and work for \$1.00 or \$1.25 a day we would welcome them with open arms, but you cannot: the moment you bring into this province a man from Quebec, Montreal or Toronto, he immediately becomes a \$2 or \$3 a day man. That is the lesson taught by the experience of those who have imported labour. In other words, he finds that, because of his equipment and intelligence, and being able to take advantage of the conditions out here, he can get more than at home. The fact of the matter is, if we could get into the province a large body of cheap labour, the effect would be to bring under cultivation a large part of the land, new industries would be started, and in the end we would be able to pay better wages than at present, and employ a great many more white men.

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Now, it is said that it is important to consider whether we are not laying up for ourselves a race question. In the United States there is the race question with the negro in that country. The reason of that is the negro settles down on the land; they are a prolific people, and their numbers are growing more rapidly than those of the white people alongside of them. But the very thing that is charged against the oriental is the very thing that may be alluded to as preventing any such thing in this country. I grant you if they came here and settled on the land with their families, and increased, it would be a serious matter for the white man; but they come here and give us the advantage of their labour at a reasonable rate; the results of their labours are left with us; but that they go back to their country again seems to me to be a great advantage instead of a disadvantage.

Now, it is quite true that, from the standpoint of the statesman and the nation builder, it is very important we should have a large class of kindred people who will build up the country. I do not see that progress in that direction is retarded in any degree by the presence of the orientals. My view is that the population of the province is so small that we have a need for cheap labour, thus enabling industries to be developed; the effect of that will be to afford a larger field for white men and their families, of such a class as will be most desirable. That we wish. Down in Quebec, where you pay \$1 and \$1.25 a day for work on the railway, where you find large gangs of white labourers earning a very small wage, do you find among them this better class who will best build up this province? I think not. In other words, where you find cheap white labour fluid in large masses, as in railway gangs, we generally find the men to be low class Europeans and not likely to settle down and build up the country. In other words, the settlement of this country must always be by prosperous people who get their \$3 and \$4 a day, and can keep wives and families. I mean to say the existence of cheap labour here, by opening up the resources of the country, very largely opens up situations for people of the sort we want to get here.

The charge which appeared most attractive to the opponents of the Japanese, next to that of their competition, lowering the rate of wages, was that it is inadvisable to permit any considerable part of our working population to consist of an alien race, who cannot assimilate with our people, partake of our political and national life, or constitute a class of settlers which we would desire to become the parents of future generations of our people. If there was anything in the nature of a general substitution of Japanese for our own people I think there would be a great deal in this argument, but it is really an academic question. It is entirely contrary to international usage for civilised nations to exclude foreigners, who come to their shores in order to contribute their labour, or skill, or enterprise to the country of their adoption. I may perhaps except the United States and some of the British colonies with reference to Chinese immigration. While there can be little doubt that a country which receives foreigners is benefitted thereby, it is questionable whether it would, in all instances, be an advantage to that country for the strangers to assimilate, either by intermarriage or by taking a share in the control of its affairs, by voting or otherwise. My own opinion is that an assimilation, in the sense intended by the objectors, would be a disadvantage, and that the fact that the strangers for the most part elect to go home after a certain period, is an advantage to both nations.

Now, who are the men responsible for the oriental agitation? An anti-oriental agitation has been continuously kept up in this province for the last 15 or 20 years, originally directed against the Chinese; but the Japanese, who have come to our shores in considerable numbers during recent years have been included as objects of attack, and it may be said, so far as the agitators are concerned, without any discrimination between the two peoples. It has become well understood by politicians and representative men generally, in this province, that an attitude of hostility to oriental immigration of all kinds was essential to popularity. During all this period there was a large body of most influential business men in the province who gave practical recognition to the advantages conferred upon industrial and commercial interests by the presence in the country of an element which supplied forms of labour necessary to the development of some of our most important resources. This labour was not only cheaper, but in its



class, better and more reliable than that offered by our own people. As will be readily understood the anti-oriental point of view obtained copious and often violent expression on all hands: in the newspapers, on the hustings, and through the action of the legislature. It is more than doubtful whether these expressions did not outrun sincerity, as there is no cheaper method in this province of acquiring political capital than by abusing a non-voting class who are obnoxious to the labouring classes of our own people, who have the control of political power. The business men of the Province who directly or indirectly gain advantage from, or use, oriental labour, and also the large class of men who recognize its value to us as a community, have always kept silent, and the facts and arguments which would support their point of view have not been presented to the public, and these facts and arguments have been elicited by this Commission. The opportunity of discriminating the position of the Japanese from that of the Chinese in this discussion has been an unmixed advantage to the former. I do not mean that the distinction has not always been present and appreciated by the class to which such distinctions appeal. The labour unions broadly speaking embrace the whole body of artisans and skilled workmen, and they put forward that their position is injured and going to be destroyed by this cheap labour. That seems to me to be one of the most extraordinary views of the whole affair. The evidence is before you with regard to the skilled organizations. I have much sympathy with the organizations and their purpose. The artisan organization of Victoria includes all the trades. No oriental is permitted to be a member. In dealing with employers of labour they make it a 'sine qua non' that no oriental should be employed. The result is they have the field entirely to themselves: and we also find that they are better paid than any other artisans in the Dominion of Canada. The reason of that is not far to seek. A man who undertakes labour at the price of the oriental is ostracised, even although the employer is unable to pay more; they fix the wages at as high a point as the thing will stand; but to suggest that that is a disadvantageous situation to the artisans is absurd. The employment of the oriental in British Columbia is a distinct advantage to these men. We all know that this is largely a sentimental matter. We all know they have their leading lights, who formulate their opinions: they have come to the conclusion that this province is not in a desirable condition, and that that is owing to the presence of the oriental. I say the province is in good condition. There is no single place labour is more independent than here. The great difficulty in Rossland arises from this, — the men, led by these union organizers, get extravagant ideas of their rights, and advance and insist on those: if their demands are not at once acceded to, they are so independent that just at the critical moment they turn round and strike, and throw the whole thing out of gear. The point I make is that they could not do that if the conditions were not such that they know they are quite safe. The labour conditions are such in the province that there is lots of room for them, there is no scarcity of employment.

While the view of the white workman is perfectly sincere, it is entirely mistaken. The relatively cheap and efficient Japanese labour available improves the position of the white workman. The employment of the Japanese does not decrease but increases the field for the employment of white workmen. The ability to obtain cheap labour for the lower but necessary classes of work greatly assists the development of our resources and renders possible enterprises which could not otherwise be undertaken, and such industries employ not only Japanese and Chinese at a low rate of wages but also employ large numbers of whites at a higher rate of wages, and the whites otherwise would not get that employment. The employment of Japanese does not decrease but increases the rate of wages obtainable by the white workmen. Owing to the competition to which our industries are subjected, both at home and abroad, but chiefly to that of the United States manufacturers and producers in the foreign markets to which we send out staple products, the cost of production in our industries is not a matter subject to our own dictation or control, and only a certain fixed proportion of that cost can be devoted to wages. It is obvious that the smaller the sum paid to the lower or oriental classes of employees the greater is the sum which any given industry can afford to pay to its higher, or white employees, and the nature of the pressure on the part of the employee under modern conditions is such that, broadly speaking, the sum paid in wages is either the



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full amount or very close to the limit which the particular industry can afford. So that if it were not for the presence of the orientals in this province our own people would occupy all the positions in a smaller and less developed number of industrial enterprises, and compete with each other for the better places in them, while, as it is now, they lose a number of the lower class of places, and retain and greatly increase the number of the better class of positions open to them, and the country as a whole derives great advantage from the increased area of development. It is clearly indicated, as a matter of fact, that the British Columbia white workman is not only the best paid workman in Canada, but he is better paid than his brother immediately to the south of us in the United States.

The principal objectors to oriental immigration are the organized trades and artisan unions in this province, and while they are quite sincere in their very strong resentment against the oriental, I am satisfied that, even if it is not correct, which I think it is, that the presence of the oriental is advantageous to the white common labourer, there is no doubt that the presence here of the oriental is a distinct advantage to the men who work at skilled trades, and it must be remembered that the members of labour organizations belong exclusively to skilled trades of one kind or another, for it has always been found, in practice, impossible to organize common labour, and the voice of the common labourer is not heard nor are his views given effect to, to the same extent as is the case with regard to the workman in skilled trades.

The trades unions have two principal objects: To keep up the rate of wages: to keep, each after its kind, its own field of labour from encroachment by outsiders. With regard to the rate of wages, as I have already pointed out, the evidence indicated that the skilled workman received more because of the cheapness of the oriental common labourer. With regard to the exclusive occupation of the field open to skilled workmen, one of the principal difficulties with which members of that class have to contend in new countries, is the pressure from below of men of their own race who have come to the country without a trade, but having a certain amount of skill in some particular direction, offer themselves as artisans at a lower than the current rate of wages, and, as public opinion and the numerical weight of the white labouring men thus desiring to encroach upon the richer field prevents any attempt on the part of the unions to suppress those intruders of their own race, it is obvious that the substitution of a large body of white common labourers for the orientals now employed would be less advantageous to the members of the trades unions than the conditions which now exist, for the unions have been up to the present quite strong enough to protect their own field from incursions by the orientals, and they are thus enabled, and it is their rule, to insist both upon a minimum rate of wages and that orientals shall not receive employment along with themselves at the work of their different trades; so that the trades unions are really masters of the situation to a much greater extent in British Columbia than in any other part of Canada.

The point was made with some success against the Chinese that their personal habits, more especially in regard to over-crowding and unsanitary practices, constituted a menace to the health of the community, but the evidence did not sustain this charge as against the Japanese. There were a few instances of over-crowding in boarding houses following the arrival at the same time of large numbers of Japanese from trans-pacific steamships on certain occasions, but the difficulty was in each case of a most temporary nature and there is not, in any city in British Columbia, any crowding of Japanese into an exclusive quarter of their own as is the case with the Chinese. The well known fact that the Japanese are a particularly cleanly people in their personal habits, and perhaps more fond of bathing and washing than are our own people was brought out.

It is asserted it is a very wrongful thing for a man to come from abroad and enter into the tailoring business and to turn out clothes so good in style and fit that they enter into competition with older establishments in the country. There are very few Japanese tailoring establishments in the country—two or three in Victoria, and the same number in Vancouver; but the principle of the thing is—it is wholly without relation or precedent—that the country should say that people who are artists, who come

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to our shores and enter into competition with our native born artists, buying their cloth from our wholesale houses, should be prohibited. It is not a wage question. They are entering into competition in something they can manufacture. We have all heard there is not such a great difference in the cost. Perhaps they are satisfied with a little less profit on their product. The real reason why they can do that is, they are not controlled by the labour unions. All clothes are enormously expensive in Victoria; you have to pay from \$35 to \$38 for an ordinary suit of clothes; and a great many people, it is said, who ought to know better go to Japanese tailors. The next thing that is subject of complaint is that the Japanese go into ladies' tailoring. Now, that is purely artistic. The humble and middle class of people do not indulge in ladies' tailoring; it is your swell who wants to cut a little figure who goes in for that. Do you know why some lady is doing that? Is she doing it in order to save a dollar, or anything of the kind? Not at all. She goes to the Japanese because he is an artist. There is a great deal of the spirit of bigotry about. It is put forward by a great lot of people that the Japanese are coming in here and running away with the trade. I do not think there is a word of truth in it. We all know that in England, when the Huguenots were turned out of France, and they sought refuge in Britain, it was felt to be a great advantage. I do not think myself there is anything serious in the complaint about the tailoring.

Thanking you very much for the careful attention you have given to the evidence throughout, and to the views presented on behalf of the Japanese, I can only say in conclusion it seems to me utterly impossible, that it would be impossible for any commission to say that the presence of the Japanese is detrimental to the country, or that they are a menace to us in any way. The Japanese are a people who live like ourselves; they do not hurt the country.

And now, one thing before closing: and that is, that it is clear the Japanese government is perfectly alive to every consideration that may be urged in this matter; and, being one of the great nations now, their country being represented at the courts of the leading nations of the world, they are ready to entertain any views that may be suggested with regard to the traffic between their country and ours, either with regard to immigration or anything else. It is impossible to suppose that on any such pretexts as are put forward, the parliament of Canada would pass an act against the Japanese,—in other words, to affirm that that would be the proper way of dealing with any difficulties there may be. It is impossible to suppose that that is the proper way of dealing with it. I leave the matter in your hands, quite sensible that you will take everything into consideration in reporting your views to the government.

## REPORT OF THE UNITED STATES COMMISSIONER APPOINTED TO INQUIRE INTO JAPANESE IMMIGRATION.

*(Exhibits are published only in U. S. Report.)*

SAN FRANCISCO, CAL., April 24, 1899.

The Commissioner General of Immigration,

\*Washington, D. C.

I have the honour to report that in pursuance with instructions by letter No. 17288, hereto attached, directing me to proceed to Japan via California for the purpose of investigating the subject of Japanese immigration into the United States, that I sailed on the steamer *Coptic* on November 29, 1898, and landed in Yokohama on December 18. I was employed in Japan in pursuance of the duties assigned me for ninety-seven days. During that time I visited the provinces of Sagami, Mushi, Owari, Yamashiro, Setsu, Kii, Bizen, Aki, and Suwo. Among the cities visited and where I pursued my investigations were Yokohama, Tokyo, Nagoya, Kyoto, Osaka, Wakayama, Kobe, Okayama, Hiroshima, and Yamaguchi. I did not visit Nagasaki for the reason that very few emigrants embark at that port. After completing my inquiries,

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I sailed from Yokohama on March 25, 1899, on the steamer *Rio de Janeiro*, and landed at this port on April 13.

The provinces visited, with the addition of the province of Kyushu, covers the section of Japan in which the greatest activity in regard to emigration prevails. However, emigrants come from every province in the Empire.

In connection with this report, I submit 34 exhibits as a part thereof, which, with the facts falling under my personal observation and imparted to me by reliable persons, form the basis of fact and argument herein and conclusions deducted therefrom.

The government of Japan, until comparatively recent times, was feudal and paternal in its character, and it naturally followed that after the Japanese renaissance, which period may be fixed as beginning with the reign of the present Emperor, the new institutions of the country took on many features of the old, and among these relics of mediæval times is the paternal principle that the subject cannot sever his allegiance from his sovereign. It naturally followed after the opening of Japan to foreign commerce, which begat an idea among its people for foreign travel, that the government provided regulations for the care and control of emigration abroad, which are characterized by many features of the feudal idea of allegiance or paternal duty on the part of the government in its relation to the subject, and which are now being used by designing men for the promotion of money-making enterprises. This is due to the ignorance of the mass of coolie farmers and the complicated system of granting passports.

Under the Japanese law every subject is registered in his native prefecture, which he may not leave without permission of the authorities and from which he, or she, must obtain their passports, when they desire to emigrate. (*See* the exhibit citing the regulations of several provinces in detail.)

Inasmuch as the government claims the perpetual allegiance of its subject, it grants a passport, limited to three years, and I was informed that a large part of the emigrants who thus go abroad return to their native land sooner or later, and consequently few Japanese, and indeed I may say none, come to the United States with a view to remaining or making homes, the theory of their emigration system being for the promotion of emigration as an educational process and money-making investment for a temporary period, the profits of which accrue jointly to the promoter and to the emigrant, the Japanese empire being the recipient of what may be described as the unearned increment through its people that thus go abroad, through their contact with more enlightened people, and by reason of the accumulated capital, which they return to their native land. It is through the tenacious allegiance which the subjects of Japan yield to their sovereign that the promotion of emigration becomes a reasonably safe business.

It is a feature of the construction of the Japanese law regulating emigration (*See* Regulations, Exhibit No. 1) that in providing the same the government has acted upon the theory that the character of the Japanese abroad will be taken as an index of the character of the nation at home. Hence these regulations provide for the careful inquiry into the character of those going abroad and also requires that provision shall be made for the return of the emigrant, in the event that he becomes sick, or a public charge in a foreign country, before passports are granted. These features of the Japanese law, regulating emigration and the granting of passports, are very well in themselves provided they were honestly enforced, and provided the Japanese people stood on an equal footing with the people of the United States in a moral, economical and educational sense, especially as to the value of their labour, making the act of emigration, in the nature of things, purely voluntary, they would be highly commendable. But there is an abundance of evidence going to show that the average Japanese village official and policeman, who practically pass on the qualifications of emigrants, is but little superior, if any, in point of morals to the average coolie farmer. Consequently, the performance of their duties is at most perfunctory, while the possibility of gain through the emigration companies, of which I shall hereafter treat, renders their investigations and reports of little value.

Upon this point, I was informed by various persons, it is desirable for the emigrant to go under the auspices of the emigration companies, because these companies smooth the way with the officials and, as some say, are influential. The emigration companies seem to be attached to the system, to which I have above alluded, by the laws making



provision for their organization. They are designated in Japanese 'Imin Toriatsukinin' and are authorized to make provision for the assisting of the emigrants abroad, provide security for the emigrants' care abroad required by the law and return in case of sickness or indigence, and in the performances of these services they engage in furnishing contract labour to such countries as permit it and otherwise contract with the emigrant for the services to be performed by them of a personal character. For such services they receive from the emigrant certain fees, ranging from 10 to 20 yen per capita.

These companies were first organized as ordinary partnerships, but later were brought under the control of the government, and are now operating under the law described, enacted in the twenty-ninth year of Meiji, 1896. (See Exhibit No. 1). In general, these companies, of which there are 12 in all (one new one having been organized while I was in Japan, to wit, the Okayama Emigration Company), are required by the government to deposit certain moneys as a guaranty that the business transacted shall be strictly in accordance with the provisions of the Imperial Ordinance, the agents located abroad being subject to the approval of the government. They have an aggregate capital stock of 558,999 yen, distributed as follows:

Company.	Place of Business.	Capital Stock.
		Yen.
Kobe Toko Co. ....	Kobe.....	30,300
Nippon Kissa Emigration Co.....	Tokyo.....	100,000
Kaigwai Toko Co. ....	Hiroshima .....	60,000
Shin Morioka Co.....	Tokyo.....	8,000
Nippon Emigration Co.....	Kobe.....	50,000
Kyushu Emigration Co.....	Kumamoto.....	50,000
Tokyo Emigration Co.....	Yokohama .....	20,000
" .....	Tokyo.....	100,000
Kosei Emigration Co.....	Wakayama.....	50,000
Kumamoto Emigration Co.....	Kumamoto.....	40,000
Imperial Colonial .....	Okayama.....	30,000
Okayama (new company: capital stock unknown). ....	" .....	

Six of these companies have agents in the United States and Canada as follows:—

Company.	Agent.	Residence.
Kobe Toko Co.....	Takijiro.....	San Jose, Cal.
Nippon Emigration Co.....	Tanichi Takaya .....	San Francisco, Cal.
Kaigwai Toko Co.....	Kisuke Hamano.....	"
Shin Morioka Co.....	Taniche Takaya.....	"
Kosei Emigration Co.....	Tekiehe Nishihata.....	"
Tobe Toko Co.....	Kinsuke Takahashi.....	Vancouver, British Columbia (Columbia Avenue.)
Kaigwai Toko Co.....	" .....	" " "
Kosei Emigration Co.....	" .....	" " "
Kyusku Emigration Co.....	Kwanichi Kayashi.....	Vancouver, B.C.
Nippon Emigration Co.....	Massataro Mito.....	At or in the neighbourhood of Victoria, B.C.
Horishima Emigration Co.....	Minami Jinnosuke.....	San Francisco, Cal., 529 $\frac{1}{2}$ Geary street.
Kosei Emigration Co.....	Y. Nishibata.....	" " 260 $\frac{1}{2}$ Brannan street.

These companies have offices at all important emigration centers, but at the present time Hiroshima seems to be the chief center of operations. I have found nine branch



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offices in that city. (*See* Exhibit No. 1.) The character of the organization maintained by these emigration companies for business and political purposes may be inferred from the fact that in Tokyo they have an association of emigration companies located at Yamashiro cho (street or line) called Kyobashi, which is in the nature of an emigration board of trade. The offices of these companies are well equipped for business purposes and have the appearance of being well supplied with employees and clerks. The managers and stockholders are among the leading business men and politicians of Japan, and are a formidable power when co-operating together. Among the capitalists and politicians thus interested is Mr. Suguwara, who is a member of the lower House of Parliament and editor of the *Jimin*, the leading vernacular newspaper of Japan, published at Tokyo. Mr. Suguwara spent several years in Idaho, where he had extensive connection with railway contractors, and presumably laid the foundation of his fortune. I met others connected with these companies, whose appearance showed them to be men of position, and I was informed at Hiroshima that the gentlemen I met there were among the leading capitalists of that city. (*See* Exhibit No. 20.)

I find that the emigration companies all advertise more or less in the newspapers for contract labourers, designating them to go to Hawaii, Peru and Mexico, and that in a general way they advertise through circulars, pamphlets, and by means of travelling solicitors for emigrants going to the United States. (*See* Exhibits Nos. 2, 3, 4, 5, 6, 7.)

In this connection, I desire to call your attention to the circulars and emigrants' pamphlets of the Koesi Emigration Company and the Kobe Toko Emigration Company. (Exhibits Nos. 2 and 33.) I heard of advertisements of a similar nature by other companies, but I found it impossible to obtain copies of them. The documentary evidence herein presented, as a whole, shows that the business is vigorously and aggressively prosecuted through personal solicitation of agents, whose earnings depend on their zeal and success. This is particularly brought out by the fact, which clearly appears, that the emigration companies are all provided with blanks for obtaining passports, which they naturally would not keep on hand unless it was profitable to do so.

In fact, the evidence herewith presented, and all circumstances connected therewith, and which fell under my observation, tend to show and, in my opinion, establish beyond a reasonable doubt that the capitalists interested in these companies have taken advantage of the law for the protection of emigrants to build thereon a system which has no parallel. The system presents an interesting study in the linking together of money-making enterprises, which must obtain their profit through a common source. Agents of the steamship companies and emigration companies do not occupy offices together. They are, nevertheless, very closely connected through the brokers and hotel keepers, and it is hard to draw a line of separation of interests. Many of the hotel keepers are emigration brokers, and nearly all brokers are intimately connected with the emigration companies; while it is safe to assert that if the steamship companies were to establish and maintain a fixed rate for steerage passage, it would cut the profits of the brokers, hotel-keepers and emigration companies 50 per cent and it seems to me conclusive that if it were not for the existence of the emigration companies and these agencies, for the collection of emigrants to go abroad, the profits of the steamship companies would be materially reduced. By their present methods the steamship companies, whether intentionally or otherwise, clearly offer inducements for the emigration companies to solicit the emigrants; both being large capitalized enterprises, that have a mutual interest, which is inseparable, as long as they are allowed to exist side by side, the one to obtain fees from emigrants and the other to receive steerage passage. (*See* Exhibits Nos. 7, 8, 13, 28.)

The emigration company is exploited as a beneficiary institution and a similar argument is made in their favour by high officials of the Japanese Government (*See* Exhibit No. 9), but if any number worth mentioning has been returned to Japan by the emigration companies, I have been unable to discover the fact. (*See* Exhibit No. 1 and the statements of the officers of the emigration companies and Kensho.) However, if the term 'beneficiary' is made to apply to the filling of the pockets of the stockholders of the emigration companies and others interested in the movements of emigrants, and to the fact that the system affords a splendid means of getting rid of a congested popu-

lation, then in that sense it is eminently beneficiary, because it is a matter of general repute that they are the most profitable enterprises in Japan. Great stress was laid by Japanese officials, with whom I conversed, upon the fact that the Japanese Government requires every emigrant to provide sureties to provide for his return to the country in case of need, before granting a passport. This fact is pointed out by a Mr. Shimamura. (*See* page 14, Exhibit No. 9.)

The system may be a benefit to Japan, but I deny that it is an advantage to other countries. The aged and decrepit cannot emigrate, and the percentage of those who do and become paupers amounts to nothing. This is shown by practical experience, while on the other hand their laws are so strict that they defeat their own purposes. It is a well known fact in Japan, and clearly appears in nearly all the exhibits hereto attached, that it was the difficulty experienced by the coolie class in obtaining sureties and obtaining passports that suggested and built up the emigration companies. (*See* Exhibits 7, 10.) There are really no fixed rates of Japanese steerage, so that the steamship companies if not voluntary parties to the system described are made involuntary contributors to the emigration companies and emigration brokers. (Copies of the so-called free contract, issued by the emigration companies for emigrants going to the United States and Canada, furnished me by the foreign office in Tokyo, are attached as Exhibit No. 1.) It will be noticed in the statement of Kencho or prefecture officers and emigration company officers that they all declare that these free contracts are not now used in connection with emigrants going to the United States.

It strikes me as rather peculiar, however, if this is true that the Japanese minister of foreign affairs in transmitting these blank contracts and emigration papers to his excellency the United States minister at Tokio did not mention that fact. Moreover, by referring to Exhibits Nos. 11 and 12 it appears that free contracts were provided at one or more prefectures as late as January 28, 1898. (*See* particularly the transcript in the case of Sakamoto Kyuta and wife and Doihata Yoichi, Exhibit No. 12.) It is possibly true that some companies, finding that emigrants found with these contracts on their persons or in their baggage at American ports had more or less trouble discontinued the using written contracts and substituted a mere memoranda with the emigrant, and some means by which he might make himself known to the agent in this country, the emigration company obtaining passports and otherwise looking after the emigrant, it being explained to the latter that the agent and other friends in the United States would see that provision was made for employment. The evidence of the soundness of this view is found throughout the evidence submitted, and I call your attention particularly to the fact that all of the agents of the emigration companies whom I interviewed, with possibly one exception, on being asked 'To what countries does your company send emigrants?' invariably included the United States in their answer.

Later on, when they had discovered the trend of my inquiries, they tried to hedge and qualify their former statement. I direct your attention to the testimony on this of Mr. Nacayama (Exhibit No. 40); to the advertisement of the Kosei Emigration Company (Exhibit No. 33), and to the fact that all companies keep blanks suitable for such purpose, and to Exhibits Nos. 5, 6, 15, 16, 17, 21. Exhibits Nos. 18 and 19 are well worthy of consideration in this connection, the latter being the statement of a man long in the business and who should be able to tell how it is done. Mr. U. in his statement says that a verbal agreement is made with the labourers in Japan. If only ten or so are wanted, the agent has a letter of credit or the men are supplied with funds to land, which is afterwards returned to the agent. Should a much larger number of labourers be required, then they send an appointed man connected with the agency to accompany them, he being a passenger to all intents and purposes. After their arrival (which I understand to mean in the United States) they, the labourers, sign a contract, which is in accordance with the verbal agreement made previous to their departure from Japan. This plan is similar to that detailed by Mr. Omi at the United States legation, who informed me that he obtained his information from an officer of an emigration company.

Then again, a pertinent suggestion, if these companies are not engaged in sending emigrants to the United States, why do they have agents here? Upon this point see

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also interview with the managers and stockholders of the Hiroshima Emigration Company. (Exhibit No. 20.)

Touching the question as to what extent the emigration companies supply emigrants with money and means for coming to this country, I have no other evidence than that referred to above: but taking the testimony all together, it seems to me that the circumstances go to show that the emigration companies engage in any feature of the business which may seem profitable. I have elsewhere in this report called attention to the blank forms of contracts issued for sending free emigrants to the United States and Canada. Exhibits Nos. 22 and 26 afford a thorough understanding of the intricate system which is in force by the various prefectures in granting passports. The mass of coolie farmers of Japan are very ignorant, and in the very nature of things require assistance in obtaining their passports under such a system.

Touching the emigration to the United States through Canada, I am of the opinion, through personal observation, that 90 per cent of the emigrants to Canada find their way to the United States within two weeks after landing at Victoria or Vancouver, and 90 per cent of those landing in British Columbia are assisted by emigration companies that maintain agents in British Columbia and in California.

The records included in exhibit No. 27 were furnished me by the governors of the provinces of Wakayama and Hiroshima respectively, and are complete transcripts of papers on file, upon which passports were granted to nine Japanese T. Yiyabe, T. Hamamoto, M. Nakate, H. Nakate, T. Sumidi, Y. Omori, B. Yoshida, T. Narukawa, and R. Shugite, who emigrated to Victoria, and thence via coast line steamers to San Francisco (*See* their affidavits taken from the port of San Francisco, at my request, and forwarded to me in Japan). These men went under what is known as the free contract with the Kosei, Kyushiu, and Kobe emigration companies respectively. By referring to exhibit No. 1, and the list of agents of the emigration companies in Victoria and San Francisco, it will be seen that a line of communication is thus established, by which this class of labour is introduced into the United States.

This view is further confirmed by a transcript of the testimony in the matter of hearing of the case of ten Japanese steerage passengers from Victoria by the steamer *Walla Walla*, about the 10th day of April, 1899. See also the report by Inspector Geffney (Exhibit No. 31), locating certain companies agents in San Francisco and at San José. I talked with many men of long experience in Japan, and found but one universal opinion, that not 10 per cent of the emigrants leaving that country could or would go unless they had assistance, or were helped or assisted by some person or influence. Aside from the facts herein presented, the coolie class could find no proper sureties, such as are required by the government, unless some arrangement was provided by responsible parties for looking after this class of emigrants after they land in the United States.

The magnitude of the capital invested, requiring the utmost energy and most aggressive management to make it profitable, which, considered with the zeal, begotten of competition, between the emigration companies and the influence of wealth and political connection, points to but one conclusion: consequently I am forced to the conclusion that the Japanese system of granting passports for a limited period requiring surety for the welfare of the emigrant aboard, and in some cases for the care of his family while absent, and his return when sick or disabled, joined with the avarice of organized capital and influence of emigration companies, is the direct inducing cause of 90 per cent of the emigration from Japan to the United States.

Exhibit No. 29, which is a scheme devised by the managers of the emigration companies to evade what they expected to be the law, as applied to the Hawaiian Islands, illustrates the skill and willingness of those interested in emigration in Japan to boldly defy the law when it conflicts with their interests and serves as a key to the system I have herein described; this justifies conclusions drawn therefrom. I find further, owing to the conditions herein described, that the objects and purposes of the laws of the United States regulating immigration are largely defeated, so far as relates to immigration from Japan. It may readily be perceived that such an organized system, having its feeders among ticket brokers and hotel keepers, joined by ties of interest, and from



employment bureaus in Japan and on the Pacific coast, and by reason of its capital and power able to coerce the steamship companies into dividing their profits, with a perfect system of coaching immigrants as to the requirements of the immigration laws of the United States, that the immigration officers here are practically powerless to hold back the influx of pauper and contract labour from Japan, which is increasing year by year.

In conclusion, I beg to acknowledge my obligation to his excellency Alfred E. Buck and Messrs. Miller and Herod, of the United States legation; to Mr. G. Hayashi, assistant secretary of the Japanese foreign office; to Consul-General Govey and Messrs. McLean and McCance, of the American consulate at Yokohama; to Consul Lyon, of the United States consulate at Kobe, and to Commissioner H. H. North and Inspector A. H. Geffeney, of San Francisco, for their zealous and unselfish co-operation, which has contributed largely to whatever success has attended this investigation.

W. M. RICE,

Commissioner of Immigration.

TREASURY DEPARTMENT,

UNITED STATES IMMIGRATION SERVICE,

VANCOUVER, B. C., May 2, 1899.

The COMMISSIONER-GENERAL OF IMMIGRATION,  
Washington, D. C.

Supplemented to and in continuation of my report of the 24th ultimo, relating to the immigration of Japanese to the United States, I have the honour to report as follows on the morals of the coolie class, from which 99 per cent of the immigrants of the United States are drawn: the condition of labour in Japan: the movement of population; and other features bearing upon the character of the Japanese people, their qualities as immigrants, and the encouragement of immigration from Japan to the United States and other countries by capitalists and officials.

It is thirty-two years since Mitsuhiro, the one hundred and twenty-third Mikado of Japan began his reign. The Japanese designate this period as Meiji, or the beginning of enlightened government, and no one will question the fact that Japan has made immense strides along the material side of modern civilization during these years. It may be admitted, but it may also be doubted, that in the matter of government great improvement has been made; but in attaining the essential elements of individual character, which makes for all that is best in western civilization, the Japanese have made but little progress. The first idea that occurs to a thoughtful observer in the Flowery Kingdom, after becoming more or less familiar with conditions there, is that the Japanese have hypnotized the balance of the world, or else a certain class of writers have terribly buncoed the reading public on this point. Mr. William E. Griffis, a writer of ability and a gentleman who has had great opportunities for observation, says, in a recent article contributed to the *Outlook*:

‘It is very certain that, whether intending it or not, the average newspaper correspondent and hasty tourist wishing to please both the Japanese themselves (who love ‘sugar and superlatives’) and the occidental admirers of ‘Japanism,’ give what, when analyzed, are caricatures of truth. They ignore both the men and the forces that have made the new Japan. Some of these literary ‘impressionists’ seem to be so Japanese-mad in their rhapsodies as to suggest Titania before Bottom. In the name of all our inheritance, let us not cast away perspective or take a Japanese poster as the gauge and measure of reality.’

The Japanese were never wealthy as a people. There are no rich men in Japan, who have acquired their wealth from Japan, unless it was through the conversion of landed estates or by speculating upon the labour of other men. The country produces no inventors, no original ideas, except along the line of its peculiar art in curios, silk, embroideries and pottery, and practically has no literature.



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Only the Samuri, or soldier class, or nobility have enjoyed the comforts or culture of wealth until recent years, and until this time 50 per cent of the population live in the most squalid poverty, and the remainder of the common people, to put it mildly, are poor. It is not surprising that such is the case. It is historical that the population of Japan had outgrown the capacity of the soil to furnish food thirty years ago, and they have been enabled to live only by the practice of the strictest economy with food products. Infanticide was common; no deformed was allowed to live, the girl babies were not popular. Famines were frequent and loathsome and immoral diseases were everywhere prevalent, which have left their imprint upon the people to the present day. The people were habitual gamblers. In most of the municipalities, forming a city by itself, was a large colony of women for immoral purposes—a system recognized by usage and law and which prevails to this day. In fact the decencies of life were unknown except among a very few. It is not possible that a generation and a half could regenerate such a people. There is, it is true, a brighter side to new Japan, a regenerated section of the population who have taken on European ideas, who are struggling for better things, but the future is still veiled in uncertainty.

It is with Japan of to-day, however, that I have to deal, and with that class of people who emigrate. First, there are a few merchants and business men; second, a few students and young men, the sons of Japanese of the better professional and commercial class; third, the great mass of immigrants, say 95 per cent of the whole, who are coolie labourers and small farmers who class as coolies.

The first proposition I desire to advance, and the conclusions reached from observations and information otherwise obtained, is that Japan is now over-populated and her soil worn out; that her population is increasing by leaps and bounds. I need not enter upon a description of Japan, its barren aspect, its barren, treeless range of mountains which are features with which all are familiar. It is only the valleys and hillsides and flat lands adjacent to the sea that are tillable. The soil upon these flats and hillsides is light and utterly lacking in strength. It contains but little vegetable mould and receives no nourishment whatever from nature except through copious rains and washing from the wornout hillsides. Weeds and grass are unknown. The crops are dependent entirely upon artificial fertilizers, which are applied to the growing plant generally in a liquid form. Everything that can be made use of for fertilizing being carefully saved up by the people. The husbandman must give to the soil as much as he expects in return.

The best sources of information claim that from 10 to 15 per cent of the land of the empire, exclusive of Formosa, is tillable, and that probably not more than 2 per cent of undesirable lands remain to be put under plough. The area of the entire empire—and I will say here I do not in any case include Formosa—is 24,799 square ri, of which Professor Rein, an authority upon Japanese industry and agriculture, says 'but 12 per cent is tillable and that is under cultivation.' He, however, probably did not take into consideration a part of the lands on the island of Yezzo, and of course did not take into consideration Formosa. A native writer says that among the evils coming with the new era of things is the fact that land is being changed from the ownership of small proprietors to the hands of richer men.

The following statistics, compiled by the home department, give the total population at the end of 1897 as follows:—

21,823,651 males and 21,405,213 females. Classified according to family status, there are 4,423 peers, 2,089,134 shizoku, and 41,135,206 ordinary citizens. The above figures show, when compared with those of the previous year (1896), an increase of 520,599 in population.

Births and deaths during 1897 were: Births, 1,335,125—males, 684,941, and females, 650,184; deaths, 876,837—males, 452,383, and females, 424,454. The number of marriages was 365,207, and divorce cases 124,075.

The average percentage of annual increase, taken during ten years, is 1.04. The population to the square mile is 293, the density being, of course, immeasurably greater in the inhabited sections, where, outside of the cities, the people live in small villages. The great mass of the people live by farming, which includes silk raising and fishing, at which occupations they earn from 100 to 150 yens per annum, which suffices to support

a family of about four, a man, a wife, and two or three children. In larger families the mother and older children work. The agricultural implements used are of the most primitive character, and the allotment of land to the family or individual is in most cases less than an acre. There are no division fences, each little tract being divided from its neighbour by a little ridge of dirt, from  $1\frac{1}{2}$  to 3 feet wide.

The value placed upon tillable land is suggested by the fact that the government is now trying to re-form the boundaries so as to reduce the width of these division lines and thus restore to cultivation, it is claimed, about 175,000 acres of land throughout the entire empire. There has been an effort to introduce, which, of course, is well known, various foreign manufactures. The success of these enterprises has not yet proved conspicuous, but the effort, with the fact that the agricultural land everywhere, except on the islands of Yezo and Formosa, is all occupied, has tended to build up the cities toward which the influx of population is continuous. Factory employees earn from 15 to 20 sen per day. Investigations made by a representative of the *Jiji* (a leading vernacular paper in Tokio) show that the wages of operatives rose on an average of 30 per cent between 1895 and 1897, the comparative table being as follows:—

Occupation.	August, 1897.	August, 1895.	Increase.
	Sen.	Sen.	Sen.
Carpenter.....	0 60	0 40	0 20
Plasterer.....	0 80	0 60	0 20
Painter.....	0 80	0 60	0 20
Mason.....	0 80	0 50	0 30
Sawyer.....	0 70	0 60	0 10
Roofer (tile).....	0 70	0 50	0 20
" (brick).....	0 55	0 40	0 15
Floor mat maker.....	0 80	0 60	0 20
Jatagnya (maker of doors, &c).....	0 60	0 50	0 10
Papering.....	0 75	0 50	0 25
Cabinetmaker.....	0 70	0 50	0 20
Cooper.....	0 80	0 25	0 05
Wooden clog maker.....	0 30	0 25	0 05
Shoemakers—			
First class.....	1 20	0 90	0 30
Second class.....	0 80	0 60	0 20
Third class.....	0 50	0 40	0 10
Carriagemakers—			
First class.....	0 60	0 50	0 10
Second class.....	0 50	0 43	0 07
Third class.....	0 40	0 33	0 07
Tailor—			
Japanese style.....	0 40	0 30	0 10
Foreign style—			
First class.....	1 50	1 20	0 30
Second class.....	1 00	0 80	0 20
Third class.....	0 80	0 60	0 20
Ribbon marker.....	1 40	1 00	0 30
Fukuromonoya (maker of purses, tobacco pouches, &c.—			
First class.....	1 00	0 80	0 20
Second class.....	0 70	0 50	0 20
Dyer.....	0 35	0 20	0 15
Cotton whipper.....	0 30	0 25	0 05
Blacksmith.....	0 60	0 45	0 15
Filemaker.....	1 00	0 80	0 20
Tobacco cutter.....	0 44	0 36	0 08
Ship carpenter—			
First class.....	0 80	0 65	0 15
Second class.....	0 70	0 60	0 10
Third class.....	0 60	0 55	0 05
Gardener.....	0 50	0 30	0 20
Coolie.....	0 40	0 30	0 10
Bookbinder.....	0 70	0 50	0 20
Sculptor—			
First class.....	5 00	3 00	2 00
Second class.....	1 50	1 00	0 50
Third class.....	1 00	0 70	0 30

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Farm labourers earn from fifteen to thirty sen per day, depending upon locality. Another reputable authority says that, while wages have increased 44 per cent, living has increased 61 per cent. Upon this point I beg to call your attention to chapters 3 and 16 of the report on the commerce and industries of Japan, made under the direction of the National Association of Manufacturers of the United States by the Hon. Robert P. Porter. The labour which Japan sends abroad is pauper labour. My reasons for thus classing it are that the over-population of Japan has reduced the value of labour below a decent living point, measured by a civilized standard, and, further, that this competition is increasing in such force that it seems unreasonable to assume the probability of the value of labour approximating the cost of future products and living.

The agricultural interests of Japan are practically incapable of expansion, which forces all surplus labour into the employment of various manufactures and into fishing. Japan's market for manufactures is, and must for fifty years remain, very limited, if we except silk, pottery, curios, &c., and even the demand for the native products must find a limit. I was informed by Mr. ——— that Mr. ———, a leading member of parliament from the Province of Kyushu, told him that his province (Kyushu) was annually producing a thousand more labourers than they could find employment for at home. At the time this conversation occurred this Japanese member of parliament was on his way to one of the southern islands to see if arrangements could not be made to take labourers there. This member of parliament, in his conversation with Mr. ———, spoke of the situation as one which gave them great concern.

The question naturally occurs, how do they raise sufficient money to emigrate? As I intimated in my report of the 24th ultimo, the emigration companies in certain instances furnish them money, sending a Banto along with the emigrants to look after their interest. I found, by inquiring among the people, that it requires from five to ten years for a Japanese farmer to save 200 yen. Some undoubtedly do this, but the majority secure money by selling their holdings and by borrowing from the emigration companies—friends and relatives, upon whom they are more or less dependent, going their security. The laws are very strict in Japan concerning the collection of debts. There are no exemptions, and hence in view of the fact that every emigrant to the United States is able to send money home, this is a safe business. Besides, the pickings of the emigration companies enable them to get back a large part of the funds loaned the emigrant before he sails. I cannot, of course, prove this state of facts, but all the circumstances concur in supporting this view.

Concerning the physical conditions surrounding the factory operatives, the *Jiji*, which is the most influential and conservative paper in Japan, styles the spinning factories as 'hellish pits.' My observation leads me to credit this statement to the fullest extent. Child and girl labour is largely employed at rates running from four to ten sen per day. The best workers in Japan are considered to be those engaged in the building trades, blacksmithing, tailoring and printing. Apprentices in the most of these trades are required to give their employers many years of service, receiving as an acknowledgment of past favours only two to three yen per month as purse money. During the period of apprenticeship there is no opportunity of acquiring even a rudimentary education. It is not unreasonable to declare that the life of the Japanese labourer is largely, if not wholly, destitute of pleasure and comfort and full of hardships and misery. The Jinricksha men are a large and useful class, but their lot is far from enviable. The majority of them are married men and have from three to five children, but they are nevertheless reputed to be a very dissolute, immoral and wasteful body of men: their homes are very inferior, their houses being built in a row of 10 x 50 feet, partitioned off, giving each abode a space of 10 x 12 ft.

The finishing of these houses is very meagre. Farm houses are somewhat larger, but aside from their environments are but little better. The facilities for cooking are very limited. Rent for the houses of labouring men ranges from 40 sen to 1½ per month, according to the location and condition of the house. Large numbers of the women and children of the working classes work at home, pasting match boxes, paper boxes, &c., and earning perhaps from 5 to 10 sen per day. A man as a worker in Japan is socially a doomed being, whether he be a mechanic of an advanced trade or a



waste-paper picker. The conspicuous characteristics of all classes of labourers and the majority of farmers are ignorance, and, in numerous cases, vulgarity. Large quantities of saki and Japanese beer are consumed by these classes, but their effects are not perceptible to the casual observer. The reputation of the Japanese as a drunken man is that he is good natured and jolly, consequently there is but little brawling; but, if I were called upon to point out a conspicuous national evil, I should say it was cigarette smoking, which prevails everywhere among men and women, and even the children are allowed to smoke unrebuked. Those women who do not smoke cigarettes smoke a small pipe.

The first thing a Japanese does on getting into a railroad car is to light his cigarette, and the fumes of tobacco fill the train from one end to the other. This habit prevails among all classes of people. Of course, the wealthier smoke cigars. Morally, the conditions of the lives of the coolie, farm and labouring classes are very low, and it is an unfortunate fact that, naturally quick and imitative as well, the Japanese people are slow to take on new and reformed ideas of social morality and integrity with their new clothes and much-vaunted new enlightenment. Home life is, as a rule, devoid of the pleasures and associations of western civilization. The father is the great 'I am,' a selfish, petty tyrant, whose comfort requires that all shall bend to his will and pleasure; the mother, with rare exceptions, is a nonentity; all others in the family are inferiors. The conjugal relation is exceedingly loose, concubinage being practiced by those who can afford the luxury and is recognized by law. Marriage is the simplest form of civil contract.

Under the new code, which attempts to reform the old system, the married couple must appear, within three days after entering upon their new relation, before the mayor of the city or the head man of the village, and sign a document of marriage and place their seal thereon, which is then filed or registered. In this connection, I was informed by the officers of the various governors whom I visited, that before granting passports to women as married, these records, or other evidence of marriage, are carefully inquired into. It is a fact, however, believed by all the immigration officers with whom I have talked, that at least 75 per cent of the women who come to the United States are lewd, or at least of such a low quality of virtue that they are easily overcome by the conditions which they find in this country. Few immigrants bring their wives with them, and the excess of Japanese men over women in this country renders it difficult, if not impossible, for the majority of Japanese women who obtain a landing here to avoid becoming promiscuous in their relations with men. An officer of the occidental and oriental steamer *Doric* told me in conversation that he had witnessed immoral practices among Japanese emigrants aboard the steamer in plain view of all the steerage passengers. Even when the steamers are provided with separate compartments for women in the steerage they will not occupy them.

Divorces are very numerous. Until recently the husband merely returned his wife to her family when he became tired of her or otherwise displeased. The new code, however, abolishes that practice, and allows the wife to make a defence in court. I find the average number of marriages for six years to be 377,043 per year, and the average divorces during the same period to have been 113,935. The legitimate live births for 1896 were 84,879, about 7 per cent of the total live births. The number of stillborn children for 1896—not taken into consideration with the live births—was 127,213. Immature marriages are a serious evil which the government is trying to reform. In some of the provinces the usual age for marriage among women has been from 12 to 18 years, and for boys the age was but little over. It is claimed, however, that a favourable change is being brought about. Naturally, this has produced a dwarfed race. The Japanese are not a strong people, as a whole, their constant labour, exposure, their feet (many of them being in the water when employed upon the farm), having had a most injurious effect, although apparently they enjoy good health. They appear to have a tendency to disease of the lungs. This was particularly observed among Jinricksha men.

The people are cleanly, and their towns and streets are remarkably so, owing probably to the fact that all the garbage is carefully saved for fertilizing purposes.



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There are large numbers of lepers about the temples and on the roads leading thereto. No provision is made for their care, and the official statistics as to numbers—15,525—are unquestionably greatly underestimated.

One of the most serious blemishes on the national character is lack of business integrity and disregard for the truth, which, it is claimed by Europeans, prevails among all classes. Without a single exception, every European with whom I conversed (which was many) confirmed this view. An eminent professor in the University of Tokio, whose name I may not mention, referring to the habitual indulgence of falsehood in Japanese people, said:—

‘The Japanese idea of truth is like their idea of punctuality. They admit the desirability of punctuality, but if one is behind time they say what is the use of making a fuss about it. They respect a man who tells the truth, but they say one can not always tell the truth, and what of it! It is a desirable thing, but not always practicable.’

The result of such a view of veracity is that individually, with exceptions, they can not be trusted when they have interests involved. The standing of the Chinamen among business men in these respects is much better.

The Japanese are endeavouring and are making commendable progress in perfecting their school system, but its efficiency, like everything else in the country, has been greatly exaggerated, and is largely on paper, which is equally true of the educational attainments of the mass of the people. To be able to read and write, with a limited knowledge of mathematics, does not indicate the same degree of mental culture which these attainments would in people of European origin, and with the mass of the people it indicates no moral culture whatever. In view of the limited resources of the country and the constantly increasing population, it is apparent that the government will have great difficulty in providing school facilities for all in the future, which fact forms a great incentive on the part of the economists and capitalists to encourage emigration abroad. The number of children who do not attend school is an unknown quantity, being very large, and I am inclined to doubt the reliability of the statistics furnished upon this point.

Many of the disadvantages under which these interesting people labour, are such as should not be charged up to a wilful blindness. Much may be attributed to misfortune and past conditions, and the more enlightened among them look forward with hopefulness to their correction; but the crowning infamy of their social system, and for which no excuse can be offered in the present age, is the light in which they regard the social evil and the conditions resulting therefrom. Every city has its Yoshiwara, or section set apart for houses of ill-fame, which are authorized and protected by the police. These people, while isolated for sanitary reasons, are not regarded with shame, but form an important feature of all the larger communities. The inmates of these places, or ‘Joro,’ as they are called, are replenished from the naturally depraved to some extent, but large numbers of innocent girls are unwittingly to themselves and sometimes with their knowledge of the consequences, sold by their natural protectors for various reasons into the Yoshiwara, from which there is no escape, unless some man buys them out for his own use. In the latter case, by marriage, they are restored to respectable society among the lower classes.

A gentleman (an Englishman) who had married a Japanese wife and been adopted into the family, having taken the name of Kobayashi Beiki, and who has written a very large book on the Yoshiwara of Tokio, informed me that he had investigated the records of the Yoshiwara of that city and found that they show that about 1,500,000 men had visited these houses during the year 1897, the law requiring that each visitor should be registered and reported to the police. The prices at which girls are sold into the Yoshiwara range from 50 to 150 yen, and I was informed that they might be purchased out at about the same figures. A small section of the press are beginning to denounce this system, but for many years it must continue to poison the national morals and furnish a supply of lewd women, who from time to time escape abroad, in spite of the vigilance of the authorities, who profess to be very strict about allowing unmarried women to go abroad. It should be borne in mind that in this report I am treating exclusively of the

immigrating class, which comes largely from the lower order. Naturally, there is a wide line of demarkation between this class and the better people, who may constitute one-fourth of the population more or less, but it is equally true that there is a sad lack of national integrity, character and conscience among all, but few of the more cultured, and possibly excepting the higher official class.

Christianity up to the present time has wielded but little influence, except in an educational way, in the ordinary meaning of the term education. Japan is yet a pagan nation and the present tendency, as they break away from their ancient religion, is to drift into opportunism politically, and into agnosticism religiously, with the moral effects which follow such views among the ignorant and uneducated. The result is that the nation, as a whole, presents the aspect of being morally mad. There is apparently no sense of responsibility to society or to Deity. Among such a people and under such conditions the contract labour system is a logical outgrowth. The emigration companies, which prey upon these ignorant but ambitious and conceited people, are regarded by them, with now and then a rare exception, as a necessity, going with and belonging to the conditions with which nature and their industrial development has confronted them. While the government denies any responsibility or desire to encourage emigration, the conditions which are herein set forth lead up to but one conclusion. The emigration companies are indifferent to any consideration, except that of profit, while the government permits the system, if it does not encourage it, in which it has a selfish interest, because it assists in relieving the country of a troublesome and what might become a turbulent population.

The limited resources of Japan, its lack of capital and markets for new manufactures, which is suggested by the facts I have herein detailed, considered with the fact that there is no land to which these people will go for agricultural expansion within the Empire, seems to suggest the impossibility of the absorption of 250,000 male labourers annually, leaving out of consideration women to an equal number. It is true that there is unoccupied land in Formosa, but the Japanese are averse to emigrating there because of the hot, wet climate. There is also unoccupied land in Yezo, but that island is covered with snow one-half the year, and abounds with mosquitoes during a very hot summer, consequently it is doubtful whether the Japanese coolie can be hired to go there. The government has made, and is making, efforts to induce immigration to these islands, but with little success. Aside from the climatic conditions described, which are displeasing to the Japanese, there are other reasons why they will not go. The Japanese lives in the present; he is not, and never will be, an independent pioneer; he wants immediate profits, or wages; hence he desires to emigrate to civilized countries where he can earn good wages, and as he expresses it, 'learn English,' and how to farm and do other things as the more-favoured nations do, and, after he has achieved these results and made some money, place himself in a position to return to his native land in from three to five years; hence it is an easy matter for the agents of the emigration companies to persuade large numbers to come to the west.

They are beguiled with rosy stories of high wages and immediate employment. The Pacific coast is a favoured locality with them, not only on account of the wages paid, but because of the climate, which is very similar to that in the neighbourhood of Nagasaki, Kobe, and Yokohama; consequently there is a strong immigration movement. At present immigrants, aside from those who come to the United States and Canada, are going to Mexico, Peru, Brazil, Hawaii, Korea, and indeed to every country where contract labourers may be placed; but it requires much persuasion to induce them to go to Mexico, Peru and Brazil. The foreign office furnished me the following statistics, which I do not regard as of much value, of the actual number of Japanese residing in foreign countries at the end of 1897:

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	Males.	Females.	Total.
San Francisco and neighbourhood.....	5,212	269	5,481
Tacoma and neighbourhood.....	79	3	82
Seattle, &c.....	387	61	448
Portland, &c.....	461	60	521
Idaho, &c.....	385	27	412
Vancouver, &c.....	402	21	423
Victoria.....	214	7	221
Union coal mines.....	291	7	298
Hong Kong.....	122	125	247
Singapore.....	158	456	614
Thursday Island.....	991	53	1,044
Townsville.....	1,413	60	1,473
Vladivostok.....	890	717	1,607
Hawaii.....	21,470	5,884	27,354
Seoul.....	1,097	799	1,887
Chemulpo.....	2,285	1,664	3,949
Gensan.....	862	561	1,423
Fusan.....	3,397	2,670	6,067
Shanghai.....	492	331	823
Total.....	40,608	13,766	54,374

In considering these statistics it should be borne in mind that nearly as many are returning to Japan from many of these countries as depart : but the number that return from the United States does not, it seems to me from observation, appear to be as large in comparison with the number who come as those returning from other countries. The manner and extent of the encouragement given to emigration by public men, capitalists and other individuals, evidently interested financially and from an economic standpoint in the emigration companies, may be inferred from Appendix A hereto attached, being references to the subject by the leading English and vernacular newspapers. It will be observed that nearly all of the clippings are translations from Japanese papers. The *Japan Times* is a government organ, edited by a Japanese and published in English. The *Japan Mail* is an English paper but pro-Japanese, while the other papers from which extracts have been taken are independent English papers.

This report would not be complete without a reference to the fact that Australia and Canada are both legislating against the Japanese, the former restricting the immigration and the latter limiting the opportunities for obtaining employment. This movement, if it goes on, will necessarily have an important effect upon the number who will try to obtain admission to the United States.

During my stay in Japan I was much interested in the information obtained concerning the light in which the immigration laws of the United States are regarded. I came to the conclusion that the average Japanese, by intelligence, is incapable of appreciating the motive behind the policy of the United States. The friendliness of the mass of the people for the United States and respect in which it is held is unmistakable ; but this sentiment is childlike in its character, and is not based upon knowledge or a familiarity with the harmony between the principles upon which the Government of the United States is based and the laws carrying out those principles. Hence the immigration laws of the United States irritate them, because the motive is to them incomprehensible. All have an intense longing to visit the United States or to come for the purposes of labour.

The wealthy class have little or no respect for their own labouring class as individuals, and no sympathy with the toilers in the field and factory. Their condition is regarded as a decree of fate, and hence those who are capable rarely comprehend the dignity and rights of labour as it is regarded in this country.

In my former report, I gave the facts as I gathered them touching the manner emigrants are sent to this and other countries. In this, I have endeavoured to give a brief bird's-eye view, superficial in some respects, but, as a whole, I believe, true to life of the motives which lie behind the system described and the conditions which make it possible. There is much more that might be said, but I fear it might be deemed irre-



levant. I beg indulgence in expressing my opinion here, however, that the treaty which will go into effect in August between Japan and the United States is a great mistake for the people of Japan, as well as a great blunder on the part of the United States.

My reasons in general for this view would not be appropriate in this report, but among them is the effect which it would have upon the power of the United States to control immigration from Japan. I have been informed that the treaty between Japan and England, made at the same time, makes provision for the control of immigration by Canada, New Zealand, Australia and other English colonies in the Pacific. The Anglo-Saxon, Latin and Semitic races mix, and in time make respectable men and women, even from the lowest conditions, but the oriental races do not mix well with the people of Europe, and the mixture, unless made among people in affluent circumstances, is always degrading to the European. Wealth and education may and does modify natural tendencies. Much trouble may, in my opinion, be expected from the results of this treaty, the difficulties in the way of regulating immigration being certain to be much greater than heretofore.

The appendices hereto attached are evidences which sustain the views herein expressed, gathered by the way, and which might have been multiplied ad infinitum had I made these lines a special feature of my investigation. The special features of my investigation were set forth in part in my former report. The second special feature was the obtaining of information bearing directly upon individual emigrants and bodies of emigrants going to the United States, which might be used in excluding them on this side as contract labourers. To this end, I used every practical method at my command, causing bodies of outgoing emigrants to be interviewed both at Kobe and Yokohama by the most trustworthy persons I could secure for that purpose, also causing the hotel keepers to be pumped. It was either that my agencies were unreliable or the emigrants had been too well trained to give themselves away; at least my efforts in that direction were unsuccessful. The most reliable man, as I thought, whom I secured for this purpose, threw up the job on the advice of an American missionary whom he went to consult. It may be possible to occasionally secure evidence of this character, but it is very difficult, and I did not succeed.

The consular officers in Japan are, in my opinion, thoroughly efficient, and it is a matter of pride to a citizen of the United States to compare them with the consular representatives of other countries; but under the present laws they are practically helpless in the matter of emigration. The character of their duties is such that they can not make a specialty of looking after emigrants, and if it were otherwise nothing could be accomplished without a secret service fund. Even an effort in that direction, as a permanent benefit, would be an experiment.

In conclusion, I wish briefly to refer to the difficulties under which I laboured, and yet I may not dare to enter into detail upon the limitations which surround one gathering information which is regarded by the Japanese as injurious to their interests. They are intensely patriotic, which sentiment extends to a sense of duty not to knowingly 'give each other away.' The educated and intelligent are shrewd and intuitive in their perceptions, and are what the English designate as 'clever,' the word being synonymous with tricky. Few Europeans speak Japanese sufficiently well to make good interpreters, and I found but one European who could both read and speak Japanese; hence nearly all the work in the nature of translation must either be done by Japanese or by having a Japanese read to a European who speaks Japanese and writes in English as the Japanese reads.

Then, again, all Europeans in Japan (which word in the orient includes citizens of the United States, are there for special and personal interest. They do not like to acquire the ill will of the people among whom they live, and consequently help from that source in all but two or three instances was half-hearted. Under these difficulties and many others I did the best that I could, and the information transmitted, of whatever value it may be, I believe to be reliable and accurate.

Hoping that my labour herein may contribute something to the better enforcement of the immigration laws,

W. M. RICE,

United States Commissioner of Immigration.



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## WAGES IN JAPAN, 1897.

(From the Report of the Bureau of Labour Statistics of California).

OCCUPATIONS.	WAGES.	
	Day.	Month.
	cts.	\$ cts.
Blacksmiths.....	24	
Brickmakers.....	28	
Carpenters.....	24 $\frac{1}{2}$	
Compositors.....	18	
Confectioners.....		4 82 $\frac{1}{2}$
Coopers.....	19	
Door and screen makers.....	23	
Dyers.....	17 $\frac{1}{2}$	
Fishermen.....	19 $\frac{1}{2}$	
Gardeners.....	23 $\frac{1}{2}$	
Jewellers.....	21	
Joiners.....	22 $\frac{1}{2}$	
Labourers.....	17	
Labourers, agricultural (male).....	15	
Labourers agricultural (female).....	9 $\frac{1}{2}$	
Lacquered object makers.....	22 $\frac{1}{2}$	
Metal utensil makers.....	24	
Mine-workers.....	24	
Oil-pressers.....	18 $\frac{1}{2}$	
Papermakers.....	17 $\frac{1}{2}$	
Pasters, paper.....	22 $\frac{1}{2}$	
Plasterers.....	25	
Printers.....	17 $\frac{1}{2}$	
Roofers, shingle and thatch.....	24	
Roofers, tile.....	27	
Saddlers.....	23	
Sake-makers.....		4 95
Sawyers.....	25	
Scutchers of cotton.....	17 $\frac{1}{2}$	
Servants, domestics.....		1 41
Servants.....		79 $\frac{1}{2}$
Ship-carpenters.....	25	
Shoemakers.....	23	
Shoemakers, Japanese shoes.....	19	
Silkworm cultivators (male).....	16 $\frac{1}{2}$	
Silkworm cultivators (female).....	10 $\frac{1}{2}$	
Snuff box, purses, &c. makers of.....	20 $\frac{1}{2}$	
Soy-makers.....		4 18 $\frac{1}{2}$
Spinners, silk.....	11 $\frac{1}{2}$	
Stonecutters.....	27 $\frac{1}{2}$	
Straw-matting weavers.....	22	
Tailors, European clothing.....	29	
Tailors, Japanese clothing.....	18 $\frac{1}{2}$	
Tea-preparers.....	22 $\frac{1}{2}$	
Tobacco-cutters.....	21	
Weavers (male).....	13 $\frac{1}{2}$	
Weavers (female).....	9 $\frac{1}{2}$	
Wheelwrights.....	20 $\frac{1}{2}$	

## THE NATAL ACT.

Whereas it is desirable to place certain restrictions on immigration,

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Assembly of Natal, as follows:—

1. This Act may be known as "The Immigration Restriction Act, 1897."

2. This Act shall apply to:—

(a) Any person possessed of a certificate in the form set out in the schedule A to this Act, annexed and signed by the Colonial Secretary or the Agent General of Natal, or any officer appointed by the Natal Government for the purposes of this Act whether in or out of Natal.

(b) Any person of a class for whose immigration into Natal provision is made by law or by a scheme approved by Government.

(c) Any person specially exempted from the operation of this Act by a writing under the hand of the Colonial Secretary.

(d) Her Majesty's land and sea forces.

(e) The officers and crew of any ship of war of any government.

(f) Any person duly accredited to Natal by or under the authority of the Imperial or any other government.

3 The immigration into Natal, by land or sea, of any person of any of the classes defined in the following subsections, hereinafter called "prohibited immigrant," is prohibited, namely:—

(a) Any person who, when asked to do so by an officer appointed under this Act, shall fail to (himself) write out and sign, in the characters of any language of Europe, an application to the Colonial Secretary in the form set out in Schedule B to this Act.

(b) Any person being a pauper or likely to become a public charge.

(c) Any idiot or insane person.

(d) Any person suffering from a loathsome or a dangerous contagious disease.

(e) Any person who, not having received a free pardon, has within two years been convicted of a felony or other infamous crimes or misdemeanour involving moral turpitude, and not being a mere political offence.

(f) Any prostitute and any person living on the prostitution of others.

4. Any prohibited immigrant making his way into or being found within Natal, in disregard of the provisions of this Act, shall be deemed to have contravened this Act and shall be liable, in addition to any other penalty, to be removed from the colony and upon conviction may be sentenced to imprisonment not exceeding six months without hard labour. Provided that such imprisonment shall cease for the purpose of deportation of the offender, or if he shall find two approved sureties each in the sum of fifty pounds sterling that he will leave the colony within one month.

5. Any person appearing to be a prohibited immigrant within the meaning of section 3 of this Act and not coming within the meaning of any of the subsections (c), (d), (e), (f), of the said section 3 shall be allowed to enter Natal upon the following conditions:—

(a) He shall, before landing, deposit with an officer appointed under this Act the sum of one hundred pounds sterling.

(b) If such person shall, within one week after entering Natal, obtain from the Colonial Secretary, or a magistrate, a certificate that he does not come within the prohibition of this Act, the deposit of one hundred pounds sterling shall be returned.

(c) If such person shall fail to obtain such certificate within one week, the deposit of one hundred pounds sterling may be forfeited, and he may be treated as a prohibited immigrant.

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Provided that, in the case of any person entering Natal under this section, no liability shall attach to the vessel or to the owners of the vessel in which he may have arrived at any port of the colony.

6. Any person who shall satisfy an officer appointed under this Act that he has been formerly domiciled in Natal, and that he does not come within the meaning of any of the subsections (c), (d), (e), (f), of section 3 of this Act, shall not be regarded as a prohibited immigrant.

7. The wife and any minor child of a person not being a prohibited immigrant shall be free from any prohibition imposed by this Act.

8. The master and owners of any vessel from which any prohibited immigrant may be landed shall be jointly and severally liable to a penalty of not less than one hundred pounds sterling, and such penalty may be increased up to five thousand pounds sterling by sums of one hundred pounds sterling, each for every five prohibited immigrants after the first five, and the vessel may be made executable by a decree of the Supreme Court in satisfaction of any such penalty, and the vessel may be refused a clearance outwards until such penalty has been paid, and until provision has been made by the master to the satisfaction of an officer appointed under this Act for the conveyance out of the colony of each prohibited immigrant who may have been so landed.

9. A prohibited immigrant shall not be entitled to a license to carry on any trade or calling, nor shall he be entitled to acquire land in leasehold, freehold, or otherwise to exercise the franchise, or to be enrolled as a burgess of any borough or on the roll of any township: and any license or franchise right which may have been acquired in contravention of this Act shall be void.

10. Any officer thereto authorized by government may make a contract with the master, owners, or agent of any vessel for the conveyance of any prohibited immigrant found in Natal to a port in or near to such immigrant's country of birth, and any such immigrant with his personal effects may be placed by a police officer on board such vessel, and shall in such case, if destitute, be supplied with a sufficient sum of money to enable him to live for one month according to his circumstances in life after disembarking from such vessel.

11. Any person who shall in any way wilfully assist any prohibited immigrant to contravene the provisions of this Act shall be deemed to have contravened this Act.

12. Any person who shall in any way wilfully assist the entry into Natal of any prohibited immigrant of the class (r) in section 3 of this Act shall be deemed to have contravened this Act, and shall upon conviction be liable to be imprisoned with hard labour for any period not exceeding twelve months.

13. Any person who shall be wilfully instrumental in bringing into Natal an idiot or insane person without a written or printed authority, signed by the Colonial Secretary, shall be deemed to have contravened this Act, and in addition to any other penalty shall be liable for the cost of the maintenance of such idiot or insane person whilst in the colony.

14. Any police officer or other officer appointed therefor under this Act may, subject to the provisions of section 5, prevent any prohibited immigrant from entering Natal by land or sea.

15. The Governor may from time to time appoint, and at pleasure remove officers for the purpose of carrying out the provisions of this Act, and may define the duties of such officers, and such officers shall carry out the instructions from time to time given to them by the ministerial head of their department.

16. The Governor in Council may, from time to time, make, amend and repeal rules and regulations for the better carrying out of the provisions of this Act.

17. The penalty for any contravention of this Act or any rule or regulation passed thereunder, where no higher penalty is expressly imposed, shall not exceed a fine of fifty pounds sterling, or imprisonment with or without hard labour, until payment of such fine or in addition to such fine, but not exceeding in any case three months.

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18. All contraventions of this Act or of rules or regulations thereunder and suits for penalties or other moneys not exceeding one hundred pounds sterling shall be cognizable by magistrates.

Colony of Natal.

This is to certify that \_\_\_\_\_ of \_\_\_\_\_  
aged \_\_\_\_\_ by trade or calling a \_\_\_\_\_ is a fit and  
proper person to be received as an immigrant in Natal.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_  
(Signature.)

#### SCHEDULE B.

To the Colonial Secretary.

I claim to be exempt from the operation of Act No. \_\_\_\_\_ 1897.  
My full name is \_\_\_\_\_ My place of abode for the past  
twelve months has been \_\_\_\_\_  
My business or calling is \_\_\_\_\_  
I was born at \_\_\_\_\_ in the year \_\_\_\_\_

Given at Government House, Natal, this fifth day of May, 1897.

By command of His Excellency the Governor.

THOS. K. MURRAY,  
Colonial Secretary.







# RETURN

(64)

To an ADDRESS of the HOUSE OF COMMONS, dated February 19, 1902, for a copy of all papers and correspondence relating to the Coronation of His Majesty the King, the Imperial Conference which is to be held in London, and the appointment of Canadian delegates to the same.

R. W. SCOTT,  
Secretary of State.

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*(From Mr. Chamberlain to Lord Minto.)*

DOWNING STREET, December 27, 1901.

It has become my duty to inform you that the Coronation of His Most Gracious Majesty King Edward VII has been fixed to take place on June 26, 1902.

2. It is His Majesty's desire that the great self-governing colonies of the Empire should be represented on this occasion by their leading statesmen, and I have accordingly to request you to be so good as to convey to the Premier of Canada an invitation on the part of His Majesty's Government to visit this country in June next. It is not anticipated that the duration of the actual ceremonies in connection with the Coronation will extend beyond a few days; but it would probably be convenient to Sir Wilfrid Laurier to arrive in England a few days beforehand, and His Majesty's Government hope therefore that he will consider himself their guest for a fortnight from the date of his arrival. It would be an additional satisfaction to them if Sir Wilfrid Laurier should be accompanied by some lady member of his family.

3. It will be readily understood that on an occasion like this it is necessary that all arrangements should be made some months in advance; and without therefore desiring to press for an immediate answer, His Majesty's Government would be glad to learn at Sir Wilfrid Laurier's early convenience whether it will be in his power to accept their invitation.

4. The question of representative detachment of troops from the various colonies is also under the consideration of His Majesty's Government; and whenever a decision has been arrived at on this subject, I shall address you in a further despatch.

J. CHAMBERLAIN.

2. The number of immigrants reported each year to have settled each year in the Dominion of Canada during the ten (10) years from 1891 to 1901, and total for the ten years?

## ANSWER.

Calendar year 1891.....	27,035
" 1892.....	27,898
" 1893.....	29,632
" 1894.....	20,829
" 1895.....	18,790
" 1896.....	16,835
" 1897.....	20,016
" 1898.....	30,742
" 1899.....	44,506
Jan 1 to June 30 (6 months) 1900.....	23,895
Fiscal year 1900-01.....	49,149
	<hr/> 309,327 <hr/>

The above is a statement of immigrant arrivals at the ocean ports from 1891 to 1901, inclusive, who declared their destination to be Canada, also those from the United States (from 1897) who were reported by government agents to have crossed the boundary with the intention of settling in Canada.

3. The number of immigrant agents employed by the Dominion Government each year in Great Britain and Ireland from 1891 to 1901, and the total amount paid each year to the said agents, and the amount spent each year for printing and other expenses by the said agents?

## ANSWER.

Approximate statement showing number of immigrant agents employed by the Dominion Government each year in Great Britain and Ireland from July 1, 1891, to June 30, 1901; the total amount paid each year to the said agents for salaries and the amount spent each year for printing and other expenses by said agents, as follows:—

Year.	Number of Agents.	Salaries.	Printing and other Expenses.
		£    cts.	£    cts.
1891-1892.....	5	5,886 67	13,805 63
1892-1893.....	8	7,509 26	19,038 64
1893-1894.....	8	10,569 64	15,426 84
1894-1895.....	7	10,638 29	8,669 02
1895-1896.....	6	9,438 28	8,816 86
1896-1897.....	13	12,643 41	11,091 00
1897-1898.....	9	13,240 23	17,611 56
1898-1899.....	9	13,203 22	18,679 23
1899-1900.....	10	16,800 00	26,150 73
1900-1901.....	14	19,950 00	26,931 21

4. The number of immigrant agents employed by the Dominion Government each year in the Continent of Europe from 1891 to 1901, and the total amount paid each year to the said agents, and amount spent each year for printing and other expenses by the said agents?



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ANSWER.

1951] Approximate statement of number of immigration agents employed by the Dominion Government each year on the Continent of Europe, from July 1, 1891, to June 30, 1901; the amount paid each year to the said agents, and amount spent each year for printing and other expenses by the said agents, as follows:—

Year.	Number of Agents.	Salaries.		Printing and other Expenses.	
		\$	cts.	\$	cts.
1891-1892.....	3	686	51	248	00
1892-1893.....	2	825	00	620	80
1893-1894.....	5	2,684	97	4,175	20
1894-1895.....	1	1,200	00	519	05
1895-1896.....	1	1,200	00	600	06
1896-1897.....	3	1,976	94	963	45
1897-1898.....	6	8,373	06	2,230	59
1898-1899.....	7	6,209	41	2,449	81
1899-1900.....	4	4,239	69	2,463	05
1900-1901.....	2	1,600	00	1,934	86

5. The number of immigrant agents employed by the Dominion Government each year in the United States of America, from 1891 to 1901, and the total amount paid each year to the said agents, and amounts spent each year for printing and other expenses by the said agents, and by the Government of the Dominion of Canada?

ANSWER.

Approximate statement showing number of immigrant agents employed by the Dominion Government each year in the United States of America, from July 1, 1891, to June 30, 1901, the total amount paid each year to the said agents for salaries, and the amount spent each year for printing and other expenses by said agents, as follows:—

Year.	Number of Agents.	Salaries.		Printing and other Expenses.	
		\$	cts.	\$	cts.
1891-1892.....	19	9,221	19	12,668	19
1892-1893.....	41	22,052	41	31,105	45
1893-1894.....	33	15,614	03	30,297	75
1894-1895.....	8	5,939	81	2,508	15
1895-1896.....	4	5,102	78	1,844	31
1896-1897.....	12	4,880	30	6,352	09
1897-1898.....	28	14,884	90	28,197	44
1898-1899.....	23	16,316	35	29,277	35
1899-1900.....	16	15,252	02	24,988	15
1900-1901.....	27	18,957	98	30,161	12



# RETURN

[77]

To an ADDRESS of the HOUSE OF COMMONS, dated February 19, 1902, for copies of all letters, telegrams and other correspondence between the Governments of Canada, Australia and New Zealand, or any member thereof, respecting trade, transportation, cable, and other subjects of intercolonial concern.

R. W. SCOTT,  
Secretary of State.

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DOWNING STREET, March 2, 1900.

Governor General,  
The Right Honourable  
The Earl of Minto, G.C.M.G., &c., &c., &c.

I have the honour to transmit to you, with reference to your telegram of the 20th ultimo, copy of resolution submitted to me by the Pacific Cable Committee, respecting the proposed concessions to the Eastern Telegraph Company, the text of which has, I understand, been sent to you by telegraph by the High Commissioner for Canada.

Copy of a telegram on the subject which I have addressed to the Governors of New South Wales and Victoria is also inclosed.

J. CHAMBERLAIN.

## PACIFIC CABLE COMMITTEE.

Resolved unanimously :—

‘That this committee would urge that no concessions should be made by any of the Australian Governments to the Eastern Telegraph Company, as a condition of laying a cable between Africa and Australia, until this committee has had an opportunity of considering and reporting on the effect of the Pacific cable scheme.’

The committee desire to submit to the Secretary of State for the Colonies a copy of a resolution passed at the sitting of the committee on February 23.

(*Telegram.*)

Mr. Chamberlain to the Governors of New South Wales and Victoria. (Sent 3.15 p.m., February 24, 1900.)

Following is text of unanimous resolution passed by Pacific Cable Committee yesterday: Begins—‘That this committee would urge that no concessions should be made by any of the Australian Governments to the Eastern Telegraph Company, as a condition of laying a cable between Africa and Australia, until this committee has had an opportunity of considering and reporting on the effect of such concessions upon the financial prospects of the Pacific cable scheme.’—Ends.

Under existing circumstances I concur, and hope your Ministers have not yet communicated to the Eastern Telegraph Company decision arrived at by conference.

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DOWNING STREET, March 9, 1900.

The Officer Administering  
The Government of Canada.

I am directed by the Secretary of State for the Colonies to inform you that the undermentioned parliamentary papers have been sent to you by book post :

Subject of paper :—Proposed construction of cable across the Pacific Ocean.

No. of copies :—Twenty-five.

H. BERTRAM COX.

PREMIER'S OFFICE,  
WELLINGTON, February 16, 1900.

The Honourable the Premier,  
Ottawa.

I have the honour to confirm my cablegram to you of the 13th instant, as follows :—

‘Advisable wire your Agent-General if Eastern Company's proposals accepted will mean difference over one hundred thousand pounds annually in earnings Pacific cable, and impress Secretary of State that annual maximum risk of loss of twenty thousand to British Government will be doubled. Also represent that at Premiers' conference three colonies were represented which have always been unfavourable to Pacific cable, whilst New Zealand and Canada not represented at all.

R. J. SEDDON.

17 VICTORIA STREET,  
LONDON, S.W., March 23, 1900.

The Right Honourable  
Sir WILFRID LAURIER, G.C.M.G.,  
Ottawa.

I think it will be well by this mail to bring down to date the record of what has transpired in regard to the proposals of the Eastern Extension Telegraph Company in connection with the projected cable between Australia and Cape, and the proceedings of the Pacific Cable Board, since I last wrote you on the 3rd instant.

With regard to the former question, a cable correspondence, (copy of which I inclose for your information) has passed between Mr. Chamberlain and the Government of New South Wales, with the result that it has been elicited that an agreement has not actually been entered into with the Eastern Extension Company; that Mr. Chamberlain has urged upon the Governments interested not conclude any agreement until the Pacific Cable Committee has examined the question; and that the details of the Eastern Extension Company's offer, and the views held thereon in Australia, as communicated in a cable received by Mr. Chamberlain from the Government of New South Wales, dated the 3rd instant, have been communicated to the Cable Committee with a request to report thereon as soon as possible.

The matter was further considered by the committee at its meeting on Monday last, the 19th instant, and a resolution was unanimously adopted of which the following is the text :—

‘This committee have had before them a reference of the Secretary of State for the Colonies asking for their opinion of the probable effect upon the revenue of the Pacific Cable of the proposed agreement between the Eastern Telegraph Company and the Australian Colonies for a cable between the Cape and Australia.

‘The committee have very carefully considered the said agreement and they are unanimously of opinion that its effect must be to injure very materially the revenue of the cable.’



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The subject is also to come up again for further consideration at the next meeting of the committee.

Your cablegram of the 6th instant, reading as follows, duly reached me:—

‘Fleming has cablegrams from London cable manufacturers showing Pacific cable may be made and laid within one year. Please urge Commission to get cable under contract at earliest moment.’

I at once made the contents of this message known to my colleagues on the committee. Its deliberations are being proceeded with as rapidly as possible. There is, however, naturally a mass of technical matter regarding the construction and cost of the cable to be prepared and discussed. The committee has had frequent meetings and has arrived, as I think, at the stage when the preparation of the specifications for tenders is possible. I shall do my best to prevent any avoidable delay taking place in asking for tenders for the work.

I propose taking an early opportunity of again seeing Mr. Chamberlain on the subject and of discussing with him the position that is created by the resolutions of the Cable Committee, and the termination of the existing agreements between the Australian Governments and the Eastern Extension Company on the 30th proximo.

STRATHCONA.

(Telegram.)

From the Officer administering the Government of New South Wales to Mr. Chamberlain. Received Colonial Office 2.7 p.m., March 2, 1900.

Referring to your telegram, March 1, Prime Minister informs me that agreement not actually entered into. Eastern Telegraph Company aware of result of Premiers' conference. Colony prepared to accept in terms of my cipher telegram of February 24.

(Telegram.)

From Mr. Chamberlain to the Officer administering the Government of New South Wales. (Sent 6.5 p.m., March 3, 1900.)

In view of the deep anxiety felt in the other colonies interested in the Pacific cable as to the effect which the proposed arrangement may have on that undertaking, and the possibility that Canada and New Zealand may withdraw their support, I hope that your Ministers will defer concluding any agreement, as suggested in my telegram of 24th ultimo, until the committee has examined the question.

(Telegram.)

From the Officer administering the Government of New South Wales to Mr. Chamberlain. (Received Colonial Office 6.10 p.m., March 3, 1900.)

Eastern Telegraph proposals—there seems to be some misapprehension—Ministers ready and anxious to carry out their undertaking with regard to Pacific cable. Admitted on all sides that this cannot be completed for three years, probably more. In the meantime Eastern Telegraph Company offer immediate reduction of rates to four shillings or to about sixteen per cent, and by sliding scale coming in three years to two shillings and sixpence as business increases—also to lay down cable Cape to Adelaide and then reduce present excessive Cape rates from seven shillings threepence to two shillings and sixpence per word. No concessions asked for or given until Pacific cable completed, they then want direct offices so as to compete on equal terms and in the meantime any reduction whatever to remain until Pacific cable laid. Ministers add that their present agreement terminates April 30, and if no fresh one made, Company can instead of reducing rates increase them up to eight shillings per word.

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*(Telegram.)*

From Mr. Chamberlain to the Officer administering the Government of New South Wales. (Sent 6.45 p.m., March 13, 1900.)

Your telegram of March 3 communicated to Cable Committee. They have been requested to report as soon as possible.

THE BOARD OF TRADE,  
OTTAWA, CAN., April 23, 1900.

To the Secretary of State,  
Ottawa, Ont.

I have the honour to inclose for the information of the Government, a copy of resolutions referring to the Pacific cable, passed at a recent meeting of this board.

CECIL BETHUNE,  
Secretary.

THE BOARD OF TRADE OF THE CITY OF OTTAWA,  
OTTAWA, CANADA, April 10, 1900.

To the Secretary of State,  
Ottawa, Ont.

I have been instructed to convey to you the following resolutions, assented to at a general meeting of this board held on the 2nd inst., in support of the Pacific cable.

*Resolution No. 1.*

That while the proposed Pacific cable would foster trade and intercolonial intercourse, it would at the same time constitute the initial link in a system of cables to all British possessions around the globe, that such a system would form a new bond of Imperial unity of inestimable value.

1. That this board regards it of vital importance that the Pacific cable should be completed, as a State undertaking, without delay.

2. That in view of the great object to be attained, this board is strongly of the opinion that it would be wise policy to make full provision for ultimate State ownership in any arrangements hereafter made to lay cables by private companies, between British possessions in any part of the globe.

3. That this board recommends that principle of State ownership be especially provided for in the cable proposed to be laid by a private company between South Africa and Australia.

*Resolution No. 2.*

That this board attaches so much importance to the resolution respecting the Pacific cable that it especially requests the members for the city of Ottawa to bring the subject before the Government and Parliament.

*Resolution No. 3.*

That a copy of the resolution respecting the Pacific cable be transmitted to the principal Chambers of Commerce in the United Kingdom with the request that they will move the Home Government to reserve the right to Her Majesty to assume possession of the cable in any arrangement for laying a cable by a private company between South Africa and Australia.

Trusting the foregoing resolutions may meet with your approval.

CECIL BETHUNE,  
Secretary.

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April 24, 1900.

CECIL BETHUNE, Esq.,

Secretary, Board of Trade, Ottawa.

I have the honour to acknowledge the receipt of your letter of the 23rd instant, transmitting copy of a resolution respecting the Pacific Cable, and to state that the same has been submitted to His Excellency the Governor General in Council.

JOSEPH POPE,

Under-Secretary of State.

17 VICTORIA STREET,

LONDON, S.W., May 4, 1900.

The Right Honourable

Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa.

In continuation of my letter of March 23, and former correspondence, I think it well to write you briefly as to the position of the Pacific cable matter, and the proposals of the Eastern Extension Telegraph Company, as they stand to-day.

As promised in my communication referred to above, I saw Mr. Chamberlain in reference to the point raised in the concluding paragraph thereof. After some discussion Mr. Chamberlain agreed to telegraph to the Australian Colonies, urging them not to grant the concessions asked for by the Eastern Extension Company, and recommending, if any new arrangement was necessary in order to secure the construction of the Cape-Australia cable and to bring about a reduction of rates, that it should be rather on the lines of the existing agreement, and that nothing should be done, and no advantages given to the company, which would tend in any way to prejudice the Pacific cable.

It has recently been announced in the newspapers that the Premiers of the Australian Colonies had decided to consider the question again when they met to discuss certain proposed amendments to the Commonwealth Bill, but the latest information goes to show that the matter has been referred by the Premiers to the Postmasters General, for consideration and report; and it stands in that position at present.

From the report of the recent meeting of the Eastern Extension Company, and also from statements that have been made in the newspapers, it is evident that the Colonies of Western Australia, South Australia and Tasmania, have agreed to give the Eastern Extension Company the concessions sought for in those Colonies, but this has always been looked upon as a possibility in view of the fact that the Colonies specified (except perhaps Tasmania, which, however, is not important) are not, and never have been, interested in the Pacific cable in the same way as the other Colonies of Australasia.

In the meantime, the Pacific Cable Committee have been preparing an interim report on the matters referred to them in the instrument of appointment. This report has been agreed upon, and Mr. Chamberlain tells me it is proposed to submit it (or the essential portions of it) to the Governments concerned by telegraph, at once, in order that the matter may be proceeded with immediately.

I was very glad to receive your telegram of the 4th ulto., in reply to my letter of March 21, reading as follows:—

‘Advised by Government Engineer Roy, who is perfectly familiar with San Juan harbour, that head of bay suitable site for station—Will be within half mile of suitable landing place for cable—Open all year around for vessels, thus affording ample facilities for supplies—Government has telegraph line in operation from San Juan to Victoria, there connects with Canadian Pacific system which connects with cable from Vancouver Island to Mainland—Advise that Admiralty maps accurately describe locality—Will send tracing of Canadian map Vancouver Island—Buildings in locality wooden.’

I at once communicated its contents to Mr. H. A. Taylor, who has since returned his thanks for the information. As soon as the tracing of the Canadian map of Vancouver Island, which you were good enough to promise to furnish, comes to hand, I will also send it on to Mr. Taylor. In the meantime his firm have proceeded with the draw-

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ing up of the specifications and they are now ready. I understand from Mr. Chamberlain that tenders will be invited immediately, and that this part of the matter will not be delayed pending the consideration, by the Governments concerned, of the report of the Pacific Cable Committee.

STRATHCONA.

(Paraphrase of cable.)

*Mr. Chamberlain to Lord Minto.*

LONDON, May 15, 1900.

Committee on Pacific cable report estimate furnished by consulting engineer places cost of laying cable (including two main ships) at £1,709,000, and committee are assured that the contractors' prices will be within five per cent of this.

Proposed core for Fanning section, 600 pounds copper, 340 pounds gutta percha per knot, giving eight paying words per minute.

Committee estimates annual expenditure on basis of total capital outlay of £1,800,000 as follows :—

Interest and sinking fund.....	£ 70,000
Working expenses.....	25,000
Maintenance.....	55,000
Total .....	£ 150,000

Respecting duplication of cable they refer to previous report and say that it would probably be in the interests of associated governments and eastern companies to have a working agreement respecting rates and exchange of traffic.

In the event of not having an agreement of this nature, duplication might be required in the near future and prevent cable being self-supporting for many years.

In eighteen months cable could be manufactured and laid, and it is estimated that it would obtain 960,000 words, or five-twelfths of total traffic of 2,300,000 words in 1902.

Committee recommend a rate of two shillings for Pacific portion, showing an estimated deficit of £54,000, but have reason to hope that deficit would disappear in some years under the stimulus of reduced rates and development of American-Canadian and local Pacific business.

The management to be by board of eight in the same proportions as committee, unpaid, but with a paid manager.

Copies of report being sent by post.

If the project is to be proceeded with, an early decision of the governments interested is desired.

J. CHAMBERLAIN.

(Confidential.)

*Mr. Chamberlain to Lord Minto.*

DOWNING STREET, May 16, 1900.

Governor General,

The Right Honourable

The Earl of Minto, G.C.M.G.

&amp;c., &amp;c., &amp;c.

I have the honour to transmit to you, with reference to my telegram of the 15th instant, which was also sent to the Governors of the other colonies interested in the Pacific cable scheme, copies of the report of the Pacific Cable Committee.

2. I shall be glad if you will inform me by telegraph whether your government are prepared to proceed with the project on the lines recommended by the committee.

J. CHAMBERLAIN.



SESSIONAL PAPER No. 77

17 VICTORIA STREET,

LONDON, S.W., June 1, 1900.

The Right Honourable Sir WILFRID LAURIER, G.C.M.G.,  
Ottawa.

I beg to refer to my letter of the 4th ultimo, respecting the Pacific cable, which has been acknowledged in Mr. McGee's letter of the 15th idem.

The following telegram appeared in the *Times* of May 5:—

'The Postmasters General of New South Wales and Victoria have come to an agreement on the disputed points in the proposed agreement with the Eastern Extension Company. The arrangement is made subject to the approval of the company, and the ratification by the Victorian and New South Wales Parliaments, which will not meet for two months. The tariff in the meantime will remain unaltered. The two governments are to have the option of purchasing the cable. No other company is to be allowed to open offices in the colonies before the Extension Company.'

I at once communicated with Mr. Chamberlain asking for details of the reported agreement, so that it might be possible to see whether the modified arrangement mentioned removed the objectionable features of the proposed agreement with the Eastern Extension Company—which in its original form was regarded as likely to be prejudicial to the Pacific cable project. I have now received from Mr. Chamberlain a letter, of which a copy is inclosed, together with the transcript of the telegram that is referred to showing the amendments in the proposed agreement submitted by the Postmasters General of New South Wales and Victoria.

A copy is also transmitted of the agreement between the Eastern Extension Telegraph Co. and the Colonies of South Australia, Western Australia and Tasmania, which will enable you to understand the bearing of the modifications now under consideration.

You will observe that the principal alterations relate to the raising of rates and terminals after any reduction under clauses 5 and 7, to a modification of the clause under which the company is empowered to open offices; and to the provision of a purchase clause to be read in conjunction with the rest of the agreement.

Although I have no official information on the subject, I am led to understand that the Eastern Extension Co. decline to accept the amendments as they now stand; and I am further informed that the press of Victoria and New South Wales is engaged strongly advocating the construction of the cable between Africa and Australia, so that the promised lower rates may be immediately secured.

It seems to me that the acceptance of the original agreement or of the modifications cannot but prejudicially affect the possibilities of the commercial success of the Pacific cable; and if you agree with me, I shall be glad to have a telegram on the subject at your earliest convenience, in order that I may again approach Mr. Chamberlain.

It might be well, also, if you view the matter from the same standpoint as I do, that you should communicate directly with the Governments of Victoria and New South Wales on the subject.

Judging from some unofficial communications that have come to my notice, there seemed some time ago in Canada to be an impression that Canada might be prepared to waive opposition to an agreement such as that proposed in the event of power being retained by the governments concerned in the Pacific cable to purchase the cable between Africa and Australia.

This view of the matter, however, does not commend itself to my judgment, for reasons which may have already been made clear in my previous despatches on the subject.

STRATHCONA.

*(Immediate).*

DOWNING STREET, May 26, 1900.

The High Commissioner for Canada.

I am directed by Mr. Secretary Chamberlain to transmit to you for your information with reference to your letter of the 8th instant, copy of a telegram showing the

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amendments in the proposed agreement with the Eastern Extension Telegraph Company submitted by the Postmasters General of New South Wales and Victoria.

This department has no spare copy of the agreement between the Eastern Extension Telegraph Company and the Governments of South Australia, Western Australia and Tasmania, which forms the basis of the proposed arrangement, but I am to suggest that you may be able to procure a copy from the Agent General for one of those Colonies.

H. BERTRAM COX.

AMENDMENTS SUBMITTED BY THE POSTMASTERS OF NEW SOUTH WALES AND VICTORIA.

1. Australasian traffic must be defined in the recital as follows :—

‘Telegraphic messages to and from the terminal stations in Australasia.’

2. Clause 8 of the Adelaide agreement to read :—‘After any reduction in the rates for Australasian traffic and in the terminals shall have been made under clauses 5 and 7 hereof, the said rates and terminals shall not again be raised ; but if the said rates and terminals are reduced by the Eastern Extension Company, or Cis-Indian Administration, of its own motion below the minimum in clause 5, the said company, or administration, may at its pleasure again raise them, provided they shall not exceed the said minimum.’

3. Clause 16 of the Adelaide agreement to stand as agreed between Messrs. Crick and Warren.

4. Clause 19 of the Adelaide agreement. Company must pay parliamentary and municipal taxation, except on cable goods, through customs, but may add sums so paid to £330,000.

5. Arbitration clause, as in Mr. Crick’s draft, must be inserted.

6. Purchase clause, to be read in conjunction with foregoing, must also be inserted.

7. Agreements embodying the above amendments to be submitted for approval of Parliaments of New South Wales and Victoria.

W. J. CRICK.

W. A. WATT.

Postmasters-General.

New South Wales and Victoria.

NOTES.

*Clause 16.—Mr. Crick’s Draft.*

‘The Extension Company shall, on and after the opening for traffic of the Pacific cable, or any other competing companies, or any of them, be entitled to open local offices and to collect direct from and to deliver direct to the public in the cities of Perth, Adelaide, Melbourne, Sydney and Hobart, any telegrams forming part of the Australasian traffic, and shall pay to the contracting colonies the terminal rates specified in the schedule in respect of all such messages so collected or delivered, provided that in the meantime no such right shall be granted to any other cable company before being granted to the Extension Company, and formal notice of not less than six months shall be given to the Extension Company to enable them to prepare for opening their offices simultaneously with the competing cable.’

*Arbitration Clause.—Mr. Crick’s Draft.*

23. ‘In the event of there being any breach on the part of the company of this agreement, or of any covenant, matter or thing herein contained, it shall be lawful for the contracting colonies jointly by instrument in writing to notify the said company of such breach of this agreement and of its termination, and the company shall not be entitled to any compensation in respect of any such termination, provided that in case within seven days after service on the company of a notice determining this agreement the company gives notice in writing that they dispute the sufficiency of such breach to justify the determination of this agreement, such dispute shall be referred to arbitration, one arbitrator to be appointed by the contracting colonies jointly (in the event of any disagreement the arbitrator for the said colonies to be selected by the majority) and the other by the company, the two arbitrators to appoint an umpire if any disagreement arise, and in case of such submission to arbitration this agreement shall, notwithstanding such notice of determination, continue in force unless and until an award shall be made to the effect that such breach was sufficient to justify the giving of such notice of determination as aforesaid.’

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OTTAWA, June 19, 1900.

Dominion,  
London.

Government against proposed concessions Eastern Company. Pre-emptive right does not remove objection. Government long since communicated objection to Australian Colonies. Relies on good faith all parties to Pacific scheme, that without common consent no partner will sanction material alteration of conditions existing when partnership formed. Government not consulted by Imperial authorities regarding their rendering proposed concessions to Eastern Company practicable by grant of landing privileges between Africa-Australia, and assumes that at least until our views are asked and ascertained no such privilege will be granted.

LAURIER.

(Copy.)

17 VICTORIA STREET, LONDON, S.W.,  
June 22, 1900.The Right Honourable  
Sir WILFRID LAURIER, G.C.M.G.,  
Ottawa.

I beg to refer to my letter of the 1st instant, respecting the Pacific cable, and have to acknowledge the following telegram from you dated the 19th instant:—

‘Government against proposed concessions Eastern Company. Pre-emptive right does not remove objection. Government long since communicated objection to Australian Colonies. Relies on good faith all parties to Pacific scheme, that without common consent no partner will sanction material alteration of conditions existing when partnership formed. Government not consulted by Imperial authorities regarding their rendering proposed concessions to Eastern Company practicable by grant of landing privilege between Africa-Australia, and assumes at least until our views are asked and ascertained no such privilege will be granted.’

I took an opportunity of speaking to Mr. Chamberlain yesterday, and represented to him as strongly as I could the views of the Dominion Government.

Subsequently I wrote to him formally on the subject at his request, and a copy of my letter is inclosed herewith.

Mr. Chamberlain seemed very favourably disposed in the matter. I believe he will do all that is possible to ensure the speedy construction of the Pacific cable, and to prevent anything being done in connection with the South African and Australian cable, which will prejudice the important work across the Pacific which has been under consideration so long.

I understood from Mr. Chamberlain that the tenders for the Pacific cable will be invited very shortly, the necessary preliminaries having been arranged with the Treasury.

STRATHCONA.

June 22, 1900.

The Under-Secretary of State,  
Colonial Office.

I beg to refer to your letter of the 26th ultimo and the copy of a telegram showing the amendments in the proposed agreement with the Eastern Extension Telegraph Company submitted by the Postmasters General of New South Wales and Victoria.

You are already aware of the objections of the Government of the Dominion to the agreement with the Colonies of South Australia, West Australia and Tasmania, which forms the basis of the proposed arrangement, and I believe that the views of Canada in this matter are shared by the Colonies of Queensland and New Zealand.

I have submitted to the Dominion Government the proposed amendments to the agreement which have been suggested by the Postmasters General of New South Wales

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and Victoria, and I now quote, as desired by Mr. Chamberlain, to whom I read it yesterday, a telegram received on the 20th inst. from Sir Wilfrid Laurier on the subject :

'Government against proposed concessions Eastern Company. Pre-emptive right does not remove objection. Government long since communicated objection to Australian Colonies. Relies on good faith all parties to Pacific scheme, that without common consent no partner will sanction material alteration of conditions existing when partnership formed. Government not consulted by Imperial authorities regarding their rendering proposed concessions to Eastern Company practicable by grant of landing privilege between Africa-Australia, and assumes that at least until our views are asked and ascertained no such privilege will be granted.'

I venture to hope that the views of the Government of Canada may be communicated to the Governments of Victoria and New South Wales, and that the representations I have had the honour to make will receive the support of Her Majesty's Government, which is a partner in the scheme for the construction of the Pacific cable. I am sure it will cause great disappointment in the Dominion if any steps are taken either by Victoria or New South Wales, and if anything is sanctioned by Her Majesty's Government which will in any way tend to prejudice the successful carrying out of that work.

Permit me also to take the opportunity of writing to draw the attention of the Secretary of State to the concluding portion of Sir Wilfrid Laurier's message.

STRATHCONA.

17 VICTORIA STREET,  
LONDON, S.W., July 13, 1900.

The Right Honourable  
Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa.

In continuation of my letter of the 22nd ulto., regarding the Pacific Cable, I beg to transmit to you herewith, for your information, a copy of a communication dated the 4th instant, which has reached me from the Colonial Office in reply to the letter I addressed to that department on the 22nd ulto., in which I quoted the text of your cablegram to me of the 19th idem. I also inclose a copy of a further letter I have sent to the Colonial Office on the subject.

You will observe that Mr. Chamberlain has repeated, in part, your cablegram to the Governors of New South Wales and Victoria, and that an explanation is given of the understanding of Her Majesty's Government as to the objections of the Dominion Government in connection with the establishment of direct cable communication between South Africa and Western and South Australia.

I also forward a cutting from to-day's *Times* giving a report of a question asked in the House of Commons last evening as to the Pacific cable, and Mr. Chamberlain's reply thereto.

An advertisement, of which I forward a copy herewith, has appeared in the *Times* to-day, inviting tenders for the manufacture and laying of the Pacific cable and I therefore cabled you as follows :—

'Advertisement appears *Times* to-day inviting tenders for manufacture laying Pacific cable on basis three distinct contracts. Forms contract specification and tender to be obtained on and after seventeenth instant. Last day for reception tenders fourteenth proximo.'

STRATHCONA.

COLONIAL OFFICE,  
DOWNING STREET, July 4, 1900.

High Commissioner for Canada.

I am directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 22nd ulto., in which you communicated the text of a telegram received by



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you from Sir Wilfrid Laurier on the subject of the proposed agreement between the Governments of New South Wales and Victoria and the Eastern Extension Telegraph Company.

2. Sir Wilfrid Laurier's telegram, with the exception of the last sentence, has been repeated to the Governors of New South Wales and Victoria.

3. In regard to the last sentence of Sir W. Laurier's telegram, I am to state that Her Majesty's Government were not aware that the Dominion Government entertained any objection to the establishment of direct cable communication between South Africa and Eastern and South Australia, but understood that their objections were directed against the concessions which the Eastern Extension Telegraph Company demanded from New South Wales and Victoria as part of the consideration for laying such a direct cable. As the company have agreed with Western and South Australia to lay the cable without having obtained the desired privilege in New South Wales and Victoria, the matter ceased to have any relation to the Pacific cable scheme, and Her Majesty's Government did not see any reason for requesting the Governments of Mauritius and the Straits Settlements to refuse permission to land the cable, the only ground of objection to which, so far as they were aware, was the concession demanded from New South Wales and Victoria as part of the consideration for laying it, and the Eastern Extension Telegraph Companies have been informed accordingly.

H. BERTRAM COX.

OFFICE OF THE HIGH COMMISSIONER FOR CANADA,

17 VICTORIA ST., LONDON, S.W., July 12, 1900.

The Under-Secretary of State,  
Colonial Office, S.W.

I beg to acknowledge your letter of the 4th instant on the subject of the proposed cable between South Africa and Australia and its bearing on the Pacific cable question.

I agree with what is stated in the concluding paragraph of your letter, to the extent that the Canadian Government have no objection *per se* to the construction of the cable, but they are, and have always been, strongly of opinion that nothing should be done in connection with the matter likely to prejudice the commercial success or militate in any way against the interests of the Pacific cable.

This, in my judgment, serves to explain the concluding portion of Sir Wilfrid Laurier's telegram of the 19th ultimo. As the control of the landing places of the Cape and Australia cable is with Her Majesty's Government, it was considered by Canada that this power would be used for the purpose of preventing any agreement likely to be detrimental to the Pacific cable, the mother country being a partner in the scheme, with Canada and certain of the Australian colonies, for the construction and operation of this Imperial work.

STRATHCONA.

17 VICTORIA STREET, LONDON, S.W., July 24, 1900.

The Rt. Honourable  
Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa.

In continuation of my letter, No. 550, of the 13th instant, regarding the Pacific cable, I now beg to send you for your information a copy of the forms of contract, specification and tenders, which I have obtained from Messrs. Clark, Forde & Taylor.

As you will have gathered from my cablegram of the 13th instant, the last day for the reception of tenders is the 14th proximo.

STRATHCONA.

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FOURTH CONGRESS OF CHAMBERS OF COMMERCE OF THE EMPIRE,  
JUNE, 1900.BOTOLPH HOUSE, EASTCHEAP, LONDON, E.C.  
July 31, 1900.The Rt. Hon. the Earl of Minto, G.C.M.G.,  
Governor General of Canada,  
Ottawa.

I have the honour to transmit the appended resolution, unanimously passed by the above Congress, on the subject of Imperial telegraphic communication.

In view of the contemplated action of Her Majesty's Government in regard to the Pacific cable it would appear to be unnecessary to refer to the great importance of this matter and the necessity which exists for commercial reasons and for purposes of defence that the ends of this vast empire should be drawn more closely together by a perfect system of cable communication.

In the humble opinion of the Congress it is of the most supreme importance that instant communication should be available to all parts of the empire, whether for commercial purposes generally, for military purposes or for the convenience of the individual trader, and I therefore transmit the resolution, respectfully urging that the matter may receive that consideration at the hands of Her Majesty's Government which its importance would appear to demand.

ALBERT G. SANDEMAN,  
President.

The resolution referred to is as follows :—

‘That this Congress desires to call special attention to the necessity of completing the all-British Pacific cable, not only on commercial grounds, but in the interests of the Imperial security.

‘That this Congress recommends that support should be given to the action which the Imperial Telegraph Committee of the House of Commons is taking with the view of placing the important matter of electrical communication between the United Kingdom, India and the British Colonies and dependencies on a footing commensurate with the present conditions of Inter-Imperial and Colonial relations.

‘That copies of this resolution be addressed to the Prime Minister, the First Lord of the Treasury, the Chancellor of the Exchequer, the Secretary of State for India, the Secretary of State for the Colonies, the Postmaster General, and the Governors of the *self-governing Colonies*, urging that every reasonable opportunity may be given in Parliament for discussion of the position of the Telegraph Companies in relation to the Government, with a view to an immediate and satisfactory solution being found for the very serious grievances under which the commercial and industrial communities of the empire have been labouring for a long time past.

‘That in view of the great object to be attained, this Congress is strongly of the opinion that it would be wise policy to make full provision for ultimate State ownership in any arrangements hereafter made to lay cables, by private companies, between British possessions in any part of the globe.

‘That this Congress recommends that the principle of State ownership be especially provided for in the cable proposed to be laid by a private company between South Africa and Australia.

‘That this Congress urges upon Her Majesty's Government the importance of instituting a searching investigation by the departmental committee promised by the Government into both the shortcomings and the merits of a private system of cables, and consequently into the desirability or otherwise of adopting such a course or policy in the future as would lead to the ultimate expropriation of private cables, and the establishment of State-owned cables throughout the empire, and to report thereon at the earliest opportunity, such report to be accessible to the public’

## SESSIONAL PAPER No. 77

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on October 16, 1900.

On a memorandum dated October 15, 1900, from the Postmaster General, stating that the Right Honourable Lord Strathcona, High Commissioner for Canada at London, England, one of the representatives of Canada on the Pacific Cable Commission, has submitted for the consideration of the Dominion Government the tenders received by the Pacific Cable Commission for the construction of the Pacific cable.

That Lord Strathcona has submitted to the Postmaster General a letter received from C. T. Davis, Secretary of the Pacific Cable Committee in the words following :—

*(Immediate and confidential.)*

COLONIAL OFFICE, September 29, 1900.

High Commissioner for Canada.

I am directed by the Pacific Cable Committee to forward to you a statement summarizing the tenders which they have received for the manufacture and laying of the proposed cable.

I am requested that you will communicate the substance of this statement by telegraph to your Government in strict confidence, and ask them to inform you as soon as possible whether they are prepared to proceed with the scheme on the basis of the whole work being given to the Telegraph Construction and Maintenance Company.

On this basis the total cost of establishing the cable would be £1,795,000, plus \$180,000, the estimated amount of supplementary and miscellaneous expenditure, i.e. £1,975,000.

C. T. DAVIS.

The Minister states that the summary of tenders referred to in said letter is as follows :—

Statement as to tenders received by the Pacific Cable Committee.

(a) Henleys offered to complete in eleven months for £375,000 contract 3 in appendix of committee's report. This offer expired August 31 and was subject to reservations to the market price of raw gutta percha.

(b) Silvertown Company offer to use their best endeavours to complete in 18 months contract 1 for £1,153,000, or contracts 2 and 3 separately or combined for £415,000 and £404,000 respectively, but will not undertake whole work. This offer expires March 31, 1901.

(c) Telegraph Construction and Maintenance Company offer to complete contract 1 for £1,067,602, contract 2 for £388,358, and contract 3 for £339,040, total £1,795,000. They undertake to complete any one contract by July 31, 1902, but if whole work is given them and they are allowed to start with contract 3 and end with contract 1, they will complete by end of 1902 and also carry out without further charge the sounding and survey operations specified in contract 4 (estimated by engineers to cost £24,000). This offer expires October 31, 1900.

(d) Siemens offer to complete contract 1 for £1,235,000 in 12 months, contract 2 for £512,200 in 10 months, contract 3 for £461,500 in 10 months, total £2,208,700, but state that the time required to complete the whole work, or two of its parts, would be less than the sum of the several times. This offer expires October 14, 1900.

The Minister recommends that he be authorized to inform Lord Strathcona that the Dominion Government approves of the acceptance of the tender of the Telegraph Construction and Maintenance Company, and to request him to so notify the Pacific Cable Committee.

The Committee advise that authority be granted as recommended.

JOHN J. McGEE,

Clerk of the Privy Council.

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DOWNING STREET, October 17, 1900.

*(Mr. Chamberlain to Lord Minto.)*

In confirmation of my telegram of the 13th instant, I have the honour to transmit to you, to be laid before your Ministers, a copy of a letter from the Pacific Cable Committee, reporting on the tenders which they have received for the construction and laying of the proposed Pacific cable.

J. CHAMBERLAIN.

October 15, 1900.

The Secretary of State,  
Colonial Office.

On the receipt of your letter of July 2, the Pacific Cable Committee instructed Messrs. Clark, Forde and Taylor, their consulting engineers, to call for tenders for the construction and laying of the proposed Pacific cable on the basis of the specifications and draft contracts submitted in the committee's report of April 21 last.

2. Copies of the forms of specifications and contract issued by Messrs. Clark, Forde and Taylor, in calling for tenders, are inclosed.

3. Copies of the tenders received together with the reports of Messrs. Clark, Forde and Taylor, thereon, are also inclosed.

4. The following is an analysis of the tenders:—

(a) W. T. Henley's Telegraph Works Company offered to complete contract 3 in eleven months for £375,000. This offer expired August 31, and was subject to a reservation as to the market price of gutta percha.

(b) The Silvertown Company offer 'to use their best endeavours' to complete in eighteen months, contract 1, for £1,153,000, or contracts 2 and 3, separately or combined, for £415,000 and £404,000 respectively, but they cannot undertake the whole work. This offer holds good until March 31, 1901.

(c) The Telegraph Construction and Maintenance Company offered to complete Contract 1 for £1,067,602, contract 2 for £388,358, and contract 3 for £339,040, total, £1,795,000, and they undertook to complete any one contract by July 31, 1902.

(d) Siemens Brothers & Company offer to complete contract 1 for £1,235,000 in twelve months, contract 2 for £512,200 in ten months, contract 3 for £461,500 in ten months, total, £2,208,700. They state, however, that the time required to complete the whole work, or two of its parts, would be less than the sum of the times quoted for each part separately. This offer holds good until the 14th instant.

5. The committee did not regard any of these tenders as acceptable, but they were of opinion that the offer of the Telegraph Construction and Maintenance Company, whose tender was the lowest for each of the three parts, afforded a basis for negotiation.

6. The company were accordingly asked to revise their tender on the basis of all three contracts being placed with them. In reply, they undertook, if allowed to commence with the Fiji-Norfolk Island and Norfolk Island-Australia and New Zealand sections and to finish with the Vancouver section, to complete the whole line by December 31, 1902; but the only abatement they were prepared to make from their original tender of £1,795,000, was an offer to carry out without charge the sounding and survey operations specified on contract 4 and estimated by the engineers to cost £24,000.

7. The committee had hoped to obtain from the company a more substantial reduction in consideration of the whole work being given to them, but the negotiations for a further reduction failed.

8. The committee are, however, satisfied that the offer of the company, as it stands, is the best obtainable and they unanimously recommend that the whole work should be placed with them.

9. The engineers' estimate for contracts 1, 2, 3 and 4 was £1,491,659. In explanation of the discrepancy between this sum and the amount of the company's tender, the



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committee desire to invite attention to the remarks on the state of the gutta percha market made in Messrs. Clark, Forde and Taylor's report of August 17, and in Messrs. Henley's letter to Messrs. Clark, Forde and Taylor of August 13.

10. If the company's tender is accepted, the total cost of establishing the cable, allowing for miscellaneous and supplementary expenditure estimated at £180,000, will be £1,975,000.

11. The adjustment of the points raised by the company in the letter accompanying their original tender does not appear to the committee to be a matter of any difficulty.

12. The revised offer of the company remains open until the 31st instant, and is subject to a proviso that the contract shall be signed not later than December 31, 1900.

13. To save time the committee have embodied a summary of the tenders received and their recommendation in the memorandum submitted herewith. They will be glad if it can be communicated by telegraph to the Colonial Governments interested with as little delay as possible.

C. T. DAVIS,  
Secretary.

*(Memorandum of Pacific Cable Committee.)*

Following tenders have been received by Pacific Cable Committee:—

(a) Henley's offered to complete in 11 months for 375,000 pounds, contract 3 in appendix of committee's report. This offer expired August 31, and was subject to reservation as to the market price of gutta percha.

(b) Silvertown Company offer to use their best endeavours to complete in 18 months contract 1 for £1,153,000, or contracts 2 and 3, separately or combined for £415,000 and £404,000 respectively, but will not undertake whole work. This offer expires March 31, 1901.

(c) Telegraph Construction and Maintenance Company offer to complete contract 1 for £1,067,602, contract 2 for £388,358 and contract 3 for £339,040, total £1,796,000. They undertake to complete any one contract by July 31, 1902, but if whole work is given them, and they are allowed to start with contract 3 and end with contract 1, they will complete by December 31, 1902, and also carry out without further charge the sounding and survey operations specified in contract 4 (estimated by engineers to cost £24,000). This offer expires October 31, 1900.

(d) Siemens offer to complete contract 1 for £1,235,000 in 12 months, contract 2 for £412,000 in 10 months, contract 3 for £416,500 in 10 months, total, £2,080,700, but state that the time required to complete the whole work, or two of its parts, would be less than the sum of the several times. This offer expires October 14, 1900.

Committee unanimously recommend that whole work should be given to Telegraph Construction and Maintenance Company. The engineer's estimate for contracts 1, 2 and 3 was £1,467,659; discrepancy is due entirely to the advance in the price of gutta percha.

Negotiations with company for further reduction in tender have failed, and committee consider that the company's offer as it stands is the best obtainable.

If adopted, total cost of establishing cable will be £1,795,000 plus 180,000 the estimated amount of miscellaneous and supplementary expenditure, i.e., £1,975,000.

Telegraph as soon as possible views of your Ministers as to acceptance of tender.

Committee regret delay, but negotiations with Telegraph Construction and Maintenance Company have only just been concluded.

17 VICTORIA STREET,

LONDON, S.W., October 20, 1900.

SIR WILFRID LAURIER,—On July 29 last I had the pleasure to send you copies of the forms of specification and contract issued by Messrs. Clark, Forde & Taylor, the

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consulting engineers to the committee, in calling for tenders for the proposed Pacific cable.

I now think it well, in order to complete to date the correspondence which I have had with you on this subject, to write you briefly as to what has taken place since the date for the reception of tenders, i.e., August 14 last.

In the first place four tenders were received, three for the whole work and one for a portion only. These were placed before the consulting engineers, who reported upon them, and they were then taken into consideration by the committee.

The committee did not at first regard any of these tenders as acceptable, but they were of the opinion that the offer of the Telegraph Construction and Maintenance Company, whose tender was the lowest, afforded a basis of negotiation.

The consulting engineers were accordingly instructed to communicate with the Telegraph Construction and Maintenance Company, with a view to ascertaining whether they were prepared to revise their tender. Correspondence thereupon ensued between the engineers and the company, with the result that the latter undertook to complete the whole line by December 31, 1902, but the only modification they were prepared to make in their original tender was an offer to carry out, without charge, the necessary sounding and survey operations, estimated by our engineers to cost £24,000.

The matter was then finally considered by the committee, who unanimously decided to recommend that the whole of the work should be given to the Telegraph Construction and Maintenance Company.

On the 13th instant a synopsis of the tenders received, and the recommendation adopted by the committee, was cabled to the Governor General by the Colonial Office, in order that the views of the Canadian Government as to the acceptance of the tender might be signified.

On the 16th inst. I received your authority to inform the Secretary of State for the Colonies that the Dominion Government approved of the acceptance of the Telegraph Construction and Maintenance Company's offer, and this approval was accordingly communicated by me to the Colonial Office.

I have since learned from that department that New Zealand has also notified its agreement with the committee's recommendation, and I have no doubt that this course will be followed in due time by the other governments concerned.

In the meantime, I do not think it necessary to send you copies of the various papers and correspondence arising out of the action which I have outlined above, as I am informed that they are being communicated to the Governor General by the Colonial Office, and they will no doubt reach you in due course.

STRATHCONA.

1157 DORCHESTER STREET,  
MONTREAL, October 28, 1900.

The Right Honourable  
Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa, Ont.

In continuance of advice received regarding the proposed Pacific cable, I beg to say that in addition to the information communicated in my letter to you of the 28th instant I have just been informed by cable as follows:—

'Pacific cable. Victoria assents. New South Wales assents on understanding Parliament approves. Bill already passed Lower House. Colonial Office asking company extending the tenders another month to meet this contingency, and permit submission Cabinet here, which necessary before contract can be signed.'

From this it would appear that there is every prospect that before the close of the present year the tenders for the construction of the cable will have been given out, with the full understanding that it will be completed by December 31, 1902.

STRATHCONA.

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OTTAWA, November 15, 1900.

Lord ABERDEEN,  
Haddo, Scotland.

The Canadian and Australian representatives on the Pacific Cable Board having been successful in maturing the project ready for contractors, the Government do not suppose you would care to continue any longer a member of the Board, which will have now to deal only with business details, involving the presence of its members in London, which might be inconvenient to you. The Government, therefore, propose asking Mr. Lang, Bank of Montreal, to go on permanent Board. I understand that suggestion has your approval.

LAURIER.

*Lord Minto to Mr. Chamberlain.*

My Ministers are extremely anxious that the Pacific cable contract should be signed without further delay. They think the present members of the Board have ample authority to act, and Canada will confirm such action by its representatives on the Board should it be considered necessary. They also suggest Lord Strathcona and Alexander Lang, Manager Bank of Montreal, as members of permanent Board.

*Mr. Chamberlain to Lord Minto.*

LONDON, November 27, 1900.

For convenience of drafting and for other reasons it is proposed that Pacific cable contract shall be signed on behalf of Her Majesty's Government by the Lords Commissioners of the Treasury, and on behalf of Canada and the Australasian Colonies by the High Commissioner and the four Agents-General. I request the High Commissioner may be instructed accordingly.

CHAMBERLAIN.

OTTAWA, November 30, 1900.

LORD STRATHCONA,  
17 Victoria St., London, Eng.

Colonial Office desires that for convenience of drafting and other reasons Pacific cable contract should be signed on behalf of Canada by the High Commissioner. Canadian Government has no objections and desires you to act accordingly.

LAURIER.

*From Mr. Chamberlain to Lord Minto.*

LONDON, January 5, 1901.

Pacific cable contract executed December 31.

CHAMBERLAIN.

*From Mr. Chamberlain to Lord Minto.*

DOWNING STREET,  
January 17, 1901.

Governor General,  
The Right Honourable  
The Earl of Minto, G.C.M.G.,  
&c., &c., &c.

With reference to previous correspondence on the subject of the contract for the construction of the Pacific cable, I have the honour to transmit to you, for the information of your Ministers, copies of the contract as completed on December 31 last.

J. CHAMBERLAIN.

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17 VICTORIA STREET, LONDON, S.W.,  
January 26, 1901.The Right Honourable  
Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa.

I beg to confirm my telegram to you of the 24th instant, as follows :—

‘In reply to my communications protesting against proposed arrangements, Administrator New South Wales telegraphs Colonial Office following:—Referring your telegram, January 8, my Ministers advise Pacific Cable Board no power deal any matter affecting Post Office except Pacific cable. Our Post Office probably pass to Federal Government and next month when cable rates would necessarily be uniform. At present this State pays 4s. 11d. per word, while adjoining State pays 3s. 6d. Paving way for uniformity federal service, my Government entered into agreement Eastern Extension Company for uniformity rate from February 1. Ends. Agreement signed sixteenth instant. Victorian Government advises Agent-General this result, conference between Postmasters General New South Wales and Victoria at which mutually agreed grant Eastern Extension Company permission open offices for direct transaction business from date completion Pacific cable but getting reduction from 1st prox. Postmaster General Victoria, however agreed under misapprehension exact position matter and his Government were determined do nothing involving breach terms on which contributing parties entered into Pacific cable contract, but New South Wales having obtained advantages they are desirous occupy as good position as other States if other parties interested do not consider breaking faith. Large number their people consider proposed agreement justifiable and Mr. Chamberlain is being asked give consent. Special meeting Pacific Cable Board being called consider matter. Please cable your views. Personally not disposed accede request Victoria.’

The following reply from you reached me this morning.

‘Canadian Government entered into Pacific cable partnership in full confidence no partner government would alter conditions then existing to prejudice of scheme. Consider concessions asked for Eastern Extension would, if granted, materially alter conditions and seriously prejudice scheme. Canada certainly will be unwilling to continue its adherence if co-partners without mutual consent change basis on which partnership formed. Last Saturday received cable from Premier Victoria, asking views and cabled reply to above effect.’

I take the opportunity of writing to transmit a copy of the telegram from the Government of Victoria to its Agent-General, Sir Andrew Clarke, on the subject; also further letters, with their inclosures, which have reached me from Colonial Office on the subject.

I append also, for the information of the Government, a copy of the communication I have to-day addressed to Mr. Chamberlain on the subject.

STRATHCONA.

January 26, 1901.

The Under-Secretary of State,  
Colonial Office.

I beg to acknowledge your letter of the 23rd instant, respecting the reported acceptance by the Government of New South Wales of the proposals of the Eastern Extension Telegraph Company, and transmitting copy of a telegram received from the officer administering the Government of that colony, on the subject.

Your further letter of the 25th instant, with a copy of Mr. Chamberlain's telegram to the Government of New South Wales dated 8th instant, has also reached me.

I had no doubt that the action of the New South Wales Government would cause grave disappointment among the other partners in the Pacific Cable scheme. After all the correspondence that has passed, it was never deemed possible that any one of the partners in the construction of the Pacific cable would enter into any agreement with a



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competing line without the consent and approval of Her Majesty's Government and the other Colonies associated with them.

Sir Andrew Clarke, a few days ago, handed to me a copy of a telegram received by him from the Government of Victoria, stating that although they had agreed with the New South Wales Government recently to sign the agreement with the Eastern Extension Company, their action in the matter was the result of a misapprehension, and that they did not wish to proceed further or to do anything that could possibly be regarded as a breach of the terms on which the contributing parties had entered into the contract for the Pacific cable. At the same time, the telegram gave expression to the desire of the Government, should no objection be raised, to participate in the temporary advantages which the people of New South Wales would secure by the action of its Government.

I at once took the opportunity of cabling to Canada both the telegram received by Mr. Chamberlain from New South Wales, and the effect of the telegram addressed to Sir Andrew Clarke by the Government of Victoria.

I have now to transmit, for the information of Mr. Chamberlain, the following telegram which reached me to-day from Sir Wilfrid Laurier:—

'Canadian Government entered into Pacific cable partnership in full confidence no partner government would alter conditions then existing to prejudice of scheme. Consider concessions asked for Eastern Extension would, if granted, materially alter conditions and seriously prejudice scheme. Canada certainly will be unwilling to continue its adherence if co-partners without mutual consent change basis on which partnership formed. Last Saturday received cable from Premier Victoria asking views and cabled reply to above effect.'

I venture to believe that His Majesty's Government will use their best endeavours with New South Wales, and with the Government of Victoria, to bring about a reconsideration of the matter, in the hope that it may still be possible to avoid the consequences of the action of the former Government, which are certainly calculated to seriously prejudice both the construction and successful operation of the Pacific cable.

STRATHCONA.

*Copy of telegram received on January 21, 1901.*

Transmit following telegram to Secretary of State for Colonies:—

Pacific cable. Western Australia, South Australia, Tasmania, some months ago agreed with Eastern Extension Company to grant permission to at once open offices for direct transaction of business, and have obtained considerable reduction charges. Postmaster General New South Wales, Victoria, had conference and agreed in writing to give similar privileges from the date of completion of Pacific cable, but getting reduction at once, namely, from February 1. Victoria Postmaster General being under misapprehension of exact position of matter, New South Wales has instructed Agent-General and he has signed agreement, but on matter being reported to Victorian Cabinet, they were determined not to do anything that would be breach of terms on which contributing parties enter into contract. However, New South Wales having obtained the advantages, we are naturally desirous our people should be in position as good as other States, if other parties interested do not consider that we are breaking faith with them. I would be glad to know therefore, under the circumstances as they now exist, you will object to Victoria to enter into agreement proposed. Matter of allowing Eastern Extension Company to have separate offices was not thought of or taken into consideration at the time of negotiation, and large numbers of our people consider that proposed agreement is justifiable, and therefore I should be glad if you can give your consent. Telegraph reply.

COLONIAL OFFICE.

The Under-Secretary of State for the Colonies presents his compliments to the High Commissioner for Canada and requests that he will be good enough to add the accom-

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panying copy of a telegram to the Officer administering the Government of New South Wales to the enclosure in the letter from the Colonial Office January 23 respecting the proposals of the Eastern Extension Telegraph Company.

January 25, 1901.

(Telegram.)

Mr. Chamberlain to the Officer administering the Government of New South Wales. (Sent 5 p.m. January 8, 1901.)

Referring to my telegram of July 2, Canadian Government are informed that New South Wales will probably accept proposals of Eastern Telegraph Company. Presume that this is not correct, and that matter will be kept open till Pacific Cable Board is in position to deal with it.

COLONIAL OFFICE,  
DOWNING STREET, S.W., January 23, 1901.

The High Commissioner for Canada.

With reference to the letter from this department of the 14th instant, respecting the reported acceptance by the Government of New South Wales of the proposals of the Eastern Extension Telegraph Company, I am directed by Mr. Secretary Chamberlain to transmit to you, for your information and for the information of the Canadian Government, copy of a telegram which has now been received from the Officer administering the Government of New South Wales on the subject.

H. BERTRAM COX.

(Telegram.)

The Officer administering the Government of New South Wales to Mr. Chamberlain. (Received Colonial Office, 3.30 a.m., January 17, 1901.)

Referring to your telegram of January 8, my Ministers advise that Pacific Cable Board has no power to deal with any matter affecting post office except Pacific cable. Our post office will probably pass to Federal Government at the end of next month, when cable rates would necessarily be uniform. At present this State pays 4s. 11d. per word, while the adjoining State pays 3s. 6d. Paving the way for uniformity in the federal service, my Government has entered into agreement with Eastern Extension Company for uniformity of rate from February 1.

17 VICTORIA STREET, LONDON, S.W., January 29, 1901.

The Right Honourable

Sir WILFRID LAURIER, G.C.M.G.

In continuation of my letter of the 26th instant respecting the acceptance by the Government of New South Wales of the proposals of the Eastern Extension Telegraph Company, I now beg to transmit to you, for your information, a copy of a further letter which has reached me from the Colonial Office covering a copy of a correspondence with the Agent-General for Victoria in regard to the proposals made to his Government by the Eastern Extension Telegraph Company for the conclusion of an agreement similar to that recently entered into by the Government of New South Wales; together with a copy of a letter from the Agent-General for New Zealand on the subject of the latter agreement.

I trust that the views which have been expressed against the acceptance of the proposals will prevent any further action being taken before the matter can be considered at the meeting of the Pacific Cable Board which is shortly to take place.

It will be within your knowledge that the contract for the construction and laying down of the Pacific cable was signed on behalf of the contracting parties on the 31st ultimo. I had the honour, in accordance with the authority which you were so good as to convey to me by cable on the 30th November last, of signing on behalf of the Govern-

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ment of the Dominion of Canada. I do not, however, send you a copy of the contract, as I am informed by the Colonial Office that copies have been forwarded direct to the colonial governments who are parties to the contract, and I do not doubt that ere this you have had an opportunity of seeing it.

STRATHCONA.

DOWNING STREET, January 26, 1901.

The High Commissioner for Canada.

With reference to the letter from this department of the 23rd inst., I am directed by Mr. Secretary Chamberlain to transmit to you, for your information, copy of a correspondence with the Agent General for Victoria with reference to the proposals made to his Government by the Eastern Extension Telegraph Company, for the conclusion of an agreement similar to that recently entered into by the Government of New South Wales.

2. I am also to inclose copy of the letter from the Agent-General for New Zealand referred to in this correspondence.

H. BERTRAM COX.

VICTORIA OFFICE, 15 VICTORIA STREET,  
WESTMINSTER, S.W., January 22, 1901.

The Under-Secretary of State,  
Colonial Office, S.W.

I have the honour to inform you that I have received the following telegram from my Government:—

‘Transmit following telegram to Secretary of State for the Colonies:—Pacific cable. Western Australia, South Australia, Tasmania, some months ago agreed with Eastern Extension Company to grant permission to at once open offices for direct transaction of business, and have obtained considerable reduction charges. Postmasters General New South Wales, Victoria, had conference and agreed in writing, to give similar privileges from the date of completion of Pacific cable, but getting reduction at once, namely, from 1st February. Victorian Postmaster General being under misapprehension of exact position of matter, New South Wales has instructed Agent-General and he has signed agreement, but on matter being reported Victorian Cabinet, they were determined not to do anything that would be breach of terms on which contributing parties enter into contract. However, New South Wales having obtained the advantages, we are naturally desirous our people should be in position as good as other States, if other parties interested do not consider that we are breaking faith with them. I would be glad to know therefore, under the circumstances as they now exist, you will object to Victoria enter into agreement proposed. Matter of allowing Eastern Extension Company to have separate offices was not thought of or taken into consideration at the time of negotiation, and large numbers of our people consider that proposed agreement is justifiable, and therefore I should be glad if you can give your consent. Telegraph reply.’

ANDREW CLARKE.

(Immediate.)

DOWNING STREET,  
January 26, 1901.

The Agent General for Victoria.

I am directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 22nd instant communicating the text of a telegram which you have received from the Government of Victoria with reference to the proposal made to them by the Eastern Extension Telegraph Company for the conclusion of an agreement similar to that recently entered into by the Government of New South Wales.

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2. Mr. Chamberlain is endeavouring to arrange for the immediate assembly of the Pacific Cable Board, in order that His Majesty's Government may have the benefit of the advice of that body, as representing all the partners in the Pacific cable, before expressing a definite opinion on the subject.

3. A letter from the Agent-General for New Zealand, respecting the action of the Government of New South Wales, is inclosed.

4. Copies of this correspondence have been communicated to the High Commissioner for Canada and the Agents-General for New South Wales, Queensland and New Zealand.

H. BERTRAM COX.

7 WESTMINSTER CHAMBERS,  
13 VICTORIA STREET, LONDON, S.W., January 25, 1901.

The Under-Secretary of State,  
Colonial Office, S.W.

I am directed by the Agent-General to acknowledge the receipt of your letter No. 1897-1901 of the 23rd instant, inclosing copy of a telegram which has been received from the Officer administering the Government of New South Wales on the subject of the agreement entered into by the government of that state with the Eastern Telegraph Company, and, in reference thereto, to express his regret at the action taken by the New South Wales Government.

I am to add that the Agent-General would be glad to co-operate in any steps which might possibly be taken with a view to the reconsideration of the question at issue.

WALTER KENNAWAY.

17 VICTORIA STREET, LONDON, S.W.,  
February 1, 1901.

The Right Honourable  
Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa, Canada.

I beg to send you a copy of a letter which has reached me from Messrs. Clarke, Forde & Taylor, the consulting and advising engineers for the Pacific cable; together with the chart which accompanied it.

You will observe that Mr. R. E. Peake, one of the members of the firm, is shortly to visit Canada in connection with the selection of the spot at which the cable is to be landed on Vancouver Island and the position of a cable station, &c., and that it is desirable he should be afforded certain assistance and information for the proper carrying out of those objects.

I venture to commend the matter to your consideration, and shall be glad if you will be so good as to cause it to be brought before the proper authorities in Ottawa so that everything that is requisite may be arranged for in advance of Mr. Peake's arrival in Canada. I am providing him with a letter of introduction to yourself.

You will notice also that some suggestions are made as to the part which it is considered desirable that the Canadian Pacific Railway Company should fill in connection with the working of the cable.

Perhaps you will kindly cause the matter to be placed before the C.P.R. Company with the object of eliciting their views on the suggestions that are made, and co-operation in carrying them out if they are accepted.

If you can conveniently arrange for some brief information on these several matters to be cabled to me which I can communicate to Messrs. Clarke, Forde & Taylor, prior to Mr. Peake's sailing, I shall be greatly obliged.

STRATHCONA.



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4 GREAT WINCHESTER STREET, E.C.,  
January 29, 1901.The High Commissioner for Canada,  
17 Victoria Street, S.W.*Pacific Cable.*

Referring to our interview with you of the 28th inst., we would now ask you to give the following matters your consideration :—

(1.) To comply with the conditions of articles 6, page 9 of the contract (as signed) it would be convenient if an official were appointed by the Canadian Government to accompany Mr. R. E. Peake to Vancouver, and in consultation with him to decide definitely on the place at which the cable is to be landed on Vancouver Island.

(2.) To expedite the selection of the landing place it would be of advantage to obtain early information as to the coast near to Cape Beale, having regard to its suitability as a landing place and to the facilities there for maintaining a station and for obtaining supplies and provisions for the staff.

(3.) To avoid delay in the transfer of messages, we submit that it would be desirable for the Canadian Pacific Railway to carry their telegraphic system up to the landing place of the cable. It is obvious that a short length of land line worked and maintained by the Government between the terminus of the Canadian Pacific Railway system and that of the cable system would be likely to introduce delay and extra work in the handling of the traffic.

We also suggest, should it be decided that the Canadian Pacific Railway take over the traffic at the cable terminus, that an official be appointed to confer with Mr. Peake as to the site of a station near the landing place on Vancouver Island.

With regard to this station it may be worthy of the consideration of the Board that joint offices and premises should be provided for the cable and land line staff, in which case it might avoid delay if the representative of the land line company were empowered to acquire the necessary land by purchase or otherwise and to make a contract for a suitable station to be erected under his supervision.

We have drawn your Lordship's attention to the above points as forming part of the work of the survey to be carried out during this year. It is proposed that Mr. Peake shall leave Vancouver for Brisbane on April 5 to join the surveying ship at the latter place, and before his departure from this country, on or about March 1, we should be glad to receive your Lordship's views on the matters referred to in this letter.

We forward herewith, as required, an admiralty chart No. 1917, on which is shown in red circles the positions of the suggested landing places.

CLARKE, FORDE &amp; TAYLOR.

17 VICTORIA STREET.

LONDON, S.W., February 1, 1901.

The Right Honourable

Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa.

With further reference to my letter of January 26, regarding the acceptance by the Government of New South Wales of the proposals of the Eastern Extension Telegraph Company, I now beg to transmit to you herewith, for your information, a copy of the agreement between the New South Wales Government and the Eastern Extension Company, signed on January 16, 1901, which has been furnished to me by the Agent-General for that colony.

STRATHCONA.

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17 VICTORIA STREET,

LONDON, S.W., February 5, 1901.

The Right Honourable

The President of the Privy Council,  
Ottawa,

I have the honour to transmit to you herewith, for the information of the Government, a copy of a letter addressed to me by the secretary of the British Empire League, conveying the text of a resolution, on the subject of the Pacific cable, which was unanimously adopted by the executive committee of the league at a meeting held on the 10th ultimo.

STRATHCONA.

112 CANNON STREET,

LONDON, E.C., January 16, 1901.

The High Commissioner for Canada.

At a meeting of the executive committee of the British Empire League, held on the 10th inst., with Sir Robert Hebert in the chair, the following resolution was unanimously adopted :—

‘That the executive committee of the British Empire League expresses its satisfaction at the acceptance by the Imperial Government of a tender for the construction of the Pacific cable, and congratulates the representatives of Canada, New South Wales, Victoria, Queensland and New Zealand, as well as the members of the British Empire League in Canada, upon the success of their efforts.’

My committee will esteem it a favour if your Lordship will communicate the same to your government.

S. FREEMAN MURRAY,

Secretary.

17 VICTORIA STREET,

LONDON, S.W. February 12, 1901.

Right Honourable

Sir WILFRID LAURIER, G.C.M.G.

In continuation of previous correspondence respecting the Pacific cable, I beg to transmit to you herewith for your information, a copy of a letter which has reached me from the Treasury covering a copy of a Treasury minute appointing the members of the board of management of the cable.

The first meeting of the board has been called for Monday, the 25th instant, when, among other matters, consideration will be given to the question as to what action should be taken by the board in view of the arrangement between certain of the Australian Colonies and the Eastern Extension Telegraph Company.

I also inclose a copy of a letter addressed to me by the Agent-General for New Zealand, in which you will see that his Government are entirely in accord with the view of the Dominion Government as to the concession granted by the New South Wales Government to the Eastern Extension Company.

Sir Horace Tozer, the Agent-General for Queensland, has also written me in a similar sense, explaining that his Government have all along maintained the attitude that nothing should be done by any of the co-partners in the Pacific cable contract which would be likely to have a prejudicial effect on the success of the cable. Queensland, however, is not directly represented on the Pacific Cable Board, but Sir Horace Tozer tells me that he has suggested to his Government that the Hon. W. P. Reeves, the Agent-General for New Zealand, should be authorized to voice the views of Queensland at the meeting of the board.

I will keep you fully informed of what transpires from time to time.

STRATHCONA

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TREASURY CHAMBERS, February 5, 1901.

Lord STRATHCONA AND MOUNT ROYAL, G.C.M.G.

I am directed by the Lords Commissioners of His Majesty's Treasury to forward herewith a copy of a Treasury minute appointing you and other gentlemen to the board of management of the Pacific cable.

I am to add that the chairman of the board has been requested to call a meeting of the board as soon as possible, and to notify the time and place of meeting to each member.

E. W. HAMILTON.

The Treasury, in agreement with the Governments of Canada and the States of New South Wales, Victoria and Queensland and the Colony of New Zealand, being the governments contributing, with His Majesty's Government, to the cost of the construction, laying and management of the Pacific cable, in respect of which a contract was entered into with the Telegraph Construction and Maintenance Company, on December 31, 1900 ;

Hereby appoint the following persons to constitute the board of management of the said cable, namely :—

Representing His Majesty's Government: Sir Spencer Walpole, K.C.B., (chairman); G. E. Y. Gleadowe, Esq., C.M.G., W. H. Mercer, Esq.

Representing the Government of Canada: Lord Strathcona and Mount Royal, G.C.M.G., Alexander Lang, Esq.

The Agents-General for New South Wales and Victoria, representing the Governments of New South Wales, Victoria and Queensland.

The Agent-General for New Zealand, representing the Government of New Zealand.

The board is empowered to provide an office, to appoint or employ a manager, secretary and such officers and persons, and to take such steps as they deem necessary for the business of the cable.

The chairman shall have a second or casting vote in any matter in which the votes of the board are equally divided; and, so long as he does not hold any office or profit under the Crown, or under any of the above mentioned governments, he shall receive a salary of £600 a year, to commence from February 1, 1901.

Any vacancy in the office of chairman or of other representatives of His Majesty's Government shall be filled by the Board of Treasury for the time being. Any vacancy in the office of a representative of any of the other governments above mentioned, shall be filled by the government, or governments, immediately concerned. There shall be paid to any officer or person appointed or employed by the board on the business of the cable such fee, remuneration or salary as the board may think fit, and until Parliament has made provision on that behalf, the said payment together with any payment made for the purposes of the cable shall be charged upon such moneys as the Treasury shall direct.

The board shall keep such accounts of receipts and expenditure, and the accounts shall be examined and audited at such times, in such manner and by such persons, as the Treasury shall direct, and copies of such accounts so audited shall be furnished to each of the contributing governments.

AILWYN E. FELLOWES.  
W. H. FISHER.

February, 1901.

13 VICTORIA STREET, LONDON, S.W.,  
February 8, 1901.

The Right Honourable

Lord STRATHCONA AND MOUNT ROYAL, G.C.M.G.,  
17 Victoria Street, S.W.

Referring to your letter of the 26th ultimo and in confirmation of the assurance which I have already given to you that my government would co-operate with Canada

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in disapproving the step taken by the New South Wales Government, I beg to quote for your information a copy of a cablegram which I have this day received from my government :—

‘Inform High Commissioner for Canada that New Zealand works harmoniously with Victoria and Queensland and has no intention to agree to the concession asked for by Eastern Extension Company and will be no party to, without consent of partners, alter conditions or knowingly do anything prejudicial to Pacific cable.’

W. P. REEVES.

(Cable.)

*Mr. Chamberlain to Lord Minto.*

LONDON, February 23,\* 1901.

Pacific cable—Questions connected with New South Wales agreement had already been referred to Pacific Cable Board before receipt of your telegram of February 16, but I have seen Strathcona and telegraphed to Governor of New South Wales asking for information required by Premier for Canadian Parliament.

Pending reply from New South Wales please telegraph on which provisions of agreement your law officers rely in support of their views of its effect.

J. CHAMBERLAIN.

(Cable.)

*From Mr. Chamberlain to Lord Minto.*

LONDON, February 26, 1901.

Referring to my telegram of February 23, telegram arrived from Governor of New South Wales stating that policy of New South Wales will be to use the Pacific cable for all government business; that in opinion of ministers effect of agreement will not be to entitle company to require New South Wales to send all controllable traffic by company's lines; that New South Wales is free to send traffic as it pleases, and that no agreement affecting Australian cable exists or is contemplated by Government of New South Wales, I presume that explanation of reference to government business in foregoing is that as postal matters pass shortly to Federal Government control, unrouted private traffic will be in the hands of federal not of State authorities.

J. CHAMBERLAIN.

17 VICTORIA STREET, LONDON, S.W., March 6. 1901.

The Right Honourable

Sir WILFRID LAURIER, G.C.M.G.

I am this day in receipt of your letters of the 18th and 20th ultimo, regarding the Pacific cable and the agreement between the New South Wales Government and the Eastern Extension Telegraph Company.

Your cablegram of the 16th ultimo, reading as under, also reached me in due course :—

‘Received your letter of the 1st inst., inclosing agreement dated January 16 between New South Wales and Eastern Extension Company. Canadian law officers advise that under this agreement Eastern Company most probably entitled to require South Wales to send all its controllable cable traffic by Eastern Company. If similar agreements with other Australian Colonies, and if this opinion correct, then in as much as Australian Government own telegraph land lines there would be practically no traffic from Australasia for Pacific cable. Government think Australasian Governments parties to Pacific cable scheme should not contract against sending traffic by Pacific cable nor enter into any arrangement or understanding likely to divert Australasian traffic from



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Pacific cable. Canadian legislation for Canada's share of cost of cable now before Parliament. We must take Parliament fully into our confidence in connection with pending measure. Most important therefore to know view of Imperial Government as to legal effect of agreement; also policy of South Wales Government as to sending traffic by Pacific cable; also view of New South Wales Government as to effect of agreement; also whether any other agreement affecting Australasian cable traffic exists or is contemplated by South Wales Government. Government cabling Mr. Chamberlain on subject. Please see him.'

As you will have gathered from the message which I sent you on the 19th idem, I saw Mr. Chamberlain without loss of time. I then left him a copy of your cablegram, together with a memorandum embodying the points raised in your message and which you desired should receive consideration.

Mr. Chamberlain promised to inquire into the matter, and he authorized me to inform you, as I did, that he was quite in accord with, and would support, the views of the Canadian Government in regard to the policy of the New South Wales Government in entering into the agreement.

On the 26th ultimo, I received a letter from the Colonial Office, dated the previous day, covering copies of certain telegrams which had passed between Mr. Chamberlain and the Government of New South Wales, and the Governor General of Canada, relative to the agreement, and I thereupon sent you the following cablegram, based on the information contained therein:—

'Confidential—Further your cable 16th Chamberlain has received cable from Officer administering Government New South Wales following effect—that policy New South Wales will be to use Pacific cable for all government business, that agreement with Eastern Extension Company does not entitle latter require New South Wales send all controllable traffic by company's lines, that New South Wales free send traffic as it pleases, that no agreement affecting Australasian cable traffic in existence or contemplated. Board had first meeting yesterday. All except representative New South Wales deprecate action that colony in making agreement with Eastern Extension and trust means can still be found by conference several governments interested prevent its operating to prejudice Pacific cable.'

I now inclose copies of these papers for your information.

In view of my cablegram of the 26th ultimo, I thought it well to send you to-day a further message as follows:—

'Received your letters 18th and 20th ultimo, Pacific cable. Do you still wish me to take action on lines indicated in view contents my cable 26th ultimo?'

The Pacific Cable Board met for the first time on the 25th ultimo, as stated in my message on the following day, and I have no doubt that from this time onward we shall be having frequent meetings.

I may add, in conclusion, that the action of the New South Wales Government was borne in mind when the contract for the construction of the Pacific cable was ready for signature. It was felt, however, that to refuse to proceed with the undertaking, or to delay the signature of the agreement, would practically be the very course which the Eastern Extension Company would wish to have adopted. The agreement was therefore proceeded with under the authorities which had been given, in the belief that some means would be found of preventing, or neutralizing, the policy of the New South Wales Government, should they see fit to enter into an agreement with the Eastern Extension Company. You will, of course, be aware, that although a similar agreement has been signed by Western Australia, South Australia and Tasmania, we have never looked upon them as possible partners in the Pacific cable scheme, in the same way as New Zealand, Queensland, New South Wales, and Victoria.

STRATHCONA.

DOWNING STREET, February 25, 1901.

The High Commissioner for Canada.

With reference to the memorandum and the telegram from Sir W. Laurier, communicated by you to Mr. Secretary Chamberlain at your interview with him on the 18th

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instant, I am directed by Mr. Secretary Chamberlain to transmit to you, for your information, copies of telegrams relative to the agreement concluded on the 16th ultimo between the Government of New South Wales and the Eastern Extension Telegraph Company.

2. Copies of these telegrams have also been sent to the chairman of the Pacific Cable Board, together with a copy of the telegram from Sir W. Laurier under reference.

C. P. LUCAS.

(Paraphrase.)

(Telegram.)

*Governor General the Right Hon. the Earl of Minto to Mr. Chamberlain.*

Despatched Ottawa p.m. February 16, 1901.

Received Colonial Office 8.15 a.m. February 17, 1901.

With reference to previous correspondence respecting Pacific cable. Ministers are informed that effect of agreement of January 16 between New South Wales and Eastern Extension Company entitled company to require New South Wales to transmit all cables from that colony by Eastern Extension lines. If this opinion is correct and if other Australian Colonies, all of which own land telegraph lines have entered into similar agreements, there remains practically no traffic from Australasia for Pacific cable. My government is most desirous of successful completion of Pacific cable and now has notice of bill before Parliament for necessary authority for Canada to share cost, but before pressing legislature to complete, desires for the information of Parliament an expression of the view of the various Australasian partners in Pacific cable scheme as to their construction of agreement. They also consider it most material that no government partner should contract against sending traffic by Pacific cable and they held that each government is entitled to the goodwill of other government partners in direction of controlling cable traffic by Pacific cable.

(Telegram.)

*Mr. Chamberlain to Officer Administering the Government of New South Wales.*

Sent 7.15 p.m., February 18, 1901.

(Urgent and Confidential.)

Canadian Government desires to know for information of Parliament with reference to agreement of 16th January between Government of New South Wales and Eastern Telegraph Company: First, what will be policy of your government as to sending traffic by Pacific cable? Secondly, whether in opinion of your ministers effect of agreement will be to entitle company to require New South Wales to send all controllable traffic by company's lines? Thirdly, whether any agreement affecting Australasian cable traffic exists or is contemplated by your government? Telegraph reply.

(Telegram.)

*Mr. Chamberlain to Governor General the Earl of Minto.*

Sent 5.54 p.m. February 23, 1901.

Pacific cable questions connected with New South Wales agreement had already been referred to Pacific Cable Board before the receipt of your cypher telegram of 16th February, but I have seen Strathcona and telegraphed to Government New South Wales asking for information required by Premier for Canadian Parliament. Pending reply from New South Wales, please telegraph on what provisions of agreement your law officers rely in support of their view of its effect.

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(Telegram.)

*The Officer Administering the Government of New South Wales to Mr. Chamberlain.*

Received, Colonial Office, 4.45 a.m., February 25, 1901.

Referring to your telegram of February 18, my Ministers advise first, the policy of New South Wales will be to use the Pacific cable for all government business. Secondly, No. New South Wales is free to send traffic as it pleases. Thirdly, no agreement in existence or contemplated.

17 VICTORIA STREET, LONDON, S.W., March 23, 1901.

The Right Honourable

Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa.

In continuation of my letter of the 6th instant, regarding the Pacific Cable and the agreement between the New South Wales Government and the Eastern Extension Telegraph Company, I beg to acknowledge the receipt of your cablegram of the 8th instant, reading as follows:—

‘Mulock sails to-morrow from New York. I would advise to wait for his arrival.’

I have accordingly taken an opportunity of conferring with the Hon. Mr. Mulock, since his arrival in London, and have discussed with him fully the views set forth in your letters of the 18th and 20th ultimo.

Having regard to the assurances received from the New South Wales Government, as to their policy in connection with the use of the Pacific Cable, the effect of their agreement with the Eastern Extension Co., &c., which were communicated to you in my cablegram of the 26th ultimo, Mr. Mulock was of opinion that it might be advisable for the present to allow the matter to remain in the position it occupies; and I am accordingly taking no action on the lines indicated in your letters to which I have already referred above.

STRATHCONA.

(Confidential.)

17 VICTORIA STREET, LONDON, S.W., April 24, 1901.

The Right Honourable

Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa.

In continuation of previous correspondence regarding the Pacific cable, I beg to transmit to you herewith for your information, a copy of a letter with inclosures which has reached me from the Colonial Office, on the subject of the agreement concluded on January 16, 1901, between the Government of New South Wales and the Eastern Extension Telegraph Company.

I shall be glad to be informed, for communication to Mr. Chamberlain, of the wishes of the Canadian Government in regard to the suggested appointment of a representative to discuss the whole question with representatives of the other Colonial Governments concerned, and of His Majesty's Government. It is proposed that the Conference should meet in London. This will enable us to have the benefit of the advice and assistance of the representative of the Queensland Government, which is quite in accord with the view taken of the matter all along by Canada.

I also venture to direct your attention to the effect of paragraph 6 of the letter from the Colonial Office to the Treasury, dated the 22nd March, 1901, and shall be glad if I can be favoured with the views of the Dominion Government on the aspect of the question therein presented.

STRATHCONA.

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*(Confidential.)*

DOWNING STREET, April 11, 1901.

The High Commissioner for Canada.

I am directed by Mr. Secretary Chamberlain to transmit to you a copy of a letter from the Pacific Cable Board inclosing resolutions respecting the agreement concluded on January 16, 1901, between the Government of New South Wales and the Eastern Extension Telegraph Company, together with copies of a letter on the subject which was addressed to the Treasury and of the reply from that department.

2. I am to request that Mr. Chamberlain now be favoured with an expression of the view taken by your Government of the suggestion that it should appoint a special representative to consider the whole question with representatives of the other Colonial Governments concerned and of His Majesty's Government.

H. BERTRAM COX.

February 26, 1901.

The Under-Secretary of State,  
Colonial Office.

I have the honour to acknowledge the receipt of your letter of the 25th instant, No. 6256, forwarding to me, for the consideration of the Pacific Cable Board, copies of telegrams relative to the agreement concluded on the 16th ultimo between the Government of New South Wales and the Eastern Extension Telegraph Company.

2. In reply I have the honour to forward to you the accompanying copy of three resolutions which were passed by the Board on the subject at their first meeting on Monday last.

S. WALPOLE,  
Chairman.

Resolutions of the Pacific Cable Board passed on February 25, 1901.

1. That the agreement entered into with the Eastern Extension Telegraph Company by the Government of New South Wales is prejudicial to the Pacific cable.

2. That it is desirable that a conference representing the Governments concerned in the enterprise should be held to discuss the effect of the agreement on the Pacific cable.

3. That these resolutions be forwarded to the Secretary of State for the Colonies for transmission to the Governments concerned.

*(Immediate.)*

DOWNING STREET, March 22, 1901.

The Secretary to the Treasury.

With reference to the letter from this department of January 23, I am directed by Mr. Secretary Chamberlain to transmit to you, to be laid before the Lords Commissioners of the Treasury, copies of resolutions recently passed by the Pacific Cable Board respecting the agreement concluded on the 16th January, 1901, between the Government of New South Wales and the Eastern Extension Telegraph Company, Limited.

2. Mr. Chamberlain thinks that in communicating these resolutions to the Government of Victoria, it would be well to accompany them with some suggestion for meeting the difficulty in which that government is placed.

3. A memorandum is transmitted herewith which recapitulates the correspondence which has passed with the colonial governments on the subject of the proposals of the Eastern Extension Telegraph Company.



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4. While possibly His Majesty's Government may not, in view of the declarations made to the Eastern and Eastern Extension Telegraph Companies in 1899 as to the lines on which, so far as the Imperial Government were concerned, the Pacific cable was to be worked, and in view of the long established policy of this country in freely according similar privileges to cable companies at home, be justified in protesting on their own account against the concessions made by the Government of New South Wales to the Eastern Extension Telegraph Company, yet the fact that the agreement in regard to the Pacific cable was entered into by the several Governments while the Governments of New South Wales and Victoria had complete control over the cable traffic in their respective colonies, may be held to have implied that that arrangement would continue, that New South Wales and Victoria would exercise that control by sending as much traffic as possible over the Pacific cable, that they would refrain from entering into engagements like the New South Wales agreement, give the State a direct interest in the traffic of the company, which is a rival of the Pacific cable, and especially that they would not do so in face of the protests of Canada, New Zealand and Queensland, their partners in the Pacific cable scheme.

5. As the Government of New South Wales has actually signed the agreement with the Eastern Extension Telegraph Company the position as regards that State is irrevocable, and the strong pressure which the newspapers and mercantile community are bringing to bear on the Government of Victoria will render it very difficult for that Government to postpone action indefinitely.

6. In these circumstances it appears to Mr. Chamberlain that the best course would be for the various Governments interested to consider how the disturbance, which some of the partners in the Pacific cable scheme think has been brought about by the agreement, can be readjusted.

7. In their report of April 21, 1900, the Pacific Cable Committee intimated that a working arrangement with the Eastern Telegraph Companies would probably be necessary, and, in any case, for the working of the Fiji-Australasian section pending the completion of the other sections such an arrangement will be absolutely indispensable. So long as the Government of Victoria has not finally committed itself to the proposed agreement, the Pacific Cable Board is in a better position to negotiate with the companies than it would be if that State followed the example of New South Wales.

8. Furthermore, the question of terminal charges in Australasia is still unsettled, and also that of the disposal both in this country and in Australasia of 'unordered' messages. The settlement of these questions may afford a means of meeting the present difficulty by a general adjustment satisfactory to all parties.

9. If their Lordships concur, Mr. Chamberlain will be prepared, in communicating the resolutions of the Board to the representatives in this country of the several governments concerned, to send also copies of this letter, and to suggest that their governments should appoint representatives for a special conference to consider the whole question with representatives of His Majesty's Government.

H. BERTRAM COX.

TREASURY CHAMBERS, April 2, 1901.

The Under-Secretary of State,  
Colonial Office.

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Cox's letter of the 22nd ultimo and the accompanying resolutions recently passed by the Pacific Cable Board respecting the agreement concluded on January 16, 1901, between the Government of New South Wales and the Eastern Extension Telegraph Company.

My Lords desire me to state, for the information of Mr. Secretary Chamberlain, that they concur in his proposal that the colonial governments concerned should be invited to appoint representatives for a special conference to consider the whole question with representatives of His Majesty's Government.

E. HAMILTON.

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PRIVY COUNCIL, CANADA,  
OTTAWA, May 7, 1901.

The Right Honourable  
LORD STRATHCONA AND MOUNT ROYAL,  
London, England.

I have the honour to acknowledge the receipt of your favour of April 24 and inclosures. With regard to the suggested appointment of a representative of the Canadian Government to discuss with the colonial governments and His Majesty's the subject of the agreement entered into between the Eastern Extension Telegraph Company and the Government of New South Wales, it is the desire of the Government of Canada that you should act in this matter on their behalf.

WILFRID LAURIER.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on May 7, 1901.*

The Committee of the Privy Council have had under consideration a cable despatch, hereto attached, dated April 4, 1901, from the Right Honourable Mr. Chamberlain, respecting agreement between 'Government of New South Wales and Eastern Telegraph Company'.

The Minister of Justice, to whom the above cable was referred, states that he sees no reason to modify the view which he expressed upon this agreement as stated in his letter of February 13, 1901, to the Postmaster General, a copy of which is attached hereto.

The Committee advise that His Excellency be moved to forward a certified copy of this minute, together with copy of the Minister of Justice's letter herein referred to, to the Right Honourable the Secretary of State for the Colonies.

All which is respectfully submitted for His Excellency's approval.

JOHN J. MCGEE,  
Clerk of the Privy Council.

LONDON, April 4, 1901.

*Mr. Chamberlain to Lord Minto.*

Referring to your telegram of February 26, law officers of the Crown advise that agreement between Government of New South Wales and Eastern Telegraph Co. is not susceptible of construction placed on it by your law officers. Law officers of the Crown point out that Government of New South Wales nowhere undertakes to send all its messages by Eastern Telegraph Company's route, nor does agreement protect company against competition but on the contrary it recognizes the possibility of competition.

CHAMBERLAIN.

16 VICTORIA STREET,  
LONDON, S.W., May 13, 1901.

The Right Honourable  
Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa.

With reference to previous correspondence regarding the situation caused by the agreement recently concluded between the Government of New South Wales and the Eastern Extension Telegraph Company, I beg to transmit to you herewith, for your information, a copy of a further letter which has reached me from the Colonial Office on

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the subject, together with copies of the correspondence between that department and the Agents-General for New South Wales, Victoria and New Zealand which accompanied it.

STRATHCONA.

DOWNING STREET, May 8, 1901.

The High Commissioner for Canada.

With reference to the letter from this department of April 11, respecting the situation caused by the agreement recently concluded between the Government of New South Wales and the Eastern Extension Telegraph Company, I am directed by Mr. Secretary Chamberlain to transmit to you, for your information, copies of letters on this subject which have been received from the Agents-General for New South Wales, Victoria and New Zealand, together with a copy of the reply which has been returned to the Agent-General for Victoria.

H. BERTRAM COX.

13 VICTORIA STREET, S.W., April 15, 1901.

The Under-Secretary of State,  
Colonial Office, S.W.

I am directed by the Agent-General to state, in reply to your letter of the 11th instant, No. 11886—1901, that his government have informed him by cable that they approve of the recommendation to hold a special conference to discuss the position caused by the New South Wales agreement with the Eastern Telegraph Company, and will appoint a representative accordingly.

I am further directed by the Agent-General to state that his government desire it to be clearly understood that so far as the Colony of New Zealand is concerned, there must be no departure from the original arrangements, at the same time they express a hope that the result of the conference will be that New South Wales will be able to assume the same position as that held by the other contracting parties.

WALTER KENNAWAY.

9 VICTORIA STREET,

WESTMINSTER, S.W., April 17, 1901.

The Under-Secretary of State,  
Colonial Office.

*Pacific Cable.*

I have the honour to acknowledge the receipt of Mr. Cox's letter of the 11th instant, No. 11886—1901, covering a copy of a communication from the Pacific Cable Board, inclosing three resolutions passed at its meeting of February 25 last, respecting the agreement concluded on January 16, 1901, between the Government of New South Wales and the Eastern Extension Telegraph Company; also a letter on the subject, dated 22nd ultimo, addressed to the Secretary of the Treasury, and of the latter's reply, dated 2nd instant.

In reply to the request contained in the letter under reference, that Mr. Secretary Chamberlain might be favoured with an expression of the view taken by my government of the suggestion that they should appoint a special representative to consider the whole question with representatives of the other colonial governments concerned, and of His Majesty's Government, I beg to state that I duly forwarded to the New South Wales Government by the mail of Friday last, a copy of the letter under acknowledgment, and its inclosures, and asked that my government's views on the subject might be conveyed to me for submission to the Secretary of State. I desire to acquaint you,

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however, that I informed them that the resolutions in question were "majority" resolutions, and that I had dissented from each one.

On the occasion of the Pacific cable meeting above alluded to, I requested the chairman to note that I dissented from the resolutions, and I shall be glad if my so dissenting may be duly recorded, which from the wording of the chairman's letter of February 26, would not appear to have been done.

HENRY COPELAND.

VICTORIA OFFICE.

15 VICTORIA STREET, WESTMINSTER, S.W., April 17, 1901.

The Under-Secretary of State,  
Colonial Office.

I have the honour to acknowledge the receipt of Mr. Bertram Cox's letter of the 11th instant, inclosing, in addition to certain resolutions passed by the Pacific Cable Board respecting the agreement entered into between the New South Wales Government and the Eastern Extension Telegraph Company, copies of a letter addressed to the Treasury and of the reply.

In the letter under acknowledgment it is also requested that Mr. Chamberlain may be favoured with an expression of the view taken by the Victorian Government with reference to the proposed additional conference.

2. With reference to the immediately preceding paragraph, I have to request you to be so good as to inform Mr. Chamberlain that I am communicating with my Government on the subject, and that as soon as a reply is received I will duly advise him of its terms.

3. I take the opportunity of again placing before Mr. Chamberlain the difficult position in which the Victorian Government is placed, and urging with great earnestness that, without prejudice to the terms of the final settlement, the concurrence of His Majesty's Government should be given to it to enter into an agreement with the Eastern Extension Telegraph Company similar to that now in force in New South Wales.

I would venture to submit that my government have it in its power to enter into this or any other agreement with the Eastern Extension Company without reference to the Imperial Government or to the Pacific Cable Board; but my government is very anxious that any action it may take cannot be in any way construed as being a breach of faith, or as not acting in accordance with the spirit, as well as the letter, of the agreement dealing with the Pacific cable. My government would now be urging that this permission be conceded to it had the position remained in *statu quo ante* the agreement was signed. But my government maintains, and rightly so, that the position has been considerably altered by New South Wales having ratified its agreement with the Eastern Extension Telegraph Company.

The Pacific Cable Board is of the same opinion, so much so indeed that it recommends that a conference to consider the whole question should be held between the Imperial Government and the Colonies concerned. No single member of that board would suggest, I venture to believe, that Victoria was not the largest sufferer by the present state of affairs. New South Wales, as well as South Australia, Western Australia and Tasmania are enjoying much lower cable rates than those in force in Victoria, thus creating a state of affairs which is far from advantageous to the commercial and other interests of the state which I have the honour to represent, and unless the desired concurrence is given to Victoria this state of affairs will, it appears to me, remain in force until the Pacific cable is established and why? Because it is feared by some of the other parties to the agreement that the Pacific cable, when ready to start business will be placed at a disadvantage. This opinion is, however, open to serious question. May it not be that, owing to the reduced rates, business will increase and that the Pacific cable will get its share of that increase and therefore be directly benefited? It is a well known fact that it takes time for a reduced rate, whether postal, telegraph or cable, to be fully appreciated by a community, and it is possible, therefore,



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that the fact that the rates it proposes to charge have been in force some time would act advantageously in the interests of the Pacific cable.

Under these circumstances and especially with a view to the alteration of the position caused by the New South Wales Government adhering to the agreement—an action which is irrevocable, as stated in paragraph five of Mr. Bertram Cox's letter—I again venture to urge that the objection to my government entering into the proposed agreement with the Eastern Extension Telegraph Company be withdrawn, and that the re-arrangement arrived at by the new conference now proposed be made applicable to Victoria equally with New South Wales. This is, I venture to say, a suggestion comprising a greater sense of justice than the proposal mentioned in paragraph seven of Mr. Bertram Cox's letter that Victoria should be made a buffer between the Pacific Cable Board and the Eastern Extension Telegraph Company.

ANDREW CLARKE,

DOWNING STREET, May 8, 1901.

The Agent-General for Victoria.

I am directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 17th ultimo respecting the situation caused by the agreement recently concluded between the Government of New South Wales and the Eastern Extension Telegraph Company, and to transmit to you, for your information, copies of letters which have been received on the same subject from the Agents-General for New South Wales and New Zealand.

2. Mr. Chamberlain fully appreciates the spirit in which the Government of Victoria has acted in this matter, but as His Majesty's Government is only one of the partners in the Pacific cable scheme, he is unable to recommend that it should take upon itself the responsibility of approving the course suggested in the third paragraph of your letter.

3. Copies of your letter have however been forwarded to the Treasury and to the representatives of the other Colonies participating in the Pacific cable scheme.

H. BERTRAM COX.

17 VICTORIA STREET,

LONDON, S.W., May 23, 1901.

The Right Honourable

SIR WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa.

I beg to acknowledge your letter of the 7th instant, in which you are good enough to notify me that it is the desire of the Dominion Government that I should represent them at the conference which it is proposed to hold to consider the whole question of the agreement concluded between the Government of New South Wales and the Eastern Extension Telegraph Company.

I have communicated to Mr. Chamberlain that I have had the honour of receiving this appointment, and you and your colleagues may rely upon my giving my best attention to the matters to be discussed.

STRATHCONA.

THE BOARD OF TRADE OF THE CITY OF OTTAWA,

OTTAWA, CANADA, June 20, 1901.

The Secretary of State, Ottawa.

The President and Council of the Ottawa Board of Trade have the honour to place before you the inclosed circular letter addressed to the Boards of Trade and Chambers of Commerce throughout the British Empire.

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The Ottawa Board of Trade, in directing attention to the inclosed and in seeking your aid and co-operation, does so under the firm conviction that the movement to nationalize our cable and telegraph service is a matter of primary importance to the British people around the globe, and one of the most effective means of advancing their common interests.

JOHN COATES,  
President.

*From the Ottawa Board of Trade to the Governor General.*

OTTAWA, CANADA, June 20, 1901.

His Excellency the Governor General,  
Canada.

I have the honour on behalf of the Ottawa Board of Trade to submit for Your Excellency's information and for the information of the members of your government, the inclosed documents on the subject of state-owned cables and a postal service for the empire.

The president and council of the Ottawa Board of Trade, in directing attention to the inclosed, does so under the firm conviction that the movement to nationalize our cable and telegraph service is a matter of primary importance to the British people around the globe, and one of the most effective means of advancing their common interests.

JOHN COATES,  
President.

17 VICTORIA STREET,  
LONDON, S.W., July 4, 1901.

The Right Honourable  
Sir WILFRID LAURIER, G.C.M.G., P.C.,  
Ottawa, Canada.

On receipt of your further letter of April 26, regarding the opinion of the law officers of the Crown on the effect of the agreement recently concluded between the Government of New South Wales and the Eastern Extension Telegraph Company, I at once placed myself in communication with the Colonial Office in order that the matter might again be submitted to the law officers for their further consideration in the light of the view expressed by the Minister of Justice.

I now understand that Mr. Chamberlain has recently addressed a despatch to the Governor General, embodying the reasons for which the law officers of the Crown are unable to concur in Mr. Mills' view of the agreement, or the construction which he puts upon it. I have no doubt that a copy of this communication will come before you in due course.

STRATHCONA.

*Mr. Chamberlain to Lord Minto.*

LONDON, July 24, 1901.

Pacific cable. Referring to your telegram of December 31, understand that Act promised has passed, but with suspending clause in order to secure settlement of the question referred to in your despatch No. 135, May 11, before it can come into operation. In view of law officers' opinion, forwarded by my despatch No. 185, June 26, may I assume that Act will be proclaimed without delay, matter of urgency? H.M. Government propose to introduce bill into Parliament immediately and attorneys, Canada, have given necessary undertaking that will pay her share of loan charged. Telegraph reply as soon as possible.

CHAMBERLAIN.

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EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on July 30, 1901.

The Committee of the Privy Council, on the recommendation of the Acting Minister of Justice, advise that a proclamation of Your Excellency in Council do issue naming Thursday, the 1st day of August next, as the day upon which the Act passed at the late session of Parliament, 1st Edward VII., chap. 5, intituled, 'An Act to amend the Pacific Cable Act, 1899,' shall come into force and effect.

CORRESPONDENCE—HON. MR. MULOCK TO RT. HON. SIR WILFRID LAURIER, 28TH MARCH, 1901, TO 6TH AUGUST, 1901.

STEAMSHIP 'HIMALAYA,'

MARSEILLES, March 28, 1901.

RT. HON. SIR WILFRID LAURIER, G.C.M.G.,  
Premier of Canada.

We have reached Marseilles, and as the *Himalaya* does not sail for a couple of hours, I avail myself of the interval to write you in regard to some matters to which I have given attention during my few days' stay in London.

In the hope of having an opportunity when in Australia of doing something in the direction of improving steamship communication between Vancouver and Sydney (Australia) and of establishing a cargo line between Canada and Australia *via* the Atlantic, I discussed these subjects with Lord Strathcona, certain of the Australasian agents in London, and persons engaged in shipping business. During the course of such investigations I learned from the Hon. Mr. Copeland, Agent-General for New South Wales in London, that the United States had recently reached the decision to enforce certain provisions of its navigation laws, which enforcement, now that the Hawaiian Islands have become possessions of the United States, must seriously interfere with the Canadian trade now being carried on with Australasia by the British line of steamers sailing between Vancouver and Sydney. Understanding that Mr. Copeland had been in communication with the United States Government upon the subject, I called upon that gentleman, who showed me the correspondence which had passed between himself and the United States representative, the last communication from the United States being to the effect that the provisions of the Act in question had been allowed to lie dormant for a sufficient length of time, and that now that they had been put in force no retrograde step would be taken. The probable effect of such action, if the governments concerned remain indifferent, may be to prevent the development, if it does not imperil the very existence of our Vancouver-Sydney line. The manifest object must be to drive our line off the seas, to thereby force Canada to withdraw from the Australian market, and, so far as Canada is concerned, to enable the United States people to capture it for themselves.

The present line of steamers between Vancouver and Sydney, New South Wales, is being operated under a joint arrangement between a company represented by Sir Edwin Dawes, who represents what was formerly the Huddart interest, and the Union Steamship Company of New Zealand, represented by Mr. Mills. The vessels are, I understand, inferior both as to speed and carrying capacity to the line of steamers known, I think, as the Spreckles line, plying between San Francisco and Australia. I saw both of these gentlemen, Sir Edwin Dawes and Mr. Mills, with a view to ascertaining whether they were prepared to improve their line by adopting a better class of steamers. Both of them expressed themselves very apprehensive as to the fate of their line in consequence of the action of the United States to which I have alluded, informing me, and in this they were confirmed by Mr. Copeland, that there had been a marked increase in the volume of United States business done by the Spreckles line with Australia, since it had recently undergone a considerable improvement. Messrs. Mills and Dawes did not appear at all enthusiastic in regard to any proposition looking to any considerable expenditure of capital for supplying a greatly improved class of

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steamer. On this point I had several conversations with the London agent (whose name I forget this moment) of the Vancouver line, and was told by him of a rumour that the Canadian Pacific Railway contemplated taking off their Empress steamers from the Japan route and substituting therefor some much superior ships. It occurred to me that it would be a good thing if, in the event of such action on the part of the C. P. R., their Empresses could be put upon the Australian route, and accordingly I had inquiry made of the London representative of the C. P. R., who cabled to Canada for information and subsequently informed me that there was no foundation for the rumour. The Empresses do, I think, about fifteen knots on the average, though of greater speed. Mr. Mills seemed disinclined to equip his line of ships even up to the standard of the Empresses and intimated to me that the Governments of Australia and Canada had recently renewed their subsidies to his line for three years and this he regarded as settling matters on their present basis for that time. To this I observed that even if the subsidies had been renewed, yet, inasmuch as considerable time would be required in the building of new steamers it did not appear premature at once to arrange for a new basis, and that if higher class ships were substituted for those at present in use it would be very easy to arrange for an alteration of the subsidies to take effect as each new ship took the place of an old one. Mr. Mills seemed unwilling to consider a proposition involving ships of a speed exceeding fifteen knots. Of course I was careful in my conversations with him, and with everyone, in fact, to make it quite clear that I had no authority from the Canadian Government to commit it to any arrangement.

Mr. Mills is the managing director in New Zealand of the Union Steamship Company, a company owning a very large number of ships engaged in the coasting trade of New Zealand and Australia, and it would manifestly be to the advantage of the Canadian line if it had a friendly alliance with the Union Company. By its means Canadian products shipped to Australia could be readily distributed by its many ships throughout all parts of Australasia. In addition to that circumstance it seems to me but fair that the persons who have already put money into the Vancouver line should, if possible, be afforded an opportunity of bringing the character of the service up to present requirements. I closed my discussions with Mr. Mills upon the understanding that he would confer with Sir Edwin Dawes and then, if possible, cable to their representative in Melbourne for my information, stating what their company would be prepared to do in the way of a betterment of the line, making two propositions, one for a fifteen, the other for a sixteen knot service, the ships to be about equal to the Empresses. Even such a line would be of great service to Canadian trade and would also promote passenger traffic via Canada between Australasia and Europe. The C. P. R. would be large gainers, and, I think, it would be reasonable to expect them to aid the line by a direct contribution in the way of subsidy and also by such a regulation of their train service between Vancouver and the east as would enable the steamship line to successfully compete with the San Francisco line for passenger and mail traffic via the Canadian route. If, when in Australia, I receive the propositions above referred to, I will, if an opportunity offers, bring the matter to the attention of the Commonwealth Government.

We should reach Melbourne about the end of April, and I have secured our return passage by the *China*, sailing from Melbourne on June 4, which will bring us to London about the middle of July. I am returning via England on the chance of being able when there to advance negotiations for the service in question. I have also taken passage by the *Lucania*, sailing from Liverpool on August 10 for New York, and will be in Toronto not later than Monday, August 19.

I arrived in England with a slight rheumatic pain in my right shoulder and arm. London March winds developed it, causing excruciating pain. Perhaps it may pass away when we get into warm weather. In my discussions of transportation and other Canadian matters with Lord Strathcona, it was most gratifying to observe the deep keen interest that he takes in everything that makes for the good of our country. Canada is most fortunate in her High Commissioner. With best wishes I am, my dear Sir Wilfrid,

W. MULLOCK.



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STEAMSHIP 'HIMALAYA.'

COLOMBO, April 13, 1901.

Right Honourable

SIR WILFRID LAURIER,  
Premier of Canada.

We are approaching Colombo in Ceylon, where I shall post this letter. The course after leaving Ceylon is to Freemantle, some three thousand odd miles, and two thousand more will bring us to Melbourne. You will doubtless have already received from me a letter written on board ship at Marseilles regarding transportation matters, and I will again refer to the subject.

The United States is rapidly developing its trade with Australia. Mr. Paterson can furnish you with the figures. We should, I think, make vigorous and early efforts to establish regular business communication with Australia, where, I think, a good market awaits many of our Canadian products. The one great difficulty, apart from distance, is, what are we to buy in exchange. We can take their raw sugar, and on this point I would submit the following observations. Australian sugar may be entitled to come in under our preferential tariff, but unless we adopted countervailing duties might be unable to compete in Eastern Canada with bounty-fed Belgian and German sugars. Their adoption would also encourage the production of Canadian beet-root sugar.

In addition to a betterment of the steamship service between Vancouver and Sydney, there should, I think, be established a freight line between Eastern Canada and Australia. Such a line would probably require four or five vessels in all to provide a regular monthly sailing from Canada. The vessels could start from Montreal in summer, touching at Canadian ports, but should not be permitted to call at any other port between Canada and Australia except it be in South Africa. Let such a line be exclusively British. It would, I think, prove of great value to Canadian industries, for it would most certainly be the means of developing trade with Australasia.

There is no question as to our being able to do a large export trade in such articles as paper, pulp, lumber, furniture and woodenware, general electrical appliances, agricultural implements, machinery, boots and shoes, cottons, woollens, iron, steel, canned fish, &c., &c. We could take in return raw sugar, wool, hides, tin, perhaps, though doubtful on this point, some of the Australian heavy woods, and such tropical fruits as are raised there and are capable of being transported long distances. They raise oranges, lemons, prunes, nuts, &c., articles of which we import large quantities. Even if Canada has to incur some expense in the establishment of a cargo line, it will indirectly help the country by enabling us to find a market in Australia for our output.

It may be asked why we should subsidize a line via the Atlantic and another via the Pacific to Australia. The answer is obvious. Freight rates from Eastern Canada to the British Columbian coast must, I think, greatly handicap Eastern Canada if her freights must cross the Canadian continent en route to Australia. Nine-tenths of the people of Canada and almost our whole manufacturing industries are in Ontario and other easterly provinces. To send goods to Australia via Vancouver subjects them to railway freight rates for three thousand miles across our continent to the Pacific Ocean, and when these goods are landed at Sydney in New South Wales they are subject to further land and water freight rates if destined for Melbourne, Adelaide or Western Australia. It is perhaps safe to say that these Australian charges will equal the freight charges from Eastern Canada to Vancouver. All these land charges would be saved if these goods could be shipped from St. Lawrence or Atlantic ports by vessels proceeding via the Atlantic to Australia and delivering them at the ports of their final destination in Australia. There would, of course, be some slight land haul in Canada, namely to St. Lawrence or Atlantic ports, but averaging, perhaps, not five hundred miles as against many times that distance if the Vancouver route is adopted for eastern goods. In dwelling upon the importance of an Atlantic line for Eastern Canada, I do not underestimate the value of the Vancouver route for Western Canada but consider that Canada with her double water front requires the two services.

Whilst to some extent our possibilities for trade with Australia will depend upon the result of the Australian elections, and the fiscal policy of the successful party, still,

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even if the Commonwealth should adopt an essentially protective tariff, Canada will have at least, an equal chance in that country with all comers and perhaps a better one, for we might be able to enter into some reciprocal preferential trade. There may be no opportunity for my making any overtures to the Australian Government, but there is a chance. Of course nothing can be concluded, but perhaps it may be possible to give a favourable start to negotiations. The Australian Government might be willing to take power to make trade arrangements with other parts of the empire. If the powers which Mr. Fielding has taken in this direction are not sufficient, would it not be well to have them enlarged?

Enough upon public matters. The rheumatic affection in my arm has not abated but continues to give me intense pain. The ship surgeon informs me that it is in the nerves and that recovery will be slow. Hoping you are quite well, I am,

W. MULOCK.

MELBOURNE, AUSTRALIA, May 20, 1901.

Rt. Hon. Sir WILFRID LAURIER, G.C.M.G.,  
Premier of Canada.

I presume you will have already received my last letter, posted at Colombo, referring chiefly to trade matters between Canada and Australia. Since reaching here I have availed myself of every suitable occasion to discuss the subject with Mr. Barton, Premier of Australia, who has expressed his strong desire for closer trade relations between the two countries, if a satisfactory basis can be found. We discussed in a general way the question of a mutual preference, and in this connection I pointed out to him the provision in the Canadian Customs Tariff under which Australia might so fix its duties as to secure the benefit of our minimum tariff, suggesting that perhaps his government might see its way to adopting similar legislation. To this proposition he observed that his government would be unable to reach any conclusion in regard to the question of reciprocal preferential trade with Canada or any other colony until the views of the Imperial Government upon the subject were first ascertained. He also pointed out that before taking such a step his government would have to consider its effect upon trade relations of Australia with other countries, and therefore he did not think the subject was ripe for consideration by his government or the Commonwealth Parliament. I pointed out to him that perhaps some progress might be made if his government were to obtain power from parliament at the present Session to make a reciprocal trade arrangement with Canada, and whilst he regarded this view with a certain measure of favour, still I have reached the conclusion that the difficulties in the way of preparing a tariff measure for the Commonwealth at this its first session are such that the government will hesitate to impart into the measure any controversial feature not absolutely necessary for immediate purposes. We discussed only in the most general way the subject of tariff details. Whilst Australia can take much that Canada produces, there appears to be a somewhat limited list of articles that Canada can take from Australia. Still it might be possible to agree upon a schedule of articles to be put on a preferential list.

In my Colombo letter to you I referred to the necessity for improved transportation by the establishment of a better steamship line for the Pacific service, and a line of cargo ships for the service from eastern Canada via the Atlantic, perhaps touching at the Cape en route for Australia. Mr. Barton yesterday stated that his government would be prepared to co-operate for the betterment of the Pacific service. As to the Atlantic service, we are to discuss this further. As yet he has expressed no opinion.

I think the complications growing out of the action of New South Wales in regard to the Pacific cable call for a revision of the terms upon which the various governments united in connection with that work. Perhaps you may not be fully aware of the nature of the action of New South Wales. Permit me, therefore, to explain it. The Australia States own all the land telegraph lines. At the time of Canada and the other governments

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agreeing to the Pacific cable scheme, the Eastern Extension Telegraph Company enjoyed no rights or privileges in Australia to operate land lines or maintain offices for the receipt and delivery of messages, the various Australian States at their telegraph offices receiving from the public all messages for transmission by cable, and also all messages coming by cable for distribution. You will thus see that at this time the Australian States practically controlled the route to be taken by all messages handed in to them for transmission, unless the senders routed them by a particular cable line. This condition of affairs gave an assured revenue to the Pacific cable. I have not with me the contract and other Pacific cable papers, but, speaking from memory, my recollection is that the contract for the construction of the Pacific cable was executed upon December 31, 1900, that fifteen days thereafter, New South Wales (before its telegraph system had passed over to the Commonwealth), in disregard of its partnership obligations towards the other governments, entered into an agreement with the Eastern Extension Cable Company, empowering that company to construct certain land lines in New South Wales, open offices, &c., and practically to duplicate that State's land telegraph system. This concession, placing as it does, the Eastern Extension Company in an infinitely better position for gathering business, materially alters the conditions existing when the partnership was formed.

The action of New South Wales cannot, I think, be regarded as just or fair towards her co-partners. The neighbouring State of Victoria, though strongly urged to do so, has up to the present refused to follow the action of New South Wales, which, because of this concession, now enjoys cheaper cable rates than Victoria. The Imperial Government, I understand, concurs with Canada in disapproval of the action of New South Wales. I have discussed the matter with Mr. Barton, and whilst he regrets the action of New South Wales, he points out that the Commonwealth, having inherited the complication growing out of that action, must adopt it. Much pressure continues to be brought to bear to compel Victoria to follow New South Wales' lead. Yesterday the Melbourne papers published cable despatches from London to the effect that Mr. Chamberlain had been consulted by the State of Victoria as to whether the Imperial Government would disapprove of Victoria following the action of New South Wales and had refused such approval. Leading Melbourne papers yesterday assailed the Government here for having submitted the matter at all to Mr. Chamberlain. Mr. Barton would like to see an honourable way out of the difficulty, and whilst regarding it as the duty of the Commonwealth to live up to the spirit of the Pacific cable partnership arrangement, still he sees no way of undoing New South Wales' action.

I pointed out to him that (as compared with that of Australia) Canada's commercial interest at present in the Pacific cable was small, for Canada would use the cable in connection only with her own Australasian business, whilst Australia would use it for its Canadian, English and European business, or if it did not so use it, would still get the benefit of it as a regulator of rates in connection with that business. Thus whilst Canada would derive no material indirect advantage for her share of the loss in the working of the cable, Australia might be fully compensated indirectly by the advantage which her commercial men would derive from a reduction of cable rates no matter by what line their business was done. I also intimated to Mr. Barton that the more Canada's business with Australia increased, the less would she be a sufferer by the action of New South Wales, and that his government had it in its power therefore to make such trade arrangements with Canada as would greatly extend our trade with Australia and correspondingly repair the injury occasioned by the action of New South Wales. Mr. Barton appears to quite realize the injustice occasioned to Canada by the State depriving the Pacific cable of the business which it had a right to expect in consequence of the conditions existing when the partnership was formed, and expressed himself as most anxious that the Commonwealth should not, at its very inception, do anything to lose the sympathy and goodwill of Canada, which they feel they now enjoy in a marked degree.

There appear to me but two possible solutions to the difficulty. Either a re-arrangement of the present financial basis whereby the Commonwealth will relieve Canada of a material part of its share in the financial liability of the Pacific cable enterprise, or make



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such a preferential trade agreement with us as will greatly increase our trade with Australia.

W. MULOCK.

HOTEL CECIL,

LONDON, W.C., August 6, 1901.

Right Honourable Sir WILFRID LAURIER, G.C.M.G.,  
Premier of Canada.

On the first suitable occasion after meeting the Right Honourable Mr. Barton, Premier of Australia, I brought up the question of the relations between Australia and Canada, when he gave expression to the kindest feelings towards the Dominion, and the hope that it might be possible to bring the two countries into closer trade relations. On this occasion the discussion did not reach beyond generalities but it was arranged that we should at a subsequent meeting consider particulars. In order to centre the discussion around some points in which Canada might be considered as having a special interest, I drafted a letter enumerating some of these points, and they became the subject of discussion at our various meetings in Melbourne, Sydney and on the train.

At one of our Sydney meetings I delivered to Mr. Barton a letter dated May 28, which is practically a copy of my draft letter that we had before us at previous meetings. The following is a copy of the letter.

SYDNEY, May 28, 1901.

Right Honourable EDMUND BARTON, P.C.,  
Prime Minister of Australia.

With reference to our discussion as to the adoption of methods looking to increased and improved trade relations between Australia and Canada, it occurs to me that a consideration of the following propositions might be of service.

1. Absolute free trade between the two countries excepting in respect of liquors tobaccos, and perhaps a few other named articles.
2. Free trade in respect of an enumerated list.
3. Reciprocal trade on a preferential basis except as to articles mentioned in proposition number one.
4. Reciprocal trade on a preferential basis in respect of an enumerated list.
5. Free trade in respect of an enumerated list, and also reciprocal trade on a preferential basis in respect of an enumerated list.

It would also seem necessary to deal with the subject of transportation, and in this connection to consider whether it would not be advisable to improve the existing mail service between Australia and Canada via the Pacific by putting on a line of steamers of a speed of not less than say 16 knots, and also by establishing a cargo line, with regular sailings from Eastern Canada via the Cape, touching at Freemantle, Adelaide, Melbourne, Sydney, Brisbane, and perhaps other Australian ports. The cargo vessels, when not having a full cargo of through freight, might on voyage touch and trade at the Cape.

Owing to the long land transportation between Vancouver and Eastern Canada, the attempt to obtain a market in Eastern Canada for Australian products sent via Vancouver must always be seriously handicapped. A regular line of cargo steamers sailing between Australian and Canadian Atlantic ports would, in all probability, lead to Australia largely securing the Canadian market, which is a growing one, for many articles which Canada could take from Australia, such as raw sugars, hides and skins, cottons, jams of tropical fruits, wool, tin, etc.

With reference to sugar, Canada imports annually over 300,000,000 pounds, of which Australia sent us last year about 16,000,000 pounds. Most of our sugar refineries are in Eastern Canada, and accessible by ocean-going steamers. At present Canada imports annually from Belgium and Germany alone about 250,000,000 pounds of raw



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sugar. Should Australia desire to secure the Canadian market for sugar the question would arise whether to counteract bounties on any of our imported sugars it would not be necessary to establish countervailing duties.

## CABLE COMMUNICATION.

The concessions granted by New South Wales to the Eastern Extension Cable Company may so seriously affect the financial success of the Pacific cable scheme as to develop a feeling against the policy of state owned cables. I do not know whether any honourable course exists that would admit of the rescission of these concessions. If the various governments look forward to an extension of the Pacific cable to the Orient it would seem that the interested governments, before uniting in any such extension scheme, might reasonably press for a return to the 'status quo' existing when the Pacific cable partnership was formed.

Doubtless there are many other methods whereby trade interests between the two countries may be developed, and to that end I can confidently assure you that anything looking to the advancement of Australia's interests will receive the most favourable consideration of the Canadian Government. Perhaps, to prevent loss of time, you might consider the subject of sufficient importance to ask parliament to empower your government to deal with it without further legislation.

WILLIAM MULLOCK.

As to the tariff question, I inferred from what Mr. Barton stated that the Commonwealth Government had not made sufficient progress with their tariff scheme to be in a position to deal with special tariff features such as might be involved in reciprocal trade relations between Australia and Canada. Mr. Barton pointed out two difficulties in the way of a preference to Canada, one that it might result in other countries retaliating against Australia; the other, that they could hardly grant a preference to Canada and withhold it from Great Britain. In answer to the former objection, I observed that the empire was one political organization and, that, as regards foreign countries, tariff relations within the empire were matters of purely domestic concern, and that if the whole empire took this view there would probably be no question of retaliation. As to the latter objection, I expressed the hope that Australia might be able to extend to Great Britain any rates or privileges granted to Canada. If she should not see her way to doing so, I think there would be no difficulty in obtaining from Great Britain an expression of willingness that Australia and Canada might make between themselves whatever trade bargains they chose.

We discussed the subject of transportation, and Mr. Barton expressed his cordial sympathy with any policy looking for an improvement of existing line between Vancouver and Sydney, and I think it can fairly be assumed that he will heartily co-operate with Canada to that end.

As to giving a subsidy to a cargo line, he stated that the proposition came to him as a new one, and he could not form an opinion in regard to it without further consideration.

As to the Pacific cable scheme, he assured me that the Commonwealth would afford no ground of complaint to the various governments concerned, but that, as the heir to the obligations of the various states, Australia would have to stand by what each state had done.

From about the thirtieth of May until my departure from Melbourne on the fourth of June, there were daily meetings between Mr. Barton and myself for the discussion of trade, transportation, cable and other matters, resulting in our reaching the conclusion that, having regard to the great interests involved, it would be advisable that an inter-colonial conference should be held in the near future when these subjects and any other matters of inter-colonial concern might be fully considered by representative of the various governments, and it was arranged that we would so present the matter to our respective governments. He mentioned that his Parliament might continue in session until near November, and we talked of December as probably the earliest convenient

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date for a meeting. The next session of the Australian Parliament will be in the spring of 1902, and if the results of the conclusions of any such conference should call forth legislative action at the next meetings of the respective parliaments of the two countries the conference should be held at the earliest possible date. Mr. Barton expressed a willingness to endeavour to obtain legislative authority in advance in respect of reciprocal trade with Canada, but the state of political parties in the Commonwealth Parliament is, I fear, not so satisfactory as to enable the government to altogether control such legislation.

It is advisable, I think, to take advantage of the present very friendly feeling between Australia and Canada by having a conference at an early date.

As to a place of meeting, Mr. Barton, I think, would not expect us to go to Australia. He and his associate Ministers might be willing to come to Vancouver or London.

On the eve of my departure from Australia I wrote him the following letter, and since reaching London have received his acknowledgment (copy below), which is but an echo of the good feeling prevailing throughout Australia towards Canada.

ADELAIDE, June 6, 1901.

The Right Honourable EDMUND BARTON, P.C.,  
Premier of Australia.

I cannot leave your shores without expressing both personally and as representative of Canada at the celebrations connected with the inaugural proceedings of the Australian Commonwealth Parliament, my grateful appreciation of the hospitality extended to myself and party, and of the completeness of the arrangements for our comfort and enjoyment. I shall take back with me most pleasurable impressions of your people and country, amongst them the kindly feeling entertained by Australia towards Canada, a feeling which is fully reciprocated.

Your young Commonwealth enters the family of nations with the best wishes of the Dominion for her development and her prosperity, and no portion of the Empire will take a deeper interest in Australia's welfare.

Believe me, my dear Mr. Premier,

WILLIAM MULLOCK.

MELBOURNE, June 14, 1901.

Hon. W. MULLOCK.

I have to thank you very sincerely for the expressions contained in the letter you addressed to me from Adelaide on the eve of your departure from Australia. I am indeed gratified to know that your stay amongst us was a pleasant one, and that your short experience of Australia has enabled you to take back with you pleasurable impressions of our country and its people.

I need hardly say that your visit has been a source of very considerable personal pleasure to myself. It will, however, I feel sure, prove of distinct advantage to the Commonwealth, both in intensifying those kindly feelings between Canada and Australia to which you so generously refer, and in throwing new light on those questions of common importance which I have had the pleasure of discussing with you.

It affords us no small encouragement, in undertaking the task of setting our federal machinery in motion, to know that we have the good wishes and the sympathetic interest of a community which has performed a similar task with such signal success. These good wishes are most heartily reciprocated, and I speak not only for myself, but for the people of Australia, when I express the earnest hope that the present friendly feeling which subsists between Canada and Australia, which your visit has done so much to strengthen, may be a permanent characteristic of our intercourse.

EDMUND BARTON.

SESSIONAL PAPER No. 77

I may add that in conversation Mr. Barton continually expressed the friendliest feelings towards Canada, and I have no doubt of his sincerity. Hence another reason for the conference being held when conditions appear so favourable.

W. MULLOCK.

HOTEL CECIL,

LONDON, W.C., August 6, 1901.

Rt. Hon. Sir WILFRID LAURIER, G.C.M.G.,  
Premier of Canada.

During my stay in Australia I met many representatives of Canadian manufacturers, and had an opportunity of discussing with them the prospects of Canada finding there a good market for her manufactured goods, and without a single exception all assured me that with proper transportation facilities we might confidently look forward to our sales to Australia steadily increasing and assuming very considerable proportions. If friendly feeling on the part of the people is a factor in connection with such trade, Canada certainly enjoys that advantage for everywhere is manifested the kindest feeling towards the Dominion. At present Canadian goods reach Australia by two routes, namely the Vancouver and Sydney line, and by vessels sailing from New York. Our manufacturers' representatives in Australia made known to me the inadequacy of the existing transportation arrangements.

As to the Vancouver line they pointed out that it involved long railway haul in Canada and also in Australia. The ships of this line call at Brisbane and Sydney only in Australia. Goods destined for other parts of the island must reach their destination by rail or water. As to the American route they assured me that Canadian goods were discriminated against by the shipping companies being frequently left behind, and the preference given to American goods where the total amount offered for carriage exceeded the ship's capacity. In consequence of this treatment they report Canadian trade greatly handicapped, it being impossible to give satisfactory assurances to Australian merchants as to the date when the goods will arrive. Some of these representatives of Canadian houses intimated that unless better transportation facilities were provided it might result in their houses abandoning trade with Australia.

As to transportation, both before going to Australia and since my return to London, I have met Mr. James Mills, managing director of the existing line of steamers between Vancouver and Sydney, and whilst he is not very desirous of improving the character of the line throughout, he appeared to indicate a willingness to try the effect of an improvement to the extent of putting on one sixteen knot ship. Mr. Mills lives in New Zealand, and will be returning via Canada this fall, and will come to Ottawa on his way through to discuss the subject.

With further reference to the betterment of the line between Vancouver and Sydney, and the establishment of a cargo line between Canada and Australia, I beg to state that Mr. Cox, the Australian agent of the London firm of Birt, Potter & Hughes, Limited, called upon me and stated that this company represented the Federal Steam Navigation Company, of which Mr. Hughes was chairman, that this company had at present a line of steamers sailing between New York and Australia, and would be prepared to take up the subject of the establishment of lines between Vancouver and Sydney, and Eastern Canada and Australia. He showed me a letter from Mr. Ward, of New Zealand, stating that New Zealand would contribute twenty thousand pounds subsidy towards such a line provided one of its terminal points was in New Zealand. Subsequently Mr. Hughes and Mr. Cox called, when the matter was further discussed. Mr. Hughes assured me that his company was financially strong, and quite capable of carrying out any of its undertakings.

As to the establishment of a line between Eastern Canada and Australia, he thought it advisable to ascertain the tonnage of Canadian freight now going by his line from New York, and he subsequently called and stated that he had cabled for information and he found that the present volume of Canadian freight would furnish a full

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cargo for from four to five ships of the character that he would suggest for this route. I think he mentioned ships of six thousand tons. He stated that one of the chief customers was the firm of Massey-Harris, and it would be important to ascertain their attitude with regard to any direct Canadian line. He also pointed out the importance of having satisfactory railway rates to the seaboard during the time that the St. Lawrence navigation was closed. He expressed the view that it would be better for Canada not to stipulate for a round trip but simply secure one sailing a month from Canada, allowing the ships to work their way back as best they could. Mr. Hughes is prepared to come to Canada whenever it is thought desirable to further discuss this question. I think that, considering the Canadian trade via the Atlantic with Australia already under all the disadvantages attending it, furnishes freight for about five ships a year, it would be a short time before it would supply a full monthly cargo and go beyond that. What the trade requires is regularity and certainty of transportation. Once these guarantees are forthcoming, business houses in Canada will feel warranted in incurring the expense of establishing themselves in Australia, but these facilities of transportation must, I submit, precede the establishment of trade on anything like a satisfactory basis. I would therefore think it advisable to establish by subsidy a line of steamers sailing monthly from various ports in Canada to Australia, the arrangement to be for say three years.

I find from a return to the Imperial Parliament (Commercial No. 4, 1900) that it is the practice of many governments to subsidize their mercantile marine. For instance, France last year paid to her mercantile marine by way of subsidy for construction, £196,000; for navigation, tonnage and mileage, £452,000, or a total of £648,000. This covers a line to Australia. Germany pays £115,000 a year for the maintenance of the North German Lloyd line with Australia, and in addition the steamship company obtains certain indirect advantages such as reduced railway rates, and also exemption from customs duties on materials entering into the construction and operation of their ships. Other countries furnish like precedents. In 1898 Canada subsidized the Manchester freight line. Mr. Hughes did not approve of the outgoing Australian ships taking freight to South Africa. There would however be no objection, I think, to delivering mails there. I think mails from Halifax for Cape Colony by a ten knot steamer would reach Cape Town sooner than if sent via England.

W. MULOCK.

OFFICE OF THE HIGH COMMISSIONER FOR CANADA,

17 VICTORIA STREET, LONDON, S.W., August 14, 1901.

The Honourable

The President of the Privy Council,  
Ottawa, Canada.

With reference to my letter of the 9th instant, No. 683, I have the honour to transmit to you the following newspaper cuttings for your information:—

Date.	Paper.	Subject.
August 13, '01..	The Times...	Letter of Sir Edward Sassoon on Cables and the Colonial Office.
" 13, '01..	" ....	Debate in the House of Commons on second reading of Pacific Cable Bill.
" 14, '01..	" ....	Proceedings in Committee on the above Bill.

J. G. COLMER,  
For the High Commissioner.



SESSIONAL PAPER No. 77

7 RICHMOND TERRACE,

WHITEHALL, S.W., August 14, 1901.

Governor General of Canada.

I represent the Colonial Office on an inter-departmental committee to consider the cable communication of the Empire.

The evidence taken before that committee has been divided into two parts, that which deals with the general subject and that which deals with the strategic part of the question. The latter certainly will not be published, but the former part will be submitted to the Treasury, who will exercise their discretion as to whether it shall be published or not. Some part of it undoubtedly will be, as the committee was appointed at the instance of Sir Edward Sassoon in response to a motion in the House of Commons.

Mr. Mulock was one of the witnesses, and gave evidence of the intention of the Canadian Government to lay a special cable between Canada and England for the use of the Canadian people. Will you let me know whether your ministers would have any objection to that evidence appearing in the blue-book, or whether the matter is still in too premature a condition to make it desirable to give publicity to it?

ONSLOW.

*From February 25, 1901, to August 21, 1901.*

## ABSTRACT OF MINUTES OF PACIFIC CABLE MEETINGS, I TO IX

*(Private and Confidential.)*

*(1st Meeting.)*

MR. GLEADOWE'S ROOMS,

TREASURY, S.W., February 25, 1901.

Mr. C. T. Davis appointed temporary secretary.

Proposed visit of Mr. Peake (of Messrs. Clark, Forde & Taylor) to the various stations of the company, discussed.

Letters addressed to the High Commissioner and Agents-General for the various colonies introducing Mr. Peake and asking that the officer deputed in each to meet him might be allowed to assist him in acquiring necessary land and otherwise.

Letter to Colonial Office to the same purport *re* Fiji and Fanning Island.

War Office and Colonial Office correspondence on the advisability of landing cable under the guns of some fort, considered, and deprecated in the case of Esquimaux as—

1. Lengthening cable.
2. Liability to interruption in shallow water in time of war.
3. Liability to interruption in shallow water in time of peace.

In the case of Queensland and No. 3 sections, the suggestion was also deprecated as involving alteration in the contract; letters to be sent to the Colonial Office accordingly.

Agreement of January 16 between New South Wales and Eastern Telegraph Company read, and resolved:—

1. That the agreement is prejudicial to the interest of the Pacific cable.
2. That it is desirable that a conference representing the governments concerned should be held to discuss the effect of the agreement on the Pacific cable.
3. That this resolution be forwarded to the Secretary of State for the Colonies for transmission to the governments concerned.

Adjourned to March 4.

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*(2nd Meeting.)*MR. GLEADOWE'S ROOMS,  
TREASURY, S.W., March 18, 1901.

Mr. Hugh Latham appointed secretary.

Offices secured at 24 Queen Anne's Gate, S.W.

Letter from Clark, Ford & Taylor *re* payment of first instalment, to be sent to the Treasury.

Western Branch of Bank of England to be asked to act as bankers.

British companies to be asked whether they are prepared to send messages across Canada at  $\frac{1}{2}$  rateLetter from executors of William Greig *re* Fanning Island read, and copy sent to engineers to be communicated to Mr. Peake with intimation to take care to recognize no right of ownership on behalf of any person in the island. Existing correspondence on the subject to be obtained from Colonial Office.*(3rd Meeting.)*MR. GLEADOWE'S ROOMS,  
TREASURY, S.W., March 25, 1901.Telegram from Mr. Peake *re* agreement with Canadian Pacific Railway, for extending their land lines from Victoria to Vancouver, considered and draft telegram conditionally accepting same approved.

Appointment of solicitor considered and postponed. Terms of lease of offices at Queen Anne's Gate approved.

Secretary instructed to furnish offices.

First payment to contractors, £287,463, made.

*(4th Meeting.)*24 QUEEN ANNE'S GATE,  
LONDON, S.W., April 29, 1901.

Treasury letter read as to advance of £290,000. Finance Committee, consisting of chairman and one other member (in alphabetical rotation), appointed to meet half an hour before each meeting to check accounts.

Letters from Mr. Peake *re* Grappler's Creek were read and attention was called to the fact that the estimated cost of clearing was high, and the engineers were advised that the Board assumed that the clearing would be done by open contract.

Chairman was asked to approach Messrs. Hollams Sons, Coward &amp; Hawkesley as to their willingness to act as solicitors to the Board.

Resolved, that future meetings should be held on the first Monday in every month, at 4 p.m.

Letter from Mr. Mulock as to appointment of Canadians to Canadian positions in the cable system considered, and a reply sent pointing out that the Board could not pledge themselves to such arrangement, as it was important that the best possible men should be in all cases selected, and the staff once appointed must be removable from station to station in their own interests and for the due working of the cable.

Correspondence with Anglo-American Telegraph considered. Proclamation of transference of telegraphs and telephones to Australian Commonwealth was read.

It was resolved that application would be made to the Post Office to send all unrounted messages via the Pacific cable.

The question of omission of penalty clause from contract was raised and asked to investigate.

Telephone ordered.

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*(5th Meeting.)*24 QUEEN ANNE'S GATE,  
LONDON, S.W., May 20, 1901.

War Office correspondence *re* landing places. Chairman's letter to Colonial Office approved.

Engineer's recommendation as to obtaining tenders for instruments approved.

Sir Robert Herbert to be asked whether the Donald Currie line would allow Mr. Scott to place his services at the Board's disposal for the purpose of preparing plans of the repairing ship.

Correspondence with G.P.O. *re* unrouted messages.

Letter from Anglo-American Telegraph Co. *re* rate to Vancouver.

Letter from Sir Francis Mowat *re* penalty clause.

Letter from Agent-General for New Zealand, inclosing recommendation that the Pacific cable should be taken via Honolulu.

*(6th Meeting.)*24 QUEEN ANNE'S GATE,  
LONDON, S.W., June 30, 1901.

Appointment of staff to stand over.

Letter from Sir Robert Herbert read *re* Mr. Scott's service.

Resolved, that Mr. Scott be asked to prepare plans of repairing ship.

Question raised as to responsibility of contractors for repairs after completion being reduced from 6 months to 30 days.

Dr. Muirhead's invention referred to engineers.

Selection of Southport landing place at Queensland reported.

Letter from Under-Secretary of State *re* Defence Committee.

Letter to G.P.O. *re* unrouted messages.

Service messages considered, and Atlantic companies to be asked to carry Pacific cable's messages at half rates.

*(7th Meeting.)*24 QUEEN ANNE'S GATE,  
LONDON, S.W., July 1, 1901.

Chairman asked to make inquiries as to salaries, duties, responsibilities and relations to, of managers to other Boards.

Agreement with Federal Government submitted to Board's solicitors.

Letter from Sir G. O'Brien *re* ownership of Fanning Island.

*(8th Meeting.)*24 QUEEN ANNE'S GATE,  
LONDON, S.W., July 26, 1901.

Sub-Committee appointed to inquire into the qualifications of candidates for the post of manager—procure, if necessary, additional candidates—and draw up regulations for manager's conduct of business.

Plans of repairing ship considered and referred to Mr. Finch to report to sub-committee.

Proposed plans at Southport to be circulated amongst the members of the Board.

Selection of landing places at Norfolk Island and New Zealand reported.

Question in Parliament *re* progress of cable reported, and letter addressed to contractors.

Chairman's evidence before Colonial Defence Committee reported.

Home and Federal Post Office correspondence as to unrouted messages considered.

Letter from Under-Secretary of State inclosing report on Fanning Island.

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*(9th Meeting.)*

24 QUEEN ANNE'S GATE,

LONDON, S.W., August 21, 1901.

Sub-committee's report considered and chairman authorized to appoint Mr. Reynolds manager at a salary of £800 per annum for three years, on his resigning his other directorships.

Sub-committee's approval of tenders for apparatus reported and confirmed.

Engineers' preliminary report considered. Draft letters to the Canadian Pacific Railway, Hon. J. G. Drake and Sir F. Darley, pointing out the importance of avoiding unnecessary delay in acquiring land and erecting buildings, read and approved.

Report of survey and alterations in type and length of cable found necessary between Australia and Norfolk Island.

Dr. Muirhead's letter *re* invention to be referred to the manager.

Letter from engineers as to two repairing ships having at one time been contemplated.

Plans for repairing ship again considered, together with reports of Mr. Finch and sub-committee, and approved, subject to provision if possible of additional cabin, w.c. and bath accommodation.

Letter from Treasury *re* colonial payments.

Engineers instructed to obtain plans and estimates for cable machinery from the Telegraph Construction and Maintenance Company.

24 QUEEN ANNE'S GATE,

LONDON, S.W., August 30, 1901.

His Excellency

The Governor General of the Dominion of Canada.

I am instructed to inform you that the Pacific Cable Board has appointed Mr. Charles Henry Reynolds, late Director General of Telegraphs in India, as its general manager.

I am to add that Mr. Reynolds will enter on his duties in the course of the ensuing month.

HUGH CHATHAM,

Secretary.

*Mr. Chamberlain to Lord Minto*

Governor General

The Right Honourable

The Earl of Minto, G.C.M.G., &amp;c., &amp;c.

DOWNING STREET, September 19, 1901.

I have the honour to transmit to you, for the information of your Ministers, copies of the Pacific Cable Act, 1901, recently passed by the Parliament of the United Kingdom.

J. CHAMBERLAIN.

*From Mr. Chamberlain to Lord Minto.*

LONDON, November 27, 1901.

Referring to your telegram of November 25, terms of licenses still under discussion. Copies will be sent to you as soon as possible.

J. CHAMBERLAIN.



## SESSIONAL PAPER No. 77

*From Mr. Chamberlain to Lord Minto.*

DOWNING STREET, November 29, 1901.

With reference to my despatch No. 278, of September 19, forwarding copies of the Pacific cable Act, 1901, I have the honour to transmit to you, to be laid before your Ministers, copy of a letter from the Treasury, inclosing copy of a minute detailing the financial arrangements which the Lords Commissioners propose to make under that Act.

I shall be glad to learn by telegraph at your Ministers' early convenience, whether they concur in the terms of the minute.

J. CHAMBERLAIN.

TREASURY CHAMBERS, November 20, 1901.

Under-Secretary of State,  
Colonial.

I am directed by the Lords Commissioners of His Majesty's Treasury to transmit, to be laid before Mr. Secretary Chamberlain, a copy of their minute of the 5th instant, detailing the financial arrangements proposed to be made under the Pacific Cable Act, 1901 (1 Edw. VII, c. 31).

As these arrangements affect the colonies which are concerned in the cable, I am to request that copies of the minute may be transmitted to the various colonial governments in question, and that they may be invited to express formally their concurrence in the proposed arrangements.

My Lords propose to defer the publication of the minute until such concurrence has been notified to them through your department.

E. W. HAMILTON.

## PACIFIC CABLE ACT, 1901.

TREASURY MINUTE, DATED NOVEMBER 5, 1901, RESPECTING FINANCIAL ARRANGEMENTS.

The Chancellor of the Exchequer calls attention of the Board to the Pacific Cable Act, 1901 (1 Edw. VII, c. 31), which provides for the construction of the Pacific cable at an estimated cost of £2,000,000.

As recited in the preamble of the Act, it has been arranged that any sums required for—

(1) Repayment of money borrowed under the Act ;

(2) Payment of interest thereon at 3 per cent ; or

(3) Annual expenses of the cable, shall be provided from receipts in connection with the cable, so far as such receipt will go, any deficit being ultimately met out of imperial funds to the extent of 5-18ths, and out of the funds of Canada, New South Wales, Queensland, Victoria and New Zealand to the extent of 13-18ths. Any profits arising from the undertaking will be divided between the governments concerned in the same proportions. Section 1 empowers the Treasury to issue from the consolidated fund a sum not exceeding £2,000,000 to meet the requirements of the Pacific Cable Board for defraying the cost of construction of the cable and for repaying any temporary loan borrowed before the passing of the Act.

Section 2 empowers the Treasury to borrow the amount of such issues, and provides with regard to the sums so borrowed, (1) that interest at the rate of 3 per cent per annum shall be paid thereon during the construction of the cable ; and (2) that after construction the advances shall be repaid by means of terminable annuities calculated to repay the sums borrowed, with interest at the rate of 3 per cent per annum, within such period not exceeding 50 years as the Treasury may fix.

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Before the passing of the Act the Pacific Cable Board had obtained temporary advances amounting to £294,000 to meet necessary expenditure, namely, £2,000 advanced from the civil contingencies fund and £292,000 borrowed from the Bank of England. An issue of £294,000 was made to the board from the consolidated fund shortly after the Act became law to enable these temporary advances to be repaid, and further issues amounting to £67,800 have since been made to provide for current expenditure.

Directions have now to be given for borrowing the amount of these issues (£361,800), and of the further issues which may be required.

The arrangements which the Chancellor of the Exchequer proposes for this purpose are as follows:

(1.) The National Debt Commissioners will be asked to make the advances out of funds available in their hands for investment, on the security of a terminable annuity to be set up on the completion of the cable and to run for a period of fifty years.

(2.) During the construction of the cable the Treasury will submit to Parliament in each financial year an estimate of the amount required to pay to the National Debt Commissioners interest at the rate of 3 per cent per annum on all the sums advanced by them up to the preceding 31st December, and also interest at that rate on all subsequent advances so far as it may be expected to fall due. The amount charged on the vote in respect of interest on advances during construction will, to the extent of 13-18ths, be repayable by the colonial governments.

#### CORRESPONDENCE BETWEEN THE RIGHT HONOURABLE SIR WILFRID LAURIER AND THE AUSTRALASIAN PREMIERS, DECEMBER 7 TO 20, 1901.

OTTAWA, December 20, 1901.

The Right Hon. R. J. SEDDON,  
Wellington, New Zealand.

I received with great pleasure your cablegram of the 9th instant, in answer to mine of the 7th, suggesting a conference between the representatives of Australia, New Zealand and Canada in regard to intercolonial trade matters. It is the hope of the Canadian Government that a full discussion may result in Australasia and Canada being brought into closer relations with each other.

Owing to the difficulty of arranging a conference of this nature, perhaps it would be well not to limit the scope of the deliberations of such conference to any named subjects, but to have it understood that any matters affecting all or any two governments might be brought forward. At the same time it would be convenient if, in advance of the meeting, the respective governments were to intimate to each other some of the subjects proposed for discussion. In that view I submit the following questions:—

(1) Closer trade relations.

(2) Improvement of the mail service via Canada between Great Britain and Australasia.

(3) Improvement of transportation facilities.

(a.) By the establishment of a first-class line of passenger steamers between Australasia and Vancouver (Canada).

(b.) By the establishment of a line of steamers (chiefly for cargo purposes) between Australasian and Canadian ports on the Atlantic, stopping en route at South Africa.

(4) Consideration of the effect of the Pacific cable scheme by the concession granted by New South Wales to the Eastern Extension Telegraph Company.

I inclose copy of my cablegram to yourself and to the Premier of Australia, and of the replies.

WILFRID LAURIER.

SESSIONAL PAPER No. 77

OTTAWA, December 20, 1901.

The Hon. E. BARTON,  
Melbourne, Australia.

I received with great pleasure your cablegram of the 11th instant, in answer to mine of the 7th, suggesting a conference between the representatives of Australia, New Zealand and Canada in regard to intercolonial trade matters. It is the hope of the Canadian Government that a full discussion may result in Australasia and Canada being brought into closer relations with each other.

Owing to the difficulty of arranging a conference of this nature, perhaps it would be well not to limit the scope of the deliberations of such conference to any named subjects, but to have it understood that any matters affecting all or any two governments might be brought forward. At the same time it would be convenient if, in advance of the meeting, the respective governments were to intimate to each other some of the subjects proposed for discussion. In that view I submit the following questions:

- (1) Closer trade relations.
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- (4) Consideration of the effect of the Pacific cable scheme by the concession granted by New South Wales to the Eastern Extension Telegraph Company.

I inclose copy of my cablegram to yourself and to the Premier of New Zealand, and of the replies.

WILFRID LAURIER.

OTTAWA, December 7, 1901.

BARTON,  
Melbourne.

Canadian Government propose a conference with representatives of Australia and New Zealand Governments in London next June, or other convenient time, for consideration of trade, postal, cable, transportation and any other intercolonial matters. Trust your Government will co-operate.

LAURIER.

OTTAWA, December 7, 1901.

SEDDON,  
Wellington.

Canadian Government propose a conference with representatives of Australia and New Zealand Governments in London next June, or other convenient time, for consideration of trade, postal, cable, transportation, and any other intercolonial matters. Trust your Government will co-operate.

LAURIER.

ADELAIDE, December 11, 1901.

LAURIER,  
Ottawa.

Thanks for telegram. No official invitation to coronation as yet received, but if this Government represented then will have pleasure co-operating proposed conference.

BARTON.

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CHEVIOT, NEW ZEALAND, December 9, 1901.

LAURIEB,  
Ottawa.

Government New Zealand will cheerfully co-operate, and colony will be represented at conference on intercolonial matters mentioned in your despatch of 7th December.

SEDDON.







# ORDERS IN COUNCIL

[81]

With respect to the application made by Messrs. Ewing, Treadgold and Barwick to divert water for mining purposes.

1. Order in Council dated 12th day of June, 1901.
2. Ordinance dated 12th day of June, 1901.
3. Order in Council dated 29th day of June, 1901.
4. Order in Council dated 7th day of December, 1901.

## 1.

AT THE GOVERNMENT HOUSE AT OTTAWA,

THE 12TH DAY OF JUNE, 1901.

*Present :*

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL.

Whereas application has been made by Malcolm H. Orr Ewing, of Malvern, England, A. N. C. Treadgold, of London, England, and Walter Barwick, of Toronto, Ontario, under date the 31st May, 1901, with regard to the establishment of hydraulic works to supply water for the efficient working of auriferous deposits, now unworked for the want of a sufficient water supply, in the Klondike District in the Yukon Territory, and for other purposes mentioned in such application, hereto annexed ; and

Whereas the details of different schemes submitted have been considered and discussed ; and

Whereas the mining now carried on in the Klondike District is, because of the inadequate supply of water necessarily confined to the washing of the richest gravel only, comparatively small in area, thus leaving large tracts of gold-bearing gravels unworked ; and from the information obtained from the Gold Commissioner of the Yukon Territory and others it is believed that the riches of the Klondike District can only be properly utilized by such a water supply as that which the before-mentioned applicants are prepared to establish ;

Therefore the Governor General in Council is pleased to order and doth hereby order that the said application by the said Malcolm H. Orr Ewing, A. N. C. Treadgold and Walter Barwick, bearing date the 31st May, 1901, a copy of which is hereto annexed, and which is hereby made a part of this Order in Council, shall be and the same is hereby accepted ; and that the said parties shall be and are hereby granted all and every of the powers, privileges, rights and franchises asked for and mentioned in such application upon the terms and subject to the conditions and regulations therein

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set forth and also to the provisions of an Ordinance necessary to carry into effect the provisions hereof, and which said Ordinance the Governor General in Council is hereby pleased to declare his intention to enact.

JOHN J. MCGEE,

Clerk of the Privy Council.

( OTTAWA, Ont, May 31st, 1901.

To the Honourable

The Minister of the Interior.

The applicants are prepared to undertake the establishment of hydraulic works which will supply water to the auriferous deposits now without water in certain parts of the Klondike District, provided the following rights are granted to them subject to the general condition that nothing contained in this grant shall interfere with the right to water to which any free miner is entitled on Bonanza, Bear and Hunker Creeks and their tributaries for the working of his claim under the regulations now in force governing placer mining and the diversion of water in the Yukon Territory :—

1. The sole right to divert and take water from the Klondike River at any point or points between its entry into the Yukon River and Flat Creek for the purpose of generating power with which to pump water to work the auriferous deposits in the district (hereinafter termed "The District") comprising the beds, banks, valleys, slopes and hills of the Klondike River, of Bonanza, Bear and Hunker Creeks and of their tributaries.

Provided that licensed holders of mining locations situated on the Klondike River shall be entitled as against the grantees to the use free from toll of a flow of water sufficient for working their claims but not exceeding in all three thousand five hundred (3,500) miner's inches, equal to five thousand two hundred and fifty (5,250) cubic feet per minute.

Provided further, that in the event of the grantees interfering with the flow of the Klondike River by the erection of dams or other obstructions or by diversion of its water to such an extent as to prevent the passage of saw-logs or other timber down the stream, then the grantees shall for holders of timber berths under license from the Dominion Government, provide slides and facilities free of charge for the transmission of such logs and timber over such dams and obstructions and over the portion of the river affected by such diversion of water.

2. The prior right subject to the provisoes contained in clause 1 to divert and take water from the Klondike River for distribution and use in The District, especially upon the hills and benches.

3. The right on any creek or tributary within The District to divert, take, impound and store for mining purposes any water not used by any free miner for the working of his claim on such creek or tributary under the regulations now in force for placer mining or respecting the diversion of water for mining purposes in the Yukon Territory.

4. The right at any point or points in the bed, banks, valley, slopes and hills of the Klondike River between its mouth and Flat Creek to construct and maintain dams, cribs, intakes, flumes and any other works necessary for the generation of power and the right of entry upon and way through any lands and any mining ground for the purpose of such construction and maintenance.

Provided that the grantees shall place in a separate dump for the use of the owners of any mining ground entered upon by them in the exercise of this right, all gravel which they may be obliged to move in such mining ground in consequence of the exercise of such right.

5. The right to purchase any Crown lands required by the grantees for the purposes of their works at a price not exceeding ten dollars per acre, saving and reserving all the timber, mines and minerals upon or under such lands.



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6. The right at any point or points in The District to build, maintain and operate pumping stations, electrical works and reservoirs.

7. The right of entry upon and way through any lands and any mining ground for the purpose of constructing, laying and maintaining flumes, ditches and pipe lines for conveying the grantees' water supply to any point within the district.

Provided that the grantees shall place in a separate dump for the use of the owners of any mining ground entered upon by them in the exercise of this right, all gravel which they may be obliged to move in such mining ground in consequence of the exercise of such right.

8. The right of entry upon and way through any lands and any mining ground within the district and within the Indian River district for the purpose of constructing and maintaining overhead or underground wires and any other structures for the transmission of electricity for any purpose whatsoever throughout the said districts, and the right to levy and collect such tolls as may be approved by the Governor General in Council for the use of electricity in the said districts.

Provided that the grantees shall place in a separate dump for the use of the owners of any mining ground entered upon by them in the exercise of this right, all gravel which they may be obliged to move in such mining ground in consequence of the exercise of such right.

9. The right, subject to the regulations hereinafter contained to use, distribute and dispose of the water delivered by the grantees within the district.

10. The right, subject to no payment except the royalty prescribed upon output, to enter upon, make entry for and work all mining locations now or hereafter abandoned on Bonanza, Bear and Hunker Creeks and their tributaries.

11. The prior right, if mineral-bearing lodes or deposits of any kind whatever be discovered through the operations of the grantees upon Crown lands, or upon lands or locations owned or leased by the grantees within the district, to enter upon and purchase locations embracing the discoveries in the manner prescribed by the regulations governing mining in the Yukon Territory.

12. The right to take from Crown lands, to be designated by the Department subject to the payment of Crown timber dues, all timber and materials needed for the construction, maintenance and operation of the grantees' works.

13. The exclusive right, subject to the regulations hereinafter contained, to construct, lay, maintain, supply with water and operate bed-rock flumes, and any other flumes for supplying water in the district; provided that every free miner shall have the right of constructing flumes for the purpose of conveying to his claim the lawful amount of water to which he is entitled under the regulations now in force for placer mining in the Yukon Territory, and any water that he shall purchase from the grantees; and he shall also have the right of constructing flumes for the purpose of draining his claim.

This grant is subject to the following conditions:—

1. The grantees shall before December 31, 1902, have expended upon the objects of their enterprise at least the sum of two hundred and fifty thousand dollars (\$250,000). Details of such expenditure shall be presented to the Governor in Council. If the grantees fail to comply with this condition the exclusive and prior rights granted to them shall cease and be determined.

2. The grantees shall deliver within the district during the summer season of 1905, not later than July 1, 1905, a flow of one thousand (1,000) miner's inches, equal to fifteen hundred (1,500) cubic feet per minute. Such flow shall be continuously maintained and be available during at least sixty (60) days of such season, and each season thereafter during the period for which this franchise is granted, as set forth in condition 7 hereof, and in default thereof the exclusive and prior rights of the grantees shall cease and be determined. In case of unavoidable accident to the works of the grantees they shall be entitled, without forfeiture, to a reasonable time for effecting repairs.

3. The grantees shall supply water to the owners of claims within the district subject to the regulations hereinafter contained. Should the above supply prove insufficient to meet the applications of free miners, then the grantees may at their option at any time

increase such supply and may be required upon two years' notice, terminating with August 31 in any year, to deliver within the district an additional quantity not exceeding five hundred (500) miner's inches of water, equal to seven hundred and fifty (750) cubic feet per minute, provided that the grantees shall not be required to commence the works for such additional quantity unless and until they shall have earned a *net profit* of at least ten per cent (10 p.c.) per annum for the three previous consecutive years upon the capital stock of the company which they shall organize for carrying this grant into effect. If the grantees fail to comply with such requirement the exclusive and prior rights granted to them shall cease and be determined.

Provided, however, that if the grantees shall be delayed or their operations interfered with by floods, war, civil commotions, strikes, accidents to machinery or works, or by the act of God or other causes over which the grantees have no control and so prevented from complying with the conditions of this clause, they shall be entitled to extensions of time equal to the periods of delay.

4. The grantees shall not be required to pay to the Crown or to the district or local authorities any rentals, occupation rents, assessments or other dues in respect of any lands except timber lands, or in respect of any flumes, drains, properties or profits other than import customs duties, school taxes and a royalty on the gold mined in the mines owned by them, or any tax or assessment which may be substituted for such royalty.

Provided that no other or higher royalty, or any tax or assessment which may be substituted for such royalty, shall be imposed on any gold or silver mined from quartz by the grantees, than that prescribed by the present regulations, nor shall it at any particular time be greater than the lowest royalty imposed on the output of gold and silver from the quartz mines of other miners in the Yukon District.

Provided also that no other or higher royalty or any tax or assessment which may be substituted for such royalty shall be imposed on any gold and silver mined from placer mines by the grantees than that prescribed by the present regulations, nor shall it at any particular time be greater than the lowest royalty imposed on the output of gold and silver from the placer mines of other mine owners in the Yukon District.

5. The properties of the grantees shall be exempt from representation.

6. Proper powers shall be granted by ordinance to the territorial court to enable the grantees to exercise the rights conferred upon them and to protect the interests of private owners by compensation for any actual damage sustained by them in consequence of the exercise of such rights.

7. The rights conferred upon the grantees shall extend for the period of thirty years, at the expiration of which period all exclusive and prior rights granted to them shall cease and be determined, but the works and structures built by the grantees, together with the lands, rights and easements which they shall have purchased and acquired shall remain the grantees' private property.

8. The grantees shall have the right to assign the rights conferred upon them to any company or companies or to any persons associated together for the purpose of carrying into effect the objects of the grant or any part of them.

## REGULATIONS.

"A." The grantees shall allow all free miners within the district to tail their sluices, hydraulics, ground sluices and drains free of charge into the flumes and drains of the grantees, yet not in such a way as to damage or obstruct the free working of the flumes and drains of the grantees by rocks, stones, boulders or otherwise.

"B." The grantees shall compensate the owner of any mining claim or lands for any damage which any such owner may sustain by reason of any of the grantees' works breaking or being imperfect.

"C." Any question of compensation arising under this grant shall be determined judicially by the Gold Commissioner, subject to appeal to the territorial court of the district, and the said court may upon special circumstances being shown make an order for the taking of further evidence.

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"D." The grantees shall yield to the owners of claims entered upon by them for the purpose of carrying out any of the works contemplated by this grant, any gold which they may obtain in respect of any gravel which may be moved by them in such claims in consequence of the construction of such works.

"E." Subject to the provisions hereinafter contained, the owners of claims within the district shall be entitled to purchase one-half of the water delivered in the district by the grantees.

Any owner of a claim so desiring to purchase a supply of water from the grantees shall between the first day of January and the fifteenth day of March in each year deliver to the grantees' agent at Dawson named for the purpose, a notice stating the amount of water required by the said owner for the purpose of working his claim during the approaching season.

The grantees shall allot the amount of water to be distributed during the approaching season among such owners, and the certificate of such allotment shall be filed by the grantees in the office of the Gold Commissioner on or before the fifteenth day of April in each year.

The grantees shall, in supplying water to claim owners applying for the same be bound to observe a fair proportion between such owners. In determining what is such fair proportion regard shall be had among other considerations to the size of the several claims and dumps to be washed and to the most economical use of the water within the district.

The Gold Commissioner shall have jurisdiction to hear and determine judicially all matters in difference in regard to the grantees' allotment of such water as set forth in the said certificates.

The grantees shall not be bound to construct supply pipes or flumes or other works leading to the claims of applicants.

"F." The charge which the grantees shall be entitled to make for the use of such water on each claim shall not exceed one dollar per miner's inch per hour.

MALCOLM H. ORR EWING,

Malvern, England.

A. N. C. TREADGOLD,

London, England.

WALTER BARWICK,

Toronto.

## 2.

AT THE GOVERNMENT HOUSE AT OTTAWA,

THE 12TH DAY OF JUNE, 1901.

*Present :*

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL.

## ORDINANCE.

Whereas by Order of the Governor in Council bearing date the twelfth day of June, 1901, certain powers, privileges, rights and franchises were granted to Malcolm H. Orr Ewing, A. N. C. Treadgold and Walter Barwick, hereinafter called the grantees, upon the terms and conditions therein set forth :

And whereas by the said Order in Council it was provided that the necessary ordinance be passed, issued and enacted to carry into effect the provisions of the Order in Council, and it is expedient to pass this Ordinance :



Be it therefore enacted:

1. Whenever the grantees shall desire to construct, lay or maintain flumes, ditches or pipe lines for conveying water, or to construct and maintain overhead or underground wires, cables, conduits or other structures, including posts, piers or abutments for sustaining the cords, cables or wires of such lines for the transmission of electricity, such grantees shall have power and authority, subject to the liabilities and restrictions hereinafter expressed—

(a) To cause such examination and surveys to be made and levels to be taken as may be necessary to the selection of the most advantageous routes for the said works and for such purposes by their officers, engineers, surveyors, agents and servants to enter upon and take possession of the lands and waters of His Majesty and of any person, but subject to liability for any damages which they shall do thereto.

(b) To receive, take and hold such grants and donations of real estate and other property as shall be made to them, to aid in the construction, maintenance and accommodation of such works or any of them.

(c) To purchase, hold and take and by grants and donations to receive and take, and by their officers, engineers, surveyors, agents and servants to enter or acquire any easement upon or to take possession of and use, all such lands or other property as may be necessary for the construction, maintenance and operation of the said works or any of them and other accommodations necessary to accomplish the objects of the grantees, but not until the compensation to be made therefor as agreed upon by the parties as ascertained to be made as hereinafter prescribed shall have been paid to the owner or owners thereof or deposited as hereinafter directed, or the consent of such owner or owners to be given to enter into possession.

(d) To alienate, sell or otherwise dispose of any such lands or other property.

(e) To take and appropriate for the use of their works but not to alienate so much of the wild lands of the Crown as may be necessary for their said works and as may not have been granted or sold, as also so much of the public beach or of the land covered with the water of any lake, river or stream or of their respective beds as is necessary for making and completing and using their said works.

(f) To lay, locate and lay out and to construct, maintain and operate the said works or any of them and the grantees shall have the right to enter upon any lands by their officers and agents without hindrance for the purpose of constructing said works or any of them and for inspecting, operating and repairing the same.

(g) To construct said works or any of them over, across, along or under any stream of water, watercourse, road, highway or railroad which the route thereof shall intersect, but so as not to interfere with the free use of the same and in such manner as to afford security for life or property, and wherever the Gold Commissioner shall so direct, such works or any of them may be constructed and laid along the right of way of any road or highway, but in all cases where any such works shall be constructed across, upon or along any road or highway thus intersected the grantees shall immediately upon the construction of any such works restore said road or highway to its former state or in a sufficient manner not to have impaired its usefulness or injured the franchises of the grantees.

(h) To purchase or acquire easements in, over and upon lands, and the grantees may change the line of their works or any of them whenever they shall so determine.

2. Whenever the grantees are unable to agree with the owner or owners for the purchase of any real estate required for the construction of the said works, or any of them, the grantees shall have the right to acquire an easement in and upon the said real estate in the manner and by the special proceedings prescribed in this ordinance.

3. The grantees are hereby authorized to enter upon any land for the purpose of examining and surveying the line of any such works and may acquire an easement in, over and upon so much thereof as may be necessary for any such works.

4. The grantees shall deposit with the Clerk of the Territorial Court a description of the rights and interests intended to be appropriated, and an easement in such land shall belong to the grantees to use for the purpose specified, by making or tendering payment as hereinafter provided.



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5. The grantees may purchase any lands, right of way, easement or interest therein from the owner of such lands, or in case the same is owned by a person insane or infant, at the price to be agreed upon by the regularly constituted guardian of such insane person or infant, if the same shall be approved by the said court; and on such agreement and approval the owner or guardian, as the case may be, shall convey the lands, easement or right of way upon the said premises so purchased to the grantees and the deed when made shall be valid.

6. If the grantees shall not agree with the owner of the land or with his guardian, if the owner is incapable of contracting, touching the value of such lands, easement or right or damages sustained by such owner, the grantees shall deliver to such owner or guardian a notice containing:

(a) A description of the land to be taken or of the powers intended to be exercised with regard to any lands, and describing the lands;

(b) A declaration of readiness to pay some certain sum or rent, as the case may be, as compensation for such lands or for such damages;

(c) The name of person to be appointed as the arbitrator of the grantees, if their offer is not accepted;

(d) The name of person representing the grantees upon whom notice may be served, resident in the town of Dawson.

7. If the owner or his guardian, in case such owner is incapable of contracting, is unknown, or is absent from the district, an application for service by advertisement may be made to a judge of the Territorial Court.

8. The application for service by advertisement shall be accompanied by the affidavit of an engineer in the employment of the grantees or of some other person in their employment designated for that purpose, that the opposite party is unknown or is absent from the district or that after diligent inquiry the person on whom the notice ought to be served cannot be ascertained, and the judge shall order a notice as aforesaid to be inserted three times in the course of one month in a newspaper published in the district or in such other manner as the judge shall direct.

9. If within ten days after the service of such notice or within one month after the first publication thereof the opposite party does not give notice to the grantees that he accepts the sum offered by them or does not give notice to them of the name of a person whom he appoints as the arbitrator, the judge shall, on the application of the grantees, appoint a person to be sole arbitrator for determining the compensation to be paid as aforesaid.

10. If the opposite party, within the time aforesaid, give notice to the grantees of the name of his arbitrator, then the two arbitrators shall jointly appoint a third arbitrator, or if they cannot agree upon a third arbitrator, the judge shall on the application of the party or the grantees after notice of at least six clear days having been given to the other party, appoint a third arbitrator.

11. The arbitrators, or the sole arbitrator, as the case may be, shall be sworn before a justice of the peace for the district faithfully and impartially to perform the duties of their or his office, and shall proceed to ascertain such compensation in such way as they or he, or the majority of them, deem best, and the award of such arbitrators, or any two of them, or the sole arbitrator, shall be final and conclusive; but no such award shall be made, nor any official act be done by such majority except at a meeting held at a time and place of which the other arbitrator has had at least two clear days' notice, or to which some meeting at which the third arbitrator was present had been adjourned; and no notice to either of the parties shall be necessary, but each party shall be held sufficiently notified through the arbitrator appointed by him, or whose appointment he required.

12. If by an award of the arbitrators made under this ordinance the sum awarded exceeds the sum offered by the grantees, the costs of the arbitration shall be borne by the grantees; but if otherwise they shall be borne by the opposite party and be deducted from the compensation; and in either case the amount of such costs, if not agreed upon, may be taxed by the judge.

13. The arbitrators or a majority of them or the sole arbitrator may examine on oath or solemn affirmation the parties or such witnesses as appear before them or him and may administer such oath or affirmation.

14. Any party to an arbitration under this ordinance may, without leave or order, obtain and issue out of the Territorial Court, upon *proceipe*, setting forth the name of the witnesses to be *subpenned*, the names of the arbitrators or the sole arbitrator and the place and time of meeting, a *subpoena* commanding the attendance for examination of any witnesses, and also the production of any document to or before the arbitrators or arbitrator, and at the time and place mentioned in such *subpoena*; and the disobedience of such *subpoena* shall be deemed a contempt of court and shall be punishable in the same manner and to the like extent as in the case of *subpoenas* issued in a civil case.

15. The like fees shall be payable for such *subpoenas* as in the case of *subpoenas* issued in civil cases, and the witness shall be entitled to the like conduct money.

16. The arbitrators shall take down in writing the evidence brought before them, unless either party requires that it be taken by means of stenography, in which case a stenographer shall be named by the arbitrators or the sole arbitrator, unless the parties agree upon one, and shall be sworn before the arbitrators or before any one of them or before the sole arbitrator, before entering upon his duties; and the expense of such stenographer, if not determined by agreement between the parties, shall be taxed by the said court or judge and shall, in any case, form part of the costs of the arbitration; and after making their or his award the arbitrators or the sole arbitrator shall forthwith deliver or transmit by registered letter, at the request of either party in writing, the depositions, together with the exhibits referred to therein, and all papers connected with the reference, except the award, to the Clerk of the Territorial Court to be filed with the records of the said court.

17. A majority of the arbitrators, at the first meeting after their appointment, or the sole arbitrator, shall fix a day on or before which the award shall be made; and if the same is not made on or before such day, or some other day to which the time for making it has been prolonged, either by the consent of the parties or by resolution of the arbitrators or sole arbitrator, then the sum offered by the grantees, as aforesaid, shall be the compensation to be paid by the grantees.

18. If the sole arbitrator appointed by the judge, or any arbitrator appointed by the two arbitrators, dies before the award has been made, or is disqualified, or refuses or fails to act within a reasonable time, in the case of the sole arbitrator the judge, upon the application of either party, and upon being satisfied by affidavit or otherwise of such death, disqualification, refusal or failure, may appoint another arbitrator in the place of such sole arbitrator; and in the case of any arbitrator appointed by one of the parties, the grantees and party respectively may each appoint an arbitrator in the place of his arbitrator so deceased or not acting; and in the case of the third arbitrator appointed by the two arbitrators, the provisions of section 10 shall apply; but no recommencement or repetition of the previous proceedings shall be required in any case.

19. After the making of such award the grantees shall pay to said clerk the amount so assessed or tender the same to the party in whose favour the damages are awarded or assessed, and on making payment or tender thereof in such manner it shall be lawful for the grantees to hold the interest in said lands or material so appropriated for the uses as aforesaid.

20. If there are divers or conflicting claimants to the money or any part of it to be paid as compensation for the real estate taken, the said court may direct the money to be paid into the court by the grantees until it can determine who is entitled to the same, and shall direct to whom the same shall be paid and may in its discretion order a reference to ascertain the facts on which said determination and order are to be made.

21. If the grantees have reason to fear any claims or encumbrances, or if any person to whom the compensation or annual rent or any part thereof is payable, refuses to execute the proper conveyance and guarantee, or if the person entitled to claim the same cannot be found, or is unknown to the grantees, or if for any other reason the grantees deem it advisable, the grantees may pay such compensation in the office of the

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clerk of the said court with the interest thereon for six months, and may deliver to such clerk an authentic copy of the conveyance or of the award or agreement, if there is no conveyance; and such award or agreement shall thereafter be deemed to be the title of the grantees to the land therein mentioned.

22. A notice in such form and for such time as the court appoints shall be inserted in a newspaper published in the district which shall state that the title of the grantees, that is the conveyance, agreement or award is under this ordinance, and shall call upon all persons entitled to the lands or any part thereof, or representing or being the husbands of any persons so entitled, to file their claims to the compensation, or any part thereof; and all such claims shall be received and adjudicated upon by the court, and the said proceeding shall forever bar all claims to the lands or any part thereof, including dower, as well as all mortgages or encumbrances upon the same; and the court shall make such order for the distribution, payment or investment of the compensation, and for the securing of the rights of all persons interested, as to right and justice and to the law appertains.

23. The costs of the proceedings, in whole or in part, including the proper allowance to witnesses, shall be paid by the grantees or by any other person, as the court orders; and if such order of distribution is obtained in less than six months from the payment of the compensation into the court, the court shall direct a proportionate part of the interest to be returned to the grantees, and if from any error, fault or neglect of the grantees, it is not obtained until after the six months have expired, the court shall order the grantees to pay to the proper claimants the interest for such further period as is right.

24. The compensation for any lands which may be taken without the consent of the proprietor, shall stand in the stead of such lands; and any claim to or encumbrance upon the said lands, or any portion thereof, shall, as against the grantees, be converted into a claim to the compensation or to a like proportion thereof and the grantees shall be responsible accordingly, whenever they have paid such compensation, or any part thereof, to a person not entitled to receive the same, saving always their recourse against such person.

25. The said court shall have power at any time to amend any defect or informality in any of the special proceedings authorized by this ordinance as may be necessary, or to cause new parties to be added and to direct such further notice to be given to any party in interest as it deems proper.

26. In any case where the notice given improperly describes the land or material intended to be taken or the powers intended to be exercised with regard to any lands, or if the grantees decide not to take the land or material or exercise the powers mentioned in the notice they may abandon the notice and all proceedings thereunder, but shall be liable to the person notified for all damages or costs incurred by him in consequence of such notice, and abandonment—such costs to be taxed in the same manner as costs after an award; and the grantees may give to the same or any other person notice for other land or material or for land and material otherwise described or of the intention to exercise other powers, notwithstanding the abandonment of the former notice.

27. The person offered or appointed as valuator or as sole arbitrator shall not be disqualified because he is professionally employed by either party, or had previously expressed an opinion as to the amount of compensation, or because he is related or of kin to any of the grantees or to any shareholder of any company to which the grantees may assign their rights, if he is not himself personally interested in the amount of compensation; and no cause of disqualification shall be urged against any arbitrator appointed by the judge after his appointment, but the objection shall be made before the appointment and its validity shall be summarily determined by the judge.

28. No cause of disqualification shall be urged against any arbitrator appointed by the grantees or by the opposite party after the appointment of a third arbitrator; and the validity or invalidity of any cause of disqualification urged against any such arbitrator before the appointment of a third arbitrator shall be summarily determined by the judge, on the application of either party, after two clear days' notice to the other, and if the cause is determined to be valid the appointment shall be null and void, and



the party offering the person so adjudged to be disqualified shall be held not to have appointed an arbitrator.

29. No award shall be invalidated by reason of any want of form or other technical objection, if the requirements of this ordinance have been substantially complied with, and if the award states clearly the sum awarded, and the lands or other property, right or thing for which such sum is to be the compensation; and the person to whom the sum is to be paid need not be named in the award.

2. Whenever the award exceeds four hundred dollars, any party to the arbitration may within one month after receiving a written notice from any of the arbitrators or the sole arbitrator, as the case may be, of the making of the award, appeal therefrom upon any question of law or fact to the Territorial Court; and upon the hearing of the appeal the court shall, if the same is a question of fact, decide the same upon the evidence taken before the arbitrators, as in a case of original jurisdiction.

3. Upon such appeal the practice and proceedings shall be subject to any general rules or orders from time to time made by the Territorial Court in respect to such appeals, which orders may, amongst other things, provide that any such appeal may be heard and determined by a single judge.

4. The right of appeal hereby given shall not affect the existing law or practice in the Territory as to setting aside awards.

30. Upon payment or legal tender of the compensation so awarded or agreed upon, to the person entitled to receive the same, or upon the payment to the said clerk of the amount of such compensation, in the manner herein mentioned, the award or agreement shall vest in the grantees the power forthwith to take possession of the lands, or to exercise the right or to do the thing for which such compensation has been awarded or agreed upon; and if any resistance or forcible opposition is made by any person to their so doing, the judge may, on proof to his satisfaction of such award or agreement, issue his warrant to the sheriff of the district, or to a bailiff, as he deems most suitable, to put down such resistance or opposition, and to put the grantees in possession; and the sheriff or bailiff shall take with him sufficient assistance for such purpose and shall put down such resistance or opposition and shall put the grantees in possession.

31. Such warrant may also be granted by the judge, without such award or agreement, on affidavit to his satisfaction that the immediate possession of the lands, or of the power to do the thing mentioned in the notice, is necessary to carry on some part of the work with which the grantees are ready forthwith to proceed.

32. The judge shall not grant any warrant under the next preceding section unless ten days' previous notice of the time and place when and where the application for such warrant is to be made has been served upon the owner of the land or the person empowered to convey the land or interested in the land sought to be taken, or which may suffer damage from the taking of materials sought to be taken, or the exercise of powers sought to be exercised, or the doing of the thing sought to be done, by the grantees, and unless the grantees give security to the judge's satisfaction by depositing in a chartered bank designated by him, to the credit of the grantees, and such person or party jointly, of a sum larger than his estimate of the probable compensation, and not less than fifty per cent above the amount mentioned in the notice served under section 6.

33. The cost of any such application to, and of any such hearing before the judge, shall be borne by the grantees unless the compensation awarded is not more than the grantees had offered to pay; and no part of such deposit or of any interest thereon shall be repaid, or paid to such grantees, or paid to such owner or party, without an order from the judge, which he may make in accordance with the terms of the award.

34. The court or judge may make any order and direct the issue of any process for the full carrying into effect of any of the provisions of this ordinance.

35. The costs of any proceedings in whole or in part shall be paid by the grantees or by any other person as the court or judge orders.

36. The grantees shall not be entitled to any minerals under any land purchased by them unless the same have been expressly purchased; and all such minerals,



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excepting as aforesaid, shall be deemed to be excepted out of the conveyance of such lands, unless they have been expressly named therein and conveyed thereby.

37. The Order of the Governor in Council of the 12th day of June, 1901, hereinbefore referred to and all rights, powers, privileges and franchises thereby created and conferred are hereby granted, confirmed and declared to be existent, valid and effectual to the same extent and in the same manner as if the several clauses therein were set out and enacted as part of this ordinance.

38. In this ordinance, unless the context otherwise requires—

(a) The expression “grantees” means any company or companies to which the grantees’ rights have been or may be from time to time assigned.

(b) The expression “court” means the territorial court.

(c) The expression “judge” means a judge of the territorial court.

(d) The expression “lands” means the lands the acquiring, taking or using of which is incident to the exercise of the powers given by this ordinance and includes real property, mining locations, messuages, lands, tenements and hereditaments of any tenure.

(e) The expression “owner” or “opposite party” when under the provisions of this ordinance any notice is required to be given to the owner of any lands or when any act is authorized or required to be done with the consent of the owner, means any person who under the provisions of this ordinance would be enabled to sell and convey lands to the grantees.

JOHN J. McGEE,

Clerk of the Privy Council.

## 3.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on the 29th June, 1901.*

On a memorandum dated June 18, 1901, from the Minister of the Interior, submitting that by an Order in Council dated May 8, 1894, certain regulations were established in regard to advertisements ordered by the Departments, provision was made that accounts for advertising required by the Outside Service were to be rendered, with the orders and marked copies of the publications, to the King’s Printer, and the advertisements were to be measured by him, certified to and transmitted for payment in accordance with the rules which obtain for advertisements issued at the seat of government.

The Minister states that the rules laid down in the Order in Council cannot apply and were never intended to apply to transactions in the Yukon Territory. The said rules have not nor could they have been observed without serious delay in the administration of matters in the Territory.

The minister therefore recommends that the regulations now in force in regard to advertising shall not apply to advertisements ordered at Dawson and that for the purposes of audit a certificate by the Comptroller of the Yukon Territory or other officer by whom the account was examined and approval thereof by the Commissioner of the Yukon Territory shall be deemed sufficient for accounts already paid and those which may be rendered in future.

The Committee submit the same for His Excellency’s approval.

JOHN J. McGEE,

Clerk of the Privy Council.

## 4.

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on the 7th December, 1901.

On a report dated November 30, 1901, from the Minister of the Interior, submitting with reference to the Order in Council of June 12, 1901, granting certain rights and franchises to Messrs. Malcolm H. Orr Ewing, A. N. C. Treadgold and Walter Barwick, that the grantees have asked for certain amendments to the Order in Council.

The Minister submits the following amendments to the said order in council:—

Section 3 of said Order in Council is hereby amended by adding thereto the following: In respect of Rock Creek the said right shall be a prior right up to 2,500 miner's inches.

Section 10 of the said Order in Council is hereby rescinded and the following is substituted therefor:

10. The right, subject to no payment except the royalty prescribed upon output, to obtain entry for and work all mining locations now or hereafter abandoned on Bonanza, Bear and Hunker Creeks and their tributaries.

All such locations shall be deemed to be vested in the grantees on the first day of January, 1902, but the grantees shall not receive the entry for any of such locations until they have expended the sum of \$250,000 as herein provided, nor shall they work any of the said locations until the provisions of condition 2, respecting the delivery of two thousand (2,000) miner's inches of water, have been fulfilled. In default of the delivery of 2,000 miner's inches of water as provided in condition 2 the right of the grantees to the said location shall forthwith cease and determine.

Condition 2 under section 13 of the said Order in Council, is hereby repealed and the following substituted therefor:—The grantees shall deliver within the district during the summer season of 1905, not later than July 1, 1905, a flow of water of 2,000 miner's inches, equal to 3,000 cubic feet per minute, for distribution along the line of a conduit constructed from the mouth of Bonanza Valley to Grand Forks, at such an elevation above the Bonanza Creek as will afford a pressure due to an effective head of not less than 300 feet at any and every point throughout the length of such conduit. Such flow shall be continuously maintained and be available during at least sixty days of such season and each season thereafter during the period for which this franchise is granted, as set forth in condition 7 hereof, and in default thereof the exclusive and prior rights of the grantees shall cease and be determined. In case of unavoidable accident to the works of the grantees they shall be entitled without forfeiture to a reasonable time for effecting repairs; provided also that if the grantees shall be delayed or their operations interfered with by floods, war, civil commotion, strikes, accidents to machinery or works, or by the act of God or other causes over which the grantees have no control, and so prevented from complying with the conditions of this clause, they shall be entitled to extensions of time equal to the periods of delay.

Condition 3 of said section 13 is hereby repealed and the following substituted therefor:—

3. The grantees shall supply water to the owners of claims within the district subject to the regulations hereinafter contained.

The following shall be inserted in the said Order in Council after said condition 3 as:—

3a. At any time after December 31, 1905, if the grantees have complied with the terms of condition 2, as above set forth, the Minister of the Interior may in respect of any portion of the district, except those portions already by that date served by the grantees' works, require the grantees to elect whether they will proceed with the construction of works to furnish a reasonable supply of water for mining purposes for such portion of the district or abandon in respect thereof their exclusive right to supply water; and if the grantees are not, within six calendar months from the receipt of the notice of such requirement, prepared to proceed with the construction of works calculated to furnish a reasonable supply of water for such portion of the district, then the

## SESSIONAL PAPER No. 81

exclusive right of the grantees in respect of such portion of district may be revoked and determined by Order of the Governor in Council.

Regulation " F " in the said Order in Council is hereby repealed and the following substituted therefor :—

" F." The charge which the grantees shall be entitled to make for the use of such water on each placer claim shall not exceed 25 cents per miner's inch per hour.

The following shall be added to the said Order in Council as Regulation " G " :—

" G." Whenever the grantees divert and take water on any creek or tributary, any free miner's *bona fide* working claims on such creek or tributary below any point at which the grantees divert and take water on such creek or tributary may collectively require the grantees to leave in such creek or tributary for use in working the claims of such free miners the lawful amount of water naturally flowing in such creek or tributary at the grantees' point of intake, as prescribed by clause 6 of the regulations for the diversion of water in the Yukon Territory, bearing date the third of August, 1898.

The plans of the grantees' works shall be submitted to and approved by the Governor General in Council before the works are actually proceeded with.

The Committee submit the foregoing for His Excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.









## PARTIAL RETURN

[81a.]

To an ADDRESS of the HOUSE OF COMMONS dated April 9, 1902, for :—

1. Copies of all Orders in Council, petitions, applications, telegrams, correspondence, grants, contracts, reports, agreements, documents and communications in writing relating to or concerning the grant to or concession to A. N. C. Treadgold and others, or to the Hydraulic Mining Syndicate, either separately or associated with A. N. C. Treadgold, of any claims, rights and privileges on Bonanza, Bear and Hunker Creeks, or their tributaries, or elsewhere in the Yukon Territory.

2. A description and plan showing the situation, location, area and other particulars of all the claims, rights and privileges so granted or conceded to the said A. N. C. Treadgold and others, or to the said Hydraulic Mining Syndicate as aforesaid.

R. W. SCOTT,  
Secretary of State.

### PRIVY COUNCIL CANADA.

*Extract from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency April 21, 1902.*

On a memorandum dated April 17, 1902, from the Minister of the Interior recommending, in virtue of Clause 47 of the Dominion Lands Act as enacted by Section 5, Chapter 15 of the Act 55-56 Victoria, and of Section 8 of the Yukon Territory Act as that section was enacted by Section 2 of Chapter 11 of 62-63 Victoria, that Messrs. Malcolm H. Orr-Ewing, of Malvern, England, A. N. C. Treadgold, of London, England, and Walter Barwick, of Toronto, Ontario, be granted the following rights, powers and privileges :—

1. The sole right to divert and take water from the Klondike River at any point or points between its entry into the Yukon River and Flat Creek for the purpose of generating power with which to pump water to work the auriferous deposits in the District (hereinafter termed "The District") comprising the beds, banks, valleys, slopes and hills of the Klondike River, of Bonanza, Bear and Hunker Creeks and of their tributaries.

Provided that if the right given by this section is not exercised within six years from the date hereof it may be revoked by order of the Governor General in Council.

Provided that if any power is developed and rendered available by the grantees under this section which they do not make use of, then the same shall be offered for sale to the public, and the rates to be charged therefor shall be subject to the control of the Governor General in Council.

Provided that licensed holders of mining locations situated on the Klondike River shall be entitled as against the grantees to the use of a flow of water sufficient for working their claims but not exceeding in all three thousand five hundred (3,500) miner's inches, equal to five thousand two hundred and fifty (5,250) cubic feet per minute.

Provided further that in the event of the grantees interfering with the flow of the Klondike River by the erection of dams or other obstructions or by diversion of its water to such an extent as to prevent the passage of saw logs or other timber down the stream, then the grantees shall for holders of timber berths under license from the Dominion Government provide slides and facilities free of charge for the transmission of such logs and timber over such dams and obstructions and over the portion of the river affected by such diversion of water.

2. The prior right to divert and take water from the Klondike River for distribution and use in the district, up to five thousand miner's inches.

3. The right to divert and use the water of Rock Creek subject to any grants lawfully subsisting and subject to the right of free miners' bona fide working claims on Rock Creek to the use of the water which they are entitled to under the regulations now in force respecting the diversion of water in the Yukon Territory.

4. The right at any point or points in the bed, banks, valley, slopes and hills of the Klondike River between its mouth and Flat Creek and of any creeks and tributaries within the district to construct and maintain dams, cribs, intakes, flumes and any other works necessary for the generation of power as well as for the diversion, distribution and use of water and the right of entry upon and way through any lands and any mining ground for the purpose of such construction and maintenance.

Provided that the grantees shall place in a separate dump for the use of the owners of any mining ground entered upon by them in the exercise of this right all gravel which they may be obliged to move in such mining ground in consequence of the exercise of such right.

5. The right to purchase any Crown lands required by the grantees for the purposes of their works at a price not exceeding ten dollars per acre, saving and reserving all the timber, mines and minerals upon or under such lands.

6. The right at any point or points in The District, to build, maintain and operate pumping stations, electrical works and reservoirs.

7. The right of entry upon and way through any lands and any mining ground for the purpose of constructing, laying and maintaining dams, reservoirs, flumes, ditches and pipe-lines for conveying the grantees' water supply to any point within the district.

Provided that the grantees shall place in a separate dump for the use of the owners of any mining ground entered upon by them in the exercise of this right all gravel which they may be obliged to move in such mining ground in consequence of the exercise of such right.

8. The right of entry upon and way through any lands and any mining ground within the district and within the Indian River district for the purpose of constructing and maintaining overhead or underground wires and any other structures for the transmission of electricity for any purpose whatsoever throughout the said districts and the right to levy and collect such tolls as may be approved by the Governor General in Council for the use of electricity in the said districts.

Provided that the grantee shall place in a separate dump for the use of the owners of any mining ground entered upon by them in the exercise of this right, all gravel which they may be obliged to move in such mining ground in consequence of the exercise of such right.

9. The right, subject to the regulations hereinafter contained to use, distribute and dispose of by sale or otherwise the water delivered by the grantees within The District. No water so delivered shall at any time be deemed to be part of the water



## SESSIONAL PAPER No. 81a

naturally flowing in any creek or tributary within The District but shall be and remain at all times and places the property of the grantees.

10. The right subject to no payment except the royalty prescribed upon output to make entry for and work any abandoned mining claim or claims on Bonanza, Bear and Hunker Creeks, such right to be exercisable only when the grantees by the construction of works in pursuance of this franchise are in a position to deliver water upon such claim or claims for the working thereof.

11. The prior right, if mineral bearing lodes or deposits of any kind whatever be discovered through the operations of the grantees, upon lands or locations owned or leased by the grantees within The District, to enter upon and purchase locations embracing the discoveries in the manner prescribed by the regulations governing mining in the Yukon Territory.

12. The right to take from Crown Lands, to be designated by the department subject to the payment of Crown timber dues, all timber and materials needed for the construction, maintenance and operation of the grantees' works.

13. The right, subject to the regulations hereinafter contained, to construct, lay, maintain, supply with water and operate bed rock flumes, and any other flumes for supplying water in The District.

14. The grantees shall not be required to pay to the Crown or to The District or local authorities any rentals, occupation rents, assessments or other dues in respect of any lands except timber lands, or in respect of any flumes, drains, properties or profits other than import Customs duties, school taxes and a royalty on the gold mined in the mines owned by them or any tax or assessment which may be substituted for such royalty.

Provided that no other or higher royalty, or any tax or assessment which may be substituted for such royalty, shall be imposed on any gold or silver mined from quartz by the grantees, than that prescribed by the present regulations, nor shall it at any particular time be greater than the lowest royalty imposed on the output of gold and silver from the quartz mines of other mine owners in the Yukon District.

Provided also, that no other or higher royalty or any tax or assessment which may be substituted for such royalty shall be imposed on any gold and silver mined from placer mines by the grantees than that prescribed by the present regulations, nor shall it at any particular time be greater than the lowest royalty imposed on the output of gold and silver from the placer mines of other mine owners in the Yukon District.

The properties of the grantees shall be exempt from representation.

The rights conferred upon the grantees shall extend for the period of thirty years, at the expiration of which period all exclusive and prior rights granted to them shall cease and be determined, but the works and structures built by the grantees together with the lands, rights and easements which they shall have purchased or acquired shall remain the grantees' private property.

The grantees shall have the right to assign any of the rights conferred upon them to any company or companies or to any persons associated together for the purpose of carrying into effect the objects of the grant or any part of them.

## REGULATIONS.

A. The grantees shall allow all free miners within the district to tail their sluices, hydraulics, ground sluices and drains free of charge into the flumes and drains of the grantees, yet not in such a way as to damage or obstruct the free working of the flumes and drains of the grantees by rocks, stones, boulders or otherwise.

B. The grantees shall compensate the owner of any mining claim or lands for any damage which any such owner may sustain by reason of any of the grantees' works breaking or being imperfect.

C. Any question of compensation arising under this grant shall be determined judicially by the Gold Commissioner, subject to appeal to the Territorial Court of the

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district, and the said court may, upon special circumstances being shown, make an order for the taking of further evidence.

D. The grantees shall yield to the owners of claims entered upon by them for the purpose of carrying out any of the works contemplated by this grant, any gold which they may obtain in respect of any gravel which may be moved by them in such claims in consequence of the construction of such works.

The committee submit the same for His Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on April 21, 1902.*

On a memorandum dated April 17, 1902, from the Minister of the Interior, stating that he has been in consultation with the Honourable James H. Ross, Commissioner of the Yukon Territory, with regard to certain objections which have been raised to the Orders in Council of June 12, 1901, June 29, 1901, and December 7, 1901, granting Messrs. Malcolm H. Orr-Ewing, of Malvern, England, A. N. C. Treadgold, of London, England, and Walter Barwick, of Toronto, Ontario, certain rights, powers and privileges as set out in the above mentioned Orders in Council, and such objections have also been the subject of consultation with the grantees.

The Minister recommends, as the result of the said consultations, with the assent of the said grantees, that the Orders in Council cited above, be rescinded.

The Committee submit the foregoing for His Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

DOCUMENTS

RELATING TO PAYMENTS

IN CONNECTION WITH

# MANITOBA SCHOOL LANDS

---

SESSION OF 1902

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*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA

PRINTED BY S. E. DAWSON, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1902





# RETURN

[83]

TO AN ADDRESS of the SENATE, dated the 20th February, 1902, for copies of all Orders in Council, documents, memorandums, or other papers, relating to the transfer from the Federal to the Provincial control of public lands allotted for education in Manitoba, or relating to the payment by this Government to the Manitoba Government of any money, whether it be on the capital or on the interest, derived from the sales of such lands; also, copies of all correspondence between the Government or any member thereof, and the Government of Manitoba or any member thereof, or any other persons, up to this date, in connection with the above matters.

R. W. SCOTT,

Secretary of State.

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*CERTIFIED Copy of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council, on the 7th July, 1883.*

The Committee of the Privy Council have had under consideration a despatch dated 9th April, 1883, from the Lieutenant Governor of Manitoba, advising that the sum of eighty thousand dollars be placed at the disposal of the province for the purposes of education, and that this sum with that already advanced to be charged against the first sale of School Lands in the Province.

The Ministers of Finance and of the Interior, to whom the despatch in question was referred, report that by the Statute 41 Vic., cap. 1, the Governor in Council was authorized to make an advance of a sum or sums not exceeding in the whole ten thousand dollars in each of the three fiscal years, 1878-79, 1879-80, 1880-81, to the Province of Manitoba in aid of the Public Schools in that Province, and of this sum it appears that twenty thousand dollars have been paid and that the balance of ten thousand dollars is now available for the purposes of the Act.

The Ministers further observe that without an Act of Parliament the Government have no power to exceed the express words of the Statute, which limits the advance in the whole to thirty thousand dollars.

The Committee concur in the above report, and they advise that a despatch founded upon this minute when approved, be transmitted to the Lieutenant Governor of Manitoba for the information of his Government.

JOHN J. McGEE.

2 EDWARD VII., A. 1902

OTTAWA, October 23, 1883.

MY DEAR MR. POWELL,—On July 7 last an Order in Council was passed respecting the advance asked for by the Manitoba Government on account of school lands. I know, of course, that the purport of this order would, in the natural course of things, be communicated to Lieutenant Governor Aikins by you. As the administration of the school lands is in this department, pardon me if I ask you to be good enough to write me privately and let me know positively whether His Honour was notified or not. Of course I have no doubt he was.

A. M. BURGESS,

Deputy Minister of Interior.

*CERTIFIED Copy of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council on December 13, 1883.*

On a report dated November 30, 1883, from the Minister of Finance stating that he has had referred to him the report of the Sub-Committee of Council to whom was referred the memorandum (with papers attached) from the Minister of Agriculture for the province of Manitoba, praying that a further advance may be made to that province for the purposes of education.

The Minister of Finance concurs in the report and recommendation of the sub-committee that the sum of fifteen thousand dollars per annum for each of the two years next succeeding the last year of payment under 41st Victoria, chap. 13, be advanced to the province of Manitoba for the purposes of primary education, the moneys so advanced to be charged against the sales of school lands, to be repaid with five per cent interest out of the first sales thereof.

The Minister observes that under the Act above cited the sum of twenty thousand dollars (\$20,000) has been advanced, being the sum of ten thousand dollars in each of the fiscal years 1878-9 and 1879-80, and that no advance was made in the year 1880-81, and he recommends that the sum of ten thousand dollars so authorized for 1880-81 be advanced in addition to the amount recommended by the sub-committee upon legislative authority being obtained for the above purposes at the approaching session of Parliament.

The committee concur in the foregoing recommendation and advise that the Secretary of State be directed to communicate the substance of this report, when approved, to the Lieutenant Governor of Manitoba, and they respectfully submit the same for Your Excellency's approval.

JOHN J. MCGEE,

Clerk, Privy Council.

The sub-committee to whom was referred the accompanying memorandum of the Minister of Agriculture for the Province of Manitoba (with the papers hereto attached), praying that a further advance may be made to that province out of the sale of school lands reserved for the purposes of education under 'The Dominion Lands Act' (45 Vic., cap. 23) have the honour to report that they have considered the subject-matter referred to them and have had the advantage of hearing thereon Mr. LaRivière, the Minister from Manitoba, who has presented the matter for consideration, and they humbly advise that the sum of fifteen thousand dollars per annum for each of the two years next succeeding the last year of payment under 41st Vic., cap. 13, be advanced to the Province of Manitoba to aid in the purposes of primary education—the moneys so advanced to be charged against the sales of school lands, to be repaid with five per cent interest out of the first sales thereof, and that parliamentary authority for this step be sought for at the approaching session of parliament.

A. CAMPBELL,

D. L. MACPHERSON,

J. A. CHAPLEAU.

Ottawa, November 27, 1883.

SESSIONAL PAPER No. 83

OTTAWA, February 9, 1884.

The Right Honourable  
Sir JOHN A. MACDONALD,  
Ottawa.

I have the honour to inclose you herewith a telegram from the Honourable the Provincial Secretary of Manitoba, containing a copy of a resolution adopted by the Board of Education in reference to the lands set apart for education in that province and would suggest, if the Privy Council positively refuse to give the province the control of those lands, that provision be made by which an advance of twenty-five thousand dollars (\$25,000) be made available for each year to supplement the sum voted from the consolidated revenue of that province yearly for the support of education and that the same extend over a period of three years.

J. NORQUAY.

*(Telegram.)*

OTTAWA, February 7, 1884.

To Honourable  
JNO. NORQUAY,  
R. House, Winnipeg, Manitoba.

The Board of Education passed following resolution yesterday: 'That this board, sensible of the peculiar difficulties surrounding the provision of educational advantages for their children by the people of this province, particularly in the new and sparsely settled districts, would urge upon the Government of the province the desirability of obtaining from the Dominion Government a sufficiently large advance of money upon the credit of the provincial school lands to enable the educational wants of the province to be adequately supplied at this stage of its history, when those wants are most pressing and the ordinary sources of revenue are least available.'

A. M. SUTHERLAND.

*CERTIFIED Copy of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council, on the 1st April, 1884.*

The Committee of the Privy Council have given their best attention to the consideration of the several questions affecting the welfare and progress of Manitoba, recently brought before Your Excellency in Council by the Government of that Province, and they humbly submit their conclusions thereon as follows:—

1. The question of the enlargement of the Boundaries of Manitoba to the West and North.

The boundaries of Manitoba were originally fixed at the instance of the delegates from that Province who came to Ottawa in the year 1870 to adjust with the Government of Canada the terms upon which Manitoba was to enter the Confederation of Her Majesty's North American Provinces. The limits then agreed to embrace an area of about 9,560,000 acres. In the year 1881 these limits were enlarged and territory added to the West and North, making the total area of the Province 96,000,000 acres or 150,000 square miles.

In the same year the true Western boundary of Ontario was fixed as the Eastern limit of Manitoba, which may add largely to the area of the Province.

The total areas of the other Provinces of the Dominion were, in 1882, as follows:—

Province.	Square Miles.	Acres.
Ontario.....	109,480	70,667,200
Quebec.....	193,355	123,747,200
New Brunswick.....	27,322	17,486,080
Nova Scotia.....	21,731	13,907,840
Prince Edward Island.....	2,133	1,365,120
Manitoba.....	159,000	96,000,000
British Columbia, including Vancouver and other Islands.....	390,344	249,820,160
North-west Territory.....	1,868,000	1,195,520,000
Keewatin District.....	309,077	197,809,280
Islands in the Arctic Ocean.....	311,700	199,488,000
Islands in Hudson's Bay.....	23,403	14,976,000
	3,406,542	2,180,186,880

The further enlargement now asked for by Manitoba would add about 180,000 square miles to the already large area of the Province, and would be viewed with disfavour as well by the old Provinces as by the new districts of Assiniboia, Saskatchewan, Alberta and Athabasca, which have been created in the North-west Territories, and which will ultimately become Provinces of the Dominion. It would largely add to the expenses of the Government without increasing the resources of Manitoba, already pronounced by the Government of the Province to be insufficient to meet its normal and necessary expenditure.

The Committee, under these circumstances, humbly submit to Your Excellency that it is inexpedient to alter the boundaries of the Province as prayed for. It having, however, been represented to them that the enlargement to the north is sought for by Manitoba chiefly in connection with the desire of that Province to extend railway communication to the waters of Hudson's Bay, the Committee recommend that the Government of Manitoba be informed that Your Excellency's advisers will notify the two existing companies who hold charters from the Canadian Parliament to construct railways between Manitoba and Hudson's Bay, that the public interests demand the amalgamation of their companies, and that, if they will unite and make provisions satisfactory to Manitoba for the early construction of the railway, and against pooling or amalgamating with other railways, and against excessive freight charges, application will be made to Parliament to convert the sale which it was intended to have made to those companies of six thousand four hundred (6,400) acres per mile of railway within the Province, at a dollar per acre, and twelve thousand eight hundred (12,800) acres per mile outside the Province, at half a dollar per acre, into a free gift. Failing which, Parliament will be asked to authorize the land to be given in the like way to either one of the said incorporated companies giving satisfactory assurances of its ability to construct the railway; and, failing this last, then to any other company satisfactory to Manitoba; and that every facility will be given to incorporate such last mentioned company.

The Committee of the Privy Council further advise that the Government of Manitoba be informed that the Dominion will undertake and carry out with due promptitude an efficient examination into the question of the navigation of Hudson's Bay and Straits.

## 2.—FINANCIAL.

The Legislature of Manitoba has, during its present session, passed the following resolution, with the recitals which precede it:—

“That whereas, under the provisions of the British North America and subsequent Acts of the Parliament of Canada, the Provinces of Ontario and Quebec were relieved



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of debt amounting to \$73,000,088.84, the Province of Nova Scotia \$10,531,536, the Province of New Brunswick \$8,176,680 :

"And whereas, these debts were incurred by the several Provinces in improvements of a local character necessary to them respectively :

"And whereas, they severally enjoy the advantages of these improvements, the cost of which was thereby made a free gift to them respectively by the Dominion :

"And whereas, the allowance to each was made on their respective population— that of Ontario on a population of 1,396,091, that of Quebec on a population of 1,111,566, that of Nova Scotia on a population of 387,800, that of New Brunswick on a population of 285,594 :

"And whereas, Manitoba, on entering this Union, received from Canada, as an offset to what was allowed the four mentioned Provinces, \$550,446, her population being only reckoned at 17,000 :

"And whereas, it is only fair and just that she should receive consideration as her population increases, inasmuch as the responsibility of making local improvements and building up her institutions, such as jails, court-houses, reformatories, asylums, roads, &c., devolve upon her Legislature :

"And whereas, settlement has proceeded with unusual rapidity, thereby creating necessities beyond the reach of her resources :

"And whereas, the fact of the inadequacy of her revenue has been admitted by the Dominion to the extent that increases have been made from time to time :

"And whereas, no settled basis has been provided under which the Province can reckon on a self-adjusting increase, in proportion to her population, other than that of 80 cents a head, which is entirely inadequate to meet her growing requirements :

"And whereas, it is in the interest of the Province that she should not be subjected to the humiliation of depending upon the intermittent increase from time to time made to her, but she should be placed in a position by which her future would be assured ;

"And whereas, in the opinion of this House, the credit allowed the Province corresponding to the relief afforded the other Provinces should be adjusted from time to time, and that she should be paid at the rate of 5 per cent per annum on the amount of credit that she would be entitled to on her population as ascertained by each decennial census, or by such computation as may be agreed upon ;

"Be it therefore resolved, that an humble address be passed by this House, praying His Excellency the Governor General to cause such inquiries to be made into the financial relations of this Province with the Dominion, and to cause such action to be taken as will ensure to the Province such revenue as will correspond to her growing necessities."

The Committee of the Privy Council humbly advise that the request contained in this resolution be complied with, and that the inquiry be conducted by such members of the Privy Council as Your Excellency may select for that purpose. In the meantime, the Committee agree that the rapid increase in the population of Manitoba has rendered the stated decennial revision of the sum granted under 33 Victoria, chapter 3, to that Province for the support of its Government and Legislature, insufficient. A more frequent revision would, in the opinion of the Committee, be expedient, and they advise that a quinquennial census of the Province of Manitoba be taken hereafter, reckoning the first five years from September, 1881, and that between the future takings of the census approximate estimate should be made at evenly divided periods, so that the sum granted to the Province for the purposes above mentioned may be revised four times in each decade, and in each instance readjusted according to population, until the number of the inhabitants shall have reached four hundred thousand ; and they further advise that the first of such approximate estimates be made on the first of September next, when, if the population should be found to exceed one hundred and twenty thousand (120,000), at which the grant in aid is now made, the first readjustment should take place.

## 3.—SCHOOL LANDS.

These lands form the subject of a special trust, for which they were set apart immediately after the acquisition of the country.

The trust is one which, in the opinion of the Committee, considering its object and character, the Dominion Government cannot, in good faith towards the settlers in Manitoba and in the other Provinces which may be constituted out of the North-west Territories, part with or be relieved from. And the Committee are unable to advise a compliance with the request of the Government of Manitoba that these lands should be conveyed to the Province.

The Committee desire to point out that in each of the fiscal years 1878-79 and 1879-80 an advance of ten thousand dollars was made to the Province in aid of its public schools, and that by a Bill now before Parliament provision is made for the payment of "a further sum or sums of money not exceeding in the whole the sum of thirty thousand dollars, being the sum of fifteen thousand dollars for each of the fiscal years 1881-2 and 1882-3.

School lands will be offered for sale at auction annually, after consultation with the Provincial Government as to the time of sale, quantity and price. Under the provisions of the law proceeds of these sales will be invested in Government securities, and the interest received on account thereof paid annually to the Government of the Province for school purposes. It must be remembered, also, that in the year 1881 school lands, to a considerable extent, were advertised to be sold by auction, but at the earnest solicitation of the Government of Manitoba the sale was postponed, and the best opportunity which had occurred of obtaining large prices therefor lost for some years.

## 4.—CROWN LANDS.

The following resolutions have recently been passed by the Legislature of Manitoba in respect to the lands of the Dominion situated in that Province:—

"Whereas, by the terms by which the Provinces of Canada, Nova Scotia, and New Brunswick became confederated, it was enacted that the several Provinces of Ontario, Quebec, Nova Scotia and New Brunswick should have the management and sale of the public lands belonging to them respectively, and of the wood and timber thereon:

"And whereas, by the provisions of the Manitoba Act it was enacted that all the ungranted or waste lands in the Province of Manitoba should be vested in the Crown and administered by its Parliament of Canada for the purposes of the Dominion:

"And whereas, among the rights claimed by the people of Manitoba, before they consented to become confederated, was a demand that the public lands of the Province should be vested in the Legislature and administered for the use of the Province.

"And whereas, it is claimed that the Province has a just and equitable claim thereto:

"And whereas, repeated representations have since been made to the Government of Canada, praying that the management and sale of public lands be vested in the Legislature for the use of the Province:

"And whereas, it is deemed by the House to be in the best interests of the Province that the public lands lying within its limits should be administered by its Legislature:

"And whereas, it is further deemed in the interest of the Dominion that all the Provinces of Canada should possess equal jurisdiction in all the matters of a local nature:

"And whereas, a continuance of the discriminating policy pursued towards Manitoba is calculated to undermine the feeling of common interest that this Province should have in building up the Dominion:

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"And whereas, no answer satisfactory to the Legislature of the Province has been received in reply to the demands as above mentioned, and in the opinion of this House the rights of the people of the Province to obtain redress in all matters of a local nature, which are extended to the people of the other Provinces of Canada, are denied to the people of Manitoba, and the resources derivable from the sale of land in Manitoba are appropriated by the Dominion, which, in other Provinces of the Union are administered by their several Legislatures, and the revenue arising therefrom inure to the several Provinces respectively :

"And whereas, this Legislature views with alarm the alienation from the Crown of the public domain without provision being made for the future necessities of Government in this Province, which will in the near future be obliged to resort to direct taxation to support its institutions, and to prosecute improvements necessary to the building up thereof, which state of affairs in other Provinces was obviated largely by the revenues arising from Crown lands, and by liberal provisions made for them on entering the Union.

"Be it therefore resolved, that an humble address be passed by this House, praying His Excellency the Governor General to cause such enquiry to be made into the relations of this Province with the Dominion, and such action to be taken in reference thereto, as will place this Province in as favourable a position as regards her future necessities as are the four Provinces confederated under the British North America Act.

"And be it further resolved, that a memorandum of the case be prepared and transmitted to the Secretary of State for the Colonies, with an humble request that the Manitoba Act may be so amended as to place this Province of Manitoba on the same status in the Dominion as the older Provinces in the Union."

Following, in this respect, the example of the United States, where all public lands in new Territories remain the property of the nation, the Crown lands in Manitoba are vested in Her Majesty as represented by the Government of the Dominion. They have been freely granted in aid of the Canadian Pacific and other Railways, of Colonization Companies, actual settlers, and other objects calculated to develop and augment its population. In the older Provinces the lands which they owned at the time of Confederation remained their property ; and, as regards the Province of Prince Edward Island, which had no public lands, a grant of \$800,000 was made to it in lieu of the advantage which it would have had if it had owned any public lands. The step thus taken in the case of Prince Edward Island was repeated in dealing, in 1882, with Manitoba, and a sum of \$900,000 or \$45,000 a year, granted the Province in lieu of public lands. The free homestead and pre-emption policy of the Dominion Government has been proclaimed throughout Europe, and carried out with advantage to Manitoba, and the Committee are of opinion that the faith of the Dominion, as well as the best interests of Manitoba, are pledged to its being permanently adhered to. Beyond this, and how far it may be expedient to change the arrangement existing between Manitoba and the Dominion, in respect to the lands of the Dominion situated within the Province, is one of those questions involving financial considerations which could be advantageously inquired into in the manner contemplated by the Legislature of Manitoba in the first of the resolutions above referred to, in regard to the financial relations of the Province with the Dominion.

The Committee advise that a despatch based on this report, if approved of by Your Excellency, be transmitted to the Lieutenant-Governor of Manitoba, for the information of his Government.

All of which is respectfully submitted.

JOHN J. MCGEE,

Clerk Privy Council.

*CERTIFIED Copy of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council, on the 29th May, 1884.*

The Committee of the Privy Council have named a Sub-Committee to confer with Hon. Messrs. Murray, Norquay, and Miller, duly accredited delegates from the Legislature of Manitoba, upon the subjects embraced in the memorandum of instructions given by the said Legislature of Manitoba to the delegates, as well as many other matters affecting the Province. -

The Sub-committee, after having very fully discussed with the delegates all the points embraced in the said memorandum and the other matters referred to, report as follows :

That following the order of the memorandum of instructions the delegates urged with great earnestness :—

1. "The right of the Province to the control, management and sale of the public lands within its limits, for the public uses thereof, and the mines, minerals, wood and timber thereon, or an equivalent therefor, and to receive from the Dominion Government payment for the lands already disposed of by them within the Province, less cost of surveys and management," and they, the Sub-committee, having given to all the views advanced by the delegates in support of this claim the fullest consideration, and with every desire to meet their wishes as far as possible in the general interests of the Dominion, cannot advise the Council to recommend to Parliament to grant this request.

The lands of Manitoba hold a very different position in relation to the Dominion Government from the lands of the other provinces. Shortly after the union of the old provinces, the Government formed from that union purchased at a large price in cash, all the rights, title and interest of the Hudson's Bay Company, in and to the territory out of which the province of Manitoba has been formed, it incurred further a very large expenditure to obtain and hold this territory in peaceable possession, and at a still further cost which is continuous and perpetual is extinguishing Indian titles and maintaining the Indians so that the Dominion Government has a very large pecuniary interest in the soil, which does not exist in respect to any other of the confederated provinces.

The purpose expressed in the memorandum of instructions for which the lands are sought, 'is that they may be applied to the public uses of Manitoba.'

This purpose seems to be most fully met by the Federal Government already, viz.: in providing railway communication to and through Manitoba, in aiding the settlement of vacant lands, and in public works of utility to the province.

It was urged by the delegates that the Canadian Pacific Railway is being constructed in fulfilment of the terms of union with British Columbia, and not in the interests of Manitoba and the North-west. The Sub-committee, however, maintain that desirable as it may be to have railway connection with that province, Parliament would not have gone beyond the original proposition of a wagon road, had not the Dominion Government been the owner by purchase of a large territory which would be made accessible and valuable by railway, and largely contributory to the cost of so great an undertaking. Accompanying the proposition to construct a railway was the declaration that the lands of the North-west would bear a considerable proportion of the cost, and from time to time large subsidies of land were offered to any company that would undertake the work. In 1880 Parliament solemnly set aside one hundred million acres of those lands towards meeting the cost of the work and, in 1881, contracted with the Canadian Pacific Railway Company to hand over certain portions of constructed road together with twenty-five millions of dollars in cash, and grant twenty-five million acres of land for the completion of the line. It was not to be expected that the lands could be made available to meet a cash expenditure, until some time after railway connection was had with and through them, and, therefore, the expenditure in construction and in cash subsidy may be regarded as an advance to be repaid from the lands. This cash expenditure or advance, when existing contracts are completed, may be stated as follows :



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Cash expenditure from Callendar to Port Arthur, say subsidy.	\$10,000,000
Port Arthur to Red River construction.....	15,000,000
Pembina Branch, construction .....	1,500,000
Winnipeg and Western Boundary of Province, subsidy.....	2,150,000
Total cash expenditure.....	\$28,650,000

by the Dominion Government to make connection with and through the province of Manitoba.

The Dominion Government has also set apart, at greatly reduced prices, lands to aid the construction of other roads in Manitoba and the Territories, and given free of cost large acreage in aid of a line to Hudson's Bay, so that the Dominion Government is, as stated, using the 'public lands of Manitoba for the benefit thereof.' Moreover, it should not be forgotten that it has provided in the Act of 1881 for an annual cash payment of \$45,000, which was then accepted in lieu of public lands. Other considerations of vital import to the province of Manitoba have much weight with your sub-committee. The success of all the undertakings by the Dominion Government in and for the North-west, depends largely upon the settlement of the lands. Combined with a great expenditure in organizing and maintaining an immigration service abroad and at home, Parliament pledged its faith to the world that a large portion of those lands should be set apart for free homesteads to all coming settlers and another portion to be held in trust for the education of their children. No transfer could therefore be made, without exacting from the province the most ample securities that this pledged policy shall be maintained; hence in so far as the free lands extend there would be no monetary advantage to the province, whilst a transfer would most assuredly seriously embarrass all the costly immigration operations which the Dominion Government is making mainly in behalf of Manitoba and the Territories.

The great attraction which the Canadian Government now offers, the impressive fact to the mind of the man contemplating emigration is that a well known and recognized Government holds unfettered in its own hand the lands which it offers free, and that that Government has its agencies and organizations for directing, receiving, transporting and placing the immigrant upon the homestead which he may select. And if the immigration operations of the Dominion, which involve so large a cost, are to have continued success and to be of advantage to Manitoba and the North-West Territories, your sub-committee deem it to be of the utmost importance that the Dominion Government shall retain and control the lands which it has proclaimed free to all comers. Were there other considerations of sufficient force to induce them to recommend their transfer to Manitoba, and as a consequence and by precedent the surrender to the Provinces to be created from the North-west Territory, all the lands within their boundaries, then they would advise that the Provinces holding the lands should conduct their own immigration operations at their own expense.

The attention of the sub-committee has been directed to the procedure of the Federal Government of the United States, in the organization of new States, and they find that it rigidly retains the public lands of the State, except those it may appropriate for specific purposes, allotting to the State only swamp lands, which, when drained, become a source of profit.

In the Province of Manitoba there is a considerable area of similar lands, which, when drained, are fit for settlement and very valuable.

It having been decided that the necessary works for drainage could be best supervised by the local authorities, an agreement was made with them to undertake certain portions of it for a moiety of the lands reclaimed.

The sub-committee submit that it is expedient to recommend to Parliament a modification of this arrangement, and that all lands in Manitoba, which can be shown to the satisfaction of the Dominion Government to be swamp lands, shall be transferred to the Provincial Government and inure wholly to its benefit.

This would place Manitoba, in respect to public lands, in as favourable a position as the States of the Union, irrespective of the annual allowance of \$45,000, whilst in

public expenditure by the General Government directly and indirectly for her advantage, Manitoba has been dealt with far more liberally than has any other Province, or than any State of the Union by the Federal Government of the United States.

2. The delegates urged the transfer, to the Local Government, of the lands set apart for education with a view to capitalize the sums realized from sales and apply the interest accruing therefrom to supplement the annual grant of the Legislature in aid of education.

Had your sub-committee decided to recommend the first proposition they might have regarded this somewhat differently, but inasmuch as the retention of the general lands involves the maintenance of a staff organization for their management, the Committee deem that the school lands can by that organization be best cared for.

The Dominion Government has taken no action in relation to those lands without full consultation with the local authorities, and pending sales has sanctioned advances of \$60,000 on account for educational purposes.

Of past action Manitoba cannot complain, and with but one object common to both Governments, and with the established practice of consultation, no just cause of complaint is likely to occur. Under the provisions of the law the proceeds of all sales will be invested in Government securities, and the interest received on account thereof paid annually to the Government of the Province for school purposes. It is almost impossible to conceive a mode of management more likely to be satisfactory to the people and affording greater security for a trust deliberately and voluntarily set apart by the Dominion Government as sacred to the education of the children of settlers. Whilst the Dominion Government has thus wisely made a generous provision in aid of general education in the Province, the sub-committee submit that in view of the rapid increase of its population the time has come when provisions may be made to secure the maintenance of a University capable of giving a proper training in the higher branches of education, and to attain this end an allotment of land, not exceeding one hundred and fifty thousand acres of fair average quality, should be selected by the Dominion Government and granted as an endowment to the University of Manitoba, to be held in trust for the purpose referred to upon some basis or scheme to be framed by the University and approved by the Government of the Dominion.

3. The adjustment of the capital account of the Province decennially according to population, the same to be computed now at 150,000 souls, and to be altered until it corresponds to the amount allowed the Province of Ontario on that account.

At the Confederation of the Provinces it was found advisable and necessary to allow to each a capital account, because large expenditures involving debts had been made by all the Provinces on works of a public character, such as Canals, Railways, Harbours, Piers, Lights and Public Buildings, most of which were transferred to the Dominion Government.

It would have been manifestly unfair to have transferred the assets without providing for the debts which they created, and for which each Province was liable.

To meet this a rate per head of the population was adopted and found to meet the case, as the debts of the Province were nearly in proportion to the population.

Subsequently upon the admission of other Provinces it was found that their debts did not reach the same per capita allowance given to those first confederated; but it was held, that although the Province had not made the expenditure, it was desirable to give it the same allowance, the surplus, after covering indebtedness, to form a capital, the interest of which would enable its Government to make such internal improvements as were of provincial and general benefit. Upon the organization of Manitoba a similar course was pursued and the population estimated at 17,000. This was a small number for a Province, and it may be fair to assume that in ordinary circumstances the expenses and responsibilities of government would not have been placed upon a population so small. A per capita allowance, based on that population, did not give a sum sufficient to meet any considerable expenditure, and, in consequence, the Provincial Government has drawn upon the capital sum, and the Dominion has, also, made expenditures within the Province, which are held to be strictly local and which, in the other Provinces, were borne out of provincial funds. The population of the Province having now largely in-

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creased it is desirable that the Province shall be placed, so far as practicable, in a position to maintain the necessary local expenditure, and the sub-committee recommend that the same per capita allowance as was made on a population of 17,000 be now made on 150,000, and that the capital sum therefrom be charged with such advances as have already been made from the former capital account, and such expenditures as the Dominion Government has made within the Province of a strictly local character. To meet the expenditure of the present fiscal year, it is estimated that, in consequence of the construction of a lunatic asylum and other exceptional services, another advance from the old capital account, to the extent of \$150,000 will be necessary, and the Committee advise that, under the provision of the Act creating the Province, it be made and held chargeable against the capital account or any readjustment thereof sanctioned by Parliament.

4. 'The right of the province to charter lines of railway from any one point to another within the province, except so far as the same has been limited by its Legislature in the Extension Act of 1881.'

This question has no doubt arisen in consequence of the disallowance of certain Acts of incorporation granted by the Legislature of Manitoba, which were held to conflict with the spirit of Canadian policy as embodied in the Canadian Pacific Railway Act, which contains a clause preventing the Dominion Parliament authorizing the construction of any railway south of the Pacific line, and running from any point at or near the Canadian Pacific Railway, except such lines as shall run south-west, nor to within fifteen miles of latitude 49. 'Throughout the whole discussion upon the Pacific Railway, both in and out of Parliament, up to the ratification of the contract of 1880, there was no proposition received, with so great unanimity and approval, as that the railway should not, at least for a time, whether constructed by the government or a company, be tapped by lines running into the United States, and its legitimate traffic drawn to that country instead of passing down to the seaboard over Canadian soil. Not only was this held to be in the interest of the whole people, but it is safe to assert that a company could not have been found to undertake the work without this guarantee.'

Whatever the provisions of the Canadian Pacific Railway Act are, the province of Manitoba had in advance assented to, in accepting an extension of her boundaries and an increase of area about tenfold, under an Act which provided 'that the said increased limit and territory thereby added to the province of Manitoba shall be subject to all such provisions as may have been or shall hereafter be enacted respecting the Canadian Pacific Railway and the lands to be granted in aid thereof.' Having accepted the increased area upon the above conditions, and knowing the long avowed policy of Parliament to prevent the legitimate trade of the country and traffic of the Canadian Pacific Railway being diverted to the United States, the sub-committee consider that no injustice will be done to the people of Manitoba by the exercise of such supervision by the Dominion Government over the railway charters sought from the Dominion Parliament or passed by the Legislature of Manitoba, as will maintain this policy, and the condition of the Canadian Pacific Railway Act, until the expiry of the time named therein, or until the road is opened and trade established, when, it is believed it may be repealed or modified, without injustice and with the consent of the contracting parties.

5. 'That the grant of 80 cents a head be not limited to a population of four hundred thousand souls, but that the same be allowed the province until the maximum on which the said grant is allowed the Province of Ontario be reached.'

The Act of Confederation places the per capita allowance upon the population given to each province by the census of 1861, but in the case of Nova Scotia and New Brunswick allows a decennial increase until a population of 400,000 be reached.

In the admission of Manitoba with a small population, it was provided that she should have the same advantages and be placed upon terms of equality with those two named older Provinces, one of which has now passed the maximum number. In view of the fact that some considerable time must elapse before the maximum allowed to Manitoba is reached, and that the question affects all the provinces of the confederation, the sub-committee deem it more advisable to give attention to the means by which aid can be given to the province within the maximum number named in the Act.



The increase of population in the province of Manitoba has been exceptionally rapid, and would warrant a more frequent census than that named, and the sub-committee has to repeat that portion of the Order in Council of April 1, 1884, bearing upon this question and advise that a quinquennial census of the province of Manitoba be taken hereafter reckoning from September, 1881, and between the future takings of the census approximate estimates should be made at evenly divided periods, so that the sum granted to the province for the purpose above mentioned may be revised four times in each decade, and in each instance adjusted according to population until the number of the inhabitants shall have reached 400,000, and they further advise that the first of such approximate estimates be made on the first of September next, when if the population should be found to exceed 150,000, at which the grant in aid is now made, the first readjustment should take place.'

6. 'The granting to the province extended railway facilities, notably the energetic prosecution of the Manitoba and South-western, the Souris and Rocky Mountain and the Manitoba and North-western Railways.'

The sub-committee has assured the delegates of the earnest desire of the Dominion Government to extend railway facilities in Manitoba and the North-west in any direction that will not conflict with the general interest and the engagements of the Government, and has cited in proof thereof the extraordinary expenditure made upon the main Pacific line, and the grants of land hereinbefore referred to, together with a grant already made of \$100,000 to commence explorations in Hudson's Bay, to test the practicability of a commercial outlet in that direction for the products of the North-west.

7. 'To call the attention of the Government to the prejudicial effects of the tariff on the Province of Manitoba.'

In the discussion on this point the sub-committee is of opinion that it was not shown that the effect of the tariff is prejudicial to the province, or that it operates exceptionally unless perhaps in some few cases, which it is believed will be remedied, as means of transport from the other provinces improve or which if not so remedied may be adjusted on the recommendation of the Ministers of Finance and Customs.

8. 'Extension of boundaries.'

The sub-committee having given to this proposal and the arguments advanced by the delegates the most careful consideration, cannot recommend any change or modification of the views entertained by Council, as set forth in the Order in Council of date of April 1 last, and which for convenience of reference may be here repeated.

'The boundaries of Manitoba were originally fixed at the instance of the delegates from that province who came to Ottawa in 1870 to adjust, with the Government of Canada, the terms upon which Manitoba was to enter the Confederation of Her Majesty's North American Provinces.

The limits then agreed to embraced an area of about 9,500,000 acres. In the year 1881 these limits were enlarged and territory added to the west and north, making the total area of the province 96,000,000 acres, or 150,000 square miles.

In the same year the true western boundary of Ontario was fixed as the eastern limit of Manitoba, which may add largely to the area of the province.

The total areas of the other Provinces of the Dominion were, in 1882, as follows:—

Province	Square Miles.	Acres.
Ontario .....	109,480	70,067,200
Quebec .....	193,355	123,747,200
New Brunswick .....	27,322	17,486,080
Nova Scotia .....	21,731	13,907,840
Prince Edward Island .....	2,133	1,365,120
Manitoba .....	150,000	96,000,000
British Columbia (including Vancouver and other Islands) .....	390,344	249,820,160
North-west Territory .....	1,868,000	1,195,520,000
Keewatin District .....	309,077	197,809,280
Islands in Arctic Ocean .....	311,700	199,488,000
“ Hudson's Bay .....	23,400	14,976,000
Total .....	3,406,542	2,180,186,880



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The further enlargement now asked for by Manitoba would add about 180,000 square miles to the already large area of the Province, and would be viewed with disfavour as well by the old Provinces as by the new districts of Assiniboia, Saskatchewan, Alberta and Athabasca, which have been created in the North-west Territories, and which will ultimately become Provinces of the Dominion. It would largely add to the expense of the Government, without increasing the resources of Manitoba, already pronounced by the Government of the Province to be insufficient to meet its normal and necessary expenditure.

The Committee, under these circumstances, humbly submit to Your Excellency, that it is inexpedient to alter the boundaries of the Provinces as prayed for.

It having, however, been represented to them that the enlargement to the North is sought for by Manitoba chiefly in connection with the desire of that Province to extend railway communication to the waters of Hudson's Bay, the Committee recommend that the Government of Manitoba be informed that Your Excellency's advisers will notify the two existing companies who hold charters from the Canadian Parliament to construct railways between Manitoba and Hudson's Bay, that the public interests demand the amalgamation of their companies, and that if they will unite and make provisions satisfactory to Manitoba, for the early construction of the railway, and against pooling or amalgamating with other railways, and against excessive freight charges, application will be made to Parliament to convert the sale which it was intended to have made to those companies of six thousand four hundred (6,400) acres per mile of railway within the Province at a dollar per acre, and twelve thousand eight hundred (12,800) acres per mile outside the Province at half a dollar per acre into a free gift.

Failing which, Parliament will be asked to authorize the land to be given in the like way to either one of the said incorporated companies, giving satisfactory assurances of its ability to construct the railway; and failing this last, then to any other company satisfactory to Manitoba, and that every facility will be given to incorporate such last mentioned company. Parliament having given the necessary authority to the Dominion Government to carry into effect the foregoing cited offer of free lands in aid of the Hudson's Bay Railway, your sub-committee is of opinion that the said Order in Council of April 1 should, in respect to the extension of boundaries, be satisfactory to the Legislature of Manitoba.

In the consideration of the various proposals submitted and claims advanced by the delegates on behalf of the Province of Manitoba, your sub-committee have, consistent with federal obligations and the interest of the Dominion, felt the deepest anxiety to further the welfare and progress of that Province, and in recommending to His Excellency the Governor General in Council, for submission to Parliament, the very liberal propositions embodied in this report, only do so in the full anticipation that they will be satisfactory to the people of Manitoba, and upon the condition that they will be accepted by the Legislature of that Province as a settlement of the claims so earnestly urged by the delegation charged with their submission at Ottawa.

The Committee of the Privy Council adopt the foregoing report of the sub-committee and the several recommendations made therein, and they submit the same for Your Excellency's approval.

JOHN J. McGEE,

Clerk Privy Council.

OTTAWA, November 28, 1883.

*To Her Majesty's Most Honourable Privy Council:*

The Honourable the Minister of Agriculture has the honour to submit on behalf of the Government of the Province of Manitoba that, after the organization of the Province a system of separate schools was adopted by which Protestant and Roman Catholic citizens alike were afforded equal facilities for the cultivation of their minds and the advancement of their moral and economical conditions.

That an organization known as the Board of Education was established comprised of twenty-one members, twelve of whom are selected from amongst the most prominent Protestant citizens and nine from those embracing the Catholic faith.

That His Lordship the Bishop of Rupert's Land is the President of the said Board, and His Grace the Most Reverend Archbishop of Saint Boniface is the Vice-President.

That there are two Superintendents—one a Protestant, J. B. Somersett, Esq., of Winnipeg, and the other a Roman Catholic, Thomas Alfred Birmer, Esq., of Saint Boniface.

That the Board is divided into two sections, one called the Protestant and the other the Catholic section, each exercising full control in the selection of school books and the management of schools submitted to their jurisdiction.

That the Government grant, after deducting the joint expenses of the Board, is divided between each section on a pro rata basis of the school population in the several districts between the ages of five and seventeen years, an allowance of \$100 being granted to each school for a scholastic year comprising two hundred days, and the balance of the appropriation distributed on a pro rata basis of attendance.

That the system now in operation for the last twelve years has borne forth excellent fruits in moulding the minds of the youth of the Province, and has been operated on the strictest possible principles of economy, the members of the Board giving their services gratuitously and the superintendents alone receiving compensation for their labours.

That in accordance with the conditions of the Dominion Statutes two sections of two hundred and forty acres each have been reserved in each township for educational purposes.

That without interfering with the disputed territory our Province covers an area of something over two thousand townships, from which should be deducted about three hundred lying under water, leaving about seventeen hundred townships of terra firma, each embracing an area of twelve hundred and eighty acres, or a total of two millions five hundred and seventy-six thousand acres of school lands.

That deducting one hundred and seventy-six thousand acres as unfit for settlement, there still remains two million acres of arable land which might be divided into five classes as to quality and value as follows :—

$\frac{1}{4}$ —500,000 acres at \$1.00 per acre.....	\$ 500,000
$\frac{1}{4}$ —500,000 " 2.00 " .....	1,000,000
$\frac{1}{4}$ —500,000 " 3.00 " .....	1,500,000
$\frac{1}{8}$ —250,000 " 4.00 " .....	1,000,000
$\frac{1}{8}$ —250,000 " 5.00 " .....	1,250,000
<hr/>	
Or a grand total of.....	\$ 5,250,000

the interest on which alone at the rate of five per centum would give an annual revenue of \$262,500.

That the estimate above given is certainly very low, as it represents an average value of only \$2.62½ per acre, while contiguous lands in the several school districts have realized as high as \$10 to \$20 per acre.

That the Government of the Province of Manitoba has voted for maintenance of public schools in the various districts from 1871 to 1883, both years inclusive, the following amounts :

1871.....	\$ 6,000	1878.....	\$ 10,000
1872.....	7,000	1879.....	18,000
1873.....	7,000	1880.....	18,000
1874.....	7,000	1881.....	21,000
1875-6.....	10,000	1882.....	40,000
1877.....	8,000	1883.....	45,000
<hr/>			
Total.....			\$197,000

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That we have in actual operation three hundred schools, and before the end of the year 1884 that number will be increased to 500 or 600 owing to the demands coming in from every direction consequent upon the rapid growth of the population through the natural advantages possessed by the province and the wisdom of the Government's immigration policy.

That on account of the peculiar system of surveys adopted by the Government, which is very advantageous in other particulars, the houses of settlers are so distant from one another that several schools have to be established in each locality in order to make the distance convenient for children attending them, and that in new districts the schools are almost entirely supported by Government aid owing to the inability of new settlers to bear at the outset school taxation.

That the provincial Government has not so far been able to aid higher education, and the time must soon come when claims for assistance in this direction will, in order to keep abreast of the march of progress, have to be recognized.

That this is rendered all the more necessary inasmuch as the distance that divides our province and our people from the centres of learning is so great that only citizens of affluence can now afford to send their children abroad.

That the legislature has already established a university, with which three colleges have been affiliated, viz., Le College de Saint Boniface (Roman Catholic), St. John's College (Church of England), and Manitoba College (Presbyterian), each institution being represented in the Council by a delegation of seven—three on behalf of the graduates and one delegate being elected from each section of the Board of Education.

That the patron of the Board is the Honourable the Lieutenant Governor of the province for the time being, the chancellor (now the Right Reverend Bishop of Rupert's Land) being selected by the honourable the patron, and the vice-chancellor by the graduates.

That the Government have received a grant of \$20,000 from the Dominion Government, viz., \$10,000 in 1879 and \$10,000 in 1880, and that in order to meet the liabilities incurred in the proper maintenance of our public school system we will require next year a vote of \$60,000.

The Honourable the Minister of Agriculture therefore prayson behalf of his Government that the most Honourable the Privy Council will see their way clear towards not only placing the sum of \$10,000 to the credit of the province still due by statute, but also advancing a further sum of \$80,000 on the same terms as was authorized by 41st Vic., chap. 13, to be charged against the sales of school lands, so that the present settlers who have undergone many difficulties and privations in establishing themselves in the province shall not be aided in an unequal degree from the resources of lands set apart for the purposes of education, as will be those in future years when these lands are made available for revenue purposes.

A. A. C. LARIVIERE,

Minister of Agriculture, Statistics and Health

for the Province of Manitoba.

OTTAWA, March 28, 1888.

The Honourable

The Minister of the Interior.

I have the honour to submit for the consideration of the Executive Council of Canada, that owing to the sparse settlement of certain portions of the Province of Manitoba it is necessary that a larger sum should be devoted annually to educational interests than is at present possible owing to the small provincial income. My Government is not desirous of trenching farther upon the capital account of the province, but consider that an advance or loan might be arranged upon the security of the schools lands at present administered by your department. The necessary sum to be thus advanced or loaned we estimate at \$100,000, which will meet our requirements for a time; to be drawn as required, and repayment to be made as funds accrue from the sale of school

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lands. The grave interests involved in the immediate extension of our educational facilities must be considered as a justification for this request.

THOS. GREENWAY,  
Premier of Manitoba.

OTTAWA, January 7, 1889.

Hon. EDGAR DEWDNEY,  
Minister of the Interior.

In pursuance of our conversation to-day, I write you with regard to an advance on the security of Manitoba school lands which the Government of Manitoba are desirous of obtaining. For the year ending June 30, 1889, the sum of \$15,000 would be sufficient. We have increased our grant to public schools relying on this advance being made, the matter having been discussed between the late Hon. Thos. White and the Hon. Mr. Greenway, last February. We feel that a portion of the moneys to be derived from school lands in the future might well be spent now, thus giving aid at a time when it is more needed than it will be later on. Kindly let us know soon whether we may expect this advance.

JOSEPH MARTIN,  
Public Lands Commissioner of Manitoba.

THE PROVINCIAL LANDS DEPARTMENT OF MANITOBA,  
WINNIPEG, January 24, 1889.

The Hon. EDGAR DEWDNEY,  
Minister of Interior,  
Ottawa.

I notice that recently several auction sales of school lands in this province have been held. I have always understood that it was arranged between this Government and your Government some years ago that no school lands should be sold at any time except upon the request of this Government. I am aware that not long ago a considerable quantity of school lands was put up for sale at different points within the province at the request of this Government. It may be that the parcels you have sold were included in that request, but it appears to me that where lands are put up for sale and not sold, they should not be again put up without the request of the Government of Manitoba, as circumstances may materially change with regard to the advisability of selling any particular lands.

JOSEPH MARTIN,  
Provincial Lands Commissioner.

DEPARTMENT OF THE INTERIOR,  
OTTAWA, February 15, 1889.

Hon. JOSEPH MARTIN,  
Provincial Lands Commissioner.

I have the honour to acknowledge the receipt of your letter of the 24th ult., with regard to the sales of school lands in the province of Manitoba.

It has recently been the custom, I understand, to consult the Government of Manitoba as to school lands which might be put up at auction from time to time: and as to the lands which were recently sold, I am informed that they were included in the list furnished by the Government of Manitoba somewhat over a year ago. I should wish it to be distinctly understood, however, that so long as the law charges the Minister of the Interior with the administration of school lands, I am prepared to act upon my responsibility as minister in relation to these sales, and to cause them to be held when I regard it in the public interest to do so. I shall at all times be glad, however, to receive any suggestions from the Manitoba Government in reference to school lands.

E. DEWDNEY,  
Minister of the Interior.



SESSIONAL PAPER No. 83

WINNIPEG, MAN., March 6, 1889.

The Hon. EDGAR DEWDNEY,  
Minister of the Interior,  
Ottawa.

Referring to your letter of the 15th ultimo, No. 198600, I would say that there has been a clear understanding between the Dominion Government and this Government that no school lands should be sold unless at the request of this Government. I would refer you to the report of a committee of the Privy Council dated May 20, 1884, in which the following expression occurs speaking of the matter of school lands: 'The Dominion Government has taken no action in relation to these lands without full consultation with the local authorities, and pending sales has sanctioned advances of \$60,000 on account for educational purposes. Of passed action Manitoba cannot complain, and with but one object common to both Governments and with the *established practice of consultation* no just cause of complaint is likely to occur.'

This Order in Council was passed in answer to demand on the part of the then Government for the transfer to the local Government of the school lands. I must again submit that the sale of the lands nearly two years after the sale has been recommended by this Government is not carrying out the spirit of this understanding.

While I was at Ottawa I had the pleasure of an interview with you with regard to the advancement to this Government of \$15,000 for purposes of education, to be deducted from the proceeds of school lands hereafter. At your request I wrote you a letter making a formal request for the same, but have not yet had any reply. I would urge upon you strongly to let us have this money, as we need it more now than we will in after years, and it is necessary for the Government to know whether they are likely to get this in order that they may make their financial arrangements for the year.

JOSEPH MARTIN,  
Provincial Lands Commissioner.

OTTAWA, April 29, 1889.

The Hon. JOSEPH MARTIN,  
Provincial Lands Commissioner,  
Winnipeg, Man.

I have the honour to acknowledge the receipt of your letter of the 6th ultimo, No. 198, having reference to the sale of school lands in Manitoba. I thank you for calling my attention to the Order in Council of May 20, 1884, with the contents of which, however, I had already made myself familiar. Upon referring again to my letter of February 15 you will find that its terms are quite consistent with the terms of the Order in Council in question. What I stated in that letter I repeat now—that I shall at all times be glad to receive any suggestions from the Manitoba Government in reference to school lands; but I should be glad to know on what you base your statement that there has been a clear understanding between the Dominion Government and the Government of the province that no school lands should be sold unless at the request of the provincial Government. You will observe that this is going very much farther than is done in the Order in Council.

E. DEWDNEY,  
Minister of the Interior.

WINNIPEG, MAN., June 13, 1889.

The Hon. EDGAR DEWDNEY,  
Minister of the Interior,  
Ottawa, Ont.

Yours of April 29, No. 200895, duly received. I am very much surprised indeed at the contents of your letter. It certainly has been the clear understanding between this Government and the Dominion Government authorities that no sales of school lands

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were to take place without first advising this Government and consulting with them as to the matter. I think the extract from the Order in Council of May 20, 1884, clearly shows that it is as follows:—‘The Dominion Government has taken no action in relation to these lands without full consultation with the local authorities.’ Again, ‘of past action Manitoba cannot complain and with but one object common to both Governments and with the *established* practice of consultation, no just cause of complaint is likely to occur.’

I would also refer you to show clearly what the meaning of this was, to a despatch from the Hon. J. A. Chapleau, Secretary of State, to His Honour the Lieutenant Governor of Manitoba, dated April 2, 1884, in which the following expression occurs:—‘I am also to inform you that school lands will be offered for sale at auction annually *after consultation with the Government of Manitoba as to the time of sale, quantity and price.*’

I cannot imagine how the construction I place upon this matter can be expressed more clearly than in the words of the Hon. J. A. Chapleau, which I have just quoted for you. Your contention that it was only the intention of the Dominion Government to consider representations made by the Manitoba Government simply amounts to nothing. We would never for one moment suppose that any representations of ours upon any subject whatever would not be considered by the Dominion authorities. Our contention has always been that these lands should be administered by the Provincial authorities. We have been and are satisfied that they could be much better administered, more money made out of them and in every respect more satisfactorily dealt with by this Government than by yours. This desire on our part, however, has always been refused by your Government, and we were partially satisfied by the assurance received by us in 1884 that nothing should be done with the lands till we had first been consulted. It is therefore with much regret that we hear from you that your Department intends to pay no attention to the promises made to us in this respect, and we must protest most vigorously against such dealing with these lands.

JOSEPH MARTIN,

Provincial Lands Commissioner.

THE PROVINCIAL LANDS DEPARTMENT OF MANITOBA,

WINNIPEG, October 29, 1889.

The Right Honourable

Sir JOHN A. MACDONALD,

President of the Council,

Ottawa, Ont.

I have had some correspondence with the Honourable Edgar Dewdney with regard to school lands in this province. I inclose you copies of my letters to him. You can get his replies of course from his department. You will see that this Government takes the strongest ground as to the question of the school lands, and I think my letters clearly show that an express agreement was made between the Dominion Government and the Local Government under which it was agreed that the Dominion Government would take no action with regard to these lands without full consultation with the local authorities. It is proposed, I understand, to sell school lands this winter. We must strongly protest against any such action. It is a most inopportune time to sell any lands in this province for reasons which it is probably not necessary to go into in detail but which will be furnished to you or Mr. Dewdney if desired. There are a few localities in which it might be advisable to sell this year.

JOSEPH MARTIN,

Provincial Lands Commissioner.

SESSIONAL PAPER No. 83

THE PROVINCIAL LANDS DEPARTMENT OF MANITOBA,

WINNIPEG, October 29, 1889.

The Honourable EDGAR DEWDNEY,  
Minister of the Interior,  
Ottawa, Ont.

I wrote you very fully on June 13, in answer to yours of April 29, No. 200895, with regard to the position that you take as to school lands. I have never had any reply to this letter. I hear, however, that your officers are making valuations and preparing to hold a sale of school lands this coming winter. I must protest most vigorously against any such action. I again draw your attention to the reference made by me in my letter of June 13, from which it clearly appears that the Better Terms Settlement of 1884 included an express agreement on the part of the Dominion Government, that no sales of school lands would be made and no action taken without full consultation with this Government. If I am correctly informed as to your contemplated action in selling school lands this winter without any consultation with us, you are clearly violating this agreement. The proceeds of the school lands are for the benefit of this province. The Dominion Government occupies the position of trustee for this province with regard to these lands. It is not usual, even in the absence of express agreements, for trustees to act straight against the wishes of the cestuique trust unless indeed there are very strong reasons for overruling the wishes of the cestuique trust. I cannot understand why in this matter you should not even answer my letters. I have written a letter to Sir John A. Macdonald, calling his attention to what I consider a grave violation of our rights in the matter.

JOSEPH MARTIN,  
Provincial Lands Commissioner.

P.S. There are a few localities in which it is advisable to make a sale this year.

OTTAWA, November 16, 1889.

The Honourable JOSEPH MARTIN,  
Provincial Lands Commissioner,  
Winnipeg, Man.

I am duly in receipt of your letter of the 29th ultimo, having reference to school lands. If you will again refer to my letter of February 15, you will observe that there is nothing therein contained which is at all inconsistent with the Order in Council of May 20, 1884. So far there has been no departure from the practice of consulting the Government of Manitoba as to school lands which may be put up at auction from time to time. Will you be good enough to inform me upon what authority you state that it was contemplated to sell school lands this winter without consulting with the Provincial Government?

EDGAR DEWDNEY,  
Minister of the Interior.

THE PROVINCIAL LANDS DEPARTMENT OF MANITOBA,

WINNIPEG, December 4, 1889.

The Honourable EDGAR DOWDNEY,  
Minister of the Interior,  
Ottawa, Ont.

I have the honour to acknowledge the receipt of your letter of the 16th ulto., with reference to school lands. I have referred to your letter of February 15, as suggested and I find there a statement which in my opinion is very inconsistent with the Order in Council of May 20, 1884. You say 'I should wish it to be distinctly understood however that so long as the law charges the Minister of the Interior with

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the administration of school lands, I am prepared to act upon my responsibility of a Minister in relation to these sales and to cause them to be so held when I regard it in the public interest to do so.'

I referred you in a letter dated June 13, to a portion of a despatch from the Hon. J. A. Chapleau, Secretary of State to His Honour the Lieutenant Governor of Manitoba, dated April 2, 1884, in which the following expression occurs: 'I am also to inform you that school lands will be offered for sale at auction annually after consultation with the Government of Manitoba as to time of sale, quantity and price.' Now I understand from that and from the Order in Council that no sales of school lands will be made in opposition to the advice of this Government, and I contend that if we advise the sales of land on one year, that will not be a justification to your department to sell these lands in a subsequent year as you did with regard to the sales of lands complained of in my letter of January 24, 1889. Mere consultation with us without paying any attention to what we say would be a construction of said Order in Council which could only be characterized as a quibble to control and manage these lands, but only as trustees following the wishes and desires of the province as to time and manner of sale. You also ask in your letter of the 16th ultimo, to inform you upon what authority I stated that it was contemplated to sell school lands this winter without consultation with the Provincial Government. In answer to that I would say that I have been credibly informed that your homestead inspectors have stated to various persons that it was the intention to have a sale of school lands this winter. It has now reached December 4, and no consultation has taken place between your department and this Government with regard to the matter, and, as I have before informed you, I do not think it advisable to hold a sale of school lands this winter, at least to any considerable extent, and I protest most vigorously against your department deliberately sacrificing and wasting these lands which are intended to be a heritage to the people of this province for school purposes. Our Government here have always strongly contended that these lands should be administered by ourselves. I think no stronger argument for that contention can be found than the fact that your department propose to sell these lands at this time; at a time when they are sure to be sacrificed and at a time which no one administering the lands with a proper knowledge of the circumstances would think for one moment of adopting as propitious for sale.

I should be very glad indeed if you would reconsider your decision in this matter, and I should also like to have it distinctly understood for the future whether the solemn arrangement entered into on May 20, 1884, meant what I contend it does mean, or was simply a mere nothing as I understand you to contend it was.

JOSEPH MARTIN,

Provincial Lands Commissioner.

DEPARTMENT OF THE INTERIOR,

OTTAWA, Dec. 11, 1889.

The Honourable JOSEPH MARTIN,  
Provincial Lands Commissioner,  
Winnipeg, Man.

I am directed to acknowledge the receipt of your letter of the 4th instant, with reference to school lands, and to call your attention to the fact that communication between the Government of Canada and the government of a province are not usually made through homestead inspectors. In this instance, if any homestead inspector made any such communication as is stated in your letter, to the Government of Manitoba or to anyone else, he did so without authority.

JOHN R. HALL,

Secretary.



SESSIONAL PAPER No. 83

THE PROVINCIAL LANDS DEPARTMENT, MANITOBA,  
WINNIPEG, MAN., December 30, 1889.

JOHN R. HALL, Esq.,  
Secretary Department of the Interior,  
Ottawa, Ont.

Yours of the 11th instant, No. 198600, duly received. I have never stated to you or to your department that I had received a communication from the Government of Canada through the medium of homestead inspectors as to the sale of school lands. What I have complained of is that your department has decided to sell school lands this winter and was making arrangements for said sale without consulting this Government. I have a letter from the Hon. Mr. Dewdney dated February 15, 1889, in which he states practically that while he will always be glad to receive suggestions from the Government of Manitoba, still he proposes to sell these lands whenever he regards it in the public interest to do so. I have objected most strenuously to the stand that Mr. Dewdney takes in that letter, on the ground that there is a definite agreement between the Dominion Government and this Government under which the Dominion Government continues to administer the school lands as trustees for us with the distinct understanding that no school lands are to be sold without the consent of this government first having been obtained. Your letter of the 11th instant, if it means anything except to be offensive, I take it to be a statement that your department has not decided to hold a sale of school lands this year and has not made any preparations to do so. If this is the case there must be a very serious misunderstanding between the department at Ottawa and the Dominion Lands Commission here. I inclose you copy of a letter from the Secretary of Dominion Lands Commission to Mr. J. M. Graham, General Manager of the Northern Pacific and Manitoba Railway Company here, in which it is very plainly intimated that there is to be a sale of school lands in February next. I may say that this letter was sent to me by Mr. Graham to induce me to apply to your department to have the quarter section of land mentioned put up for sale.

JOSEPH MARTIN,  
Provincial Lands Commissioner.

DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE COMMISSIONER OF DOMINION LANDS,  
WINNIPEG, MAN., December 10, 1889.

J. M. GRAHAM, Esq.,  
General Manager, N. P. & M. Railway, Winnipeg.

In reply to your letter of the 7th instant, I am directed by the Commissioner to inform you that if it will answer your purpose to wait until the sale of school lands to be held in February next, the N.E.  $\frac{1}{4}$  of section 11-5-14 west will be included in the list of lands which the Commissioner is asking authority to offer for sale by public auction at that time, and your company will have an opportunity of bidding for it, but if it would suit you better and you so advise him, the Commissioner will ask for authority of the Privy Council to put this quarter section up for sale by itself immediately. If you wish this done, it is desirable that the Provincial Government should join in your request. The Commissioner will recommend that the minimum upset price of \$5 per acre fixed by the regulations be the upset price in either case for this land.

R. A. RUTTAN,  
Assistant Secretary.

DEPARTMENT OF THE INTERIOR,  
OTTAWA, February 13, 1890.

Honourable JOSEPH MARTIN,  
Provincial Lands Commissioner,

I have the honour by direction, to acknowledge the receipt of your letter of the 30th of December last, with further reference to the question of the disposal of

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school lands in Manitoba, and inclosing a copy of a letter from Mr. R. A. Ruttan, Assistant Secretary of the Dominion Lands Board, addressed to J. M. Graham, Esq., General Manager of the Northern Pacific and Manitoba Railway, with respect to the application of the company to purchase the N.E.  $\frac{1}{4}$  of 11—5—14 W., 1st meridian.

LYNDWODE PEREIRA,

Assistant Secretary.

DEPARTMENT OF THE INTERIOR,

OTTAWA, February 13, 1890.

DEAR MR. SMITH,—I send you herewith a copy of a letter from the Honourable Joseph Martin, with respect to the sale of school lands in Manitoba, and also a copy of one inclosed by him from Mr. Ruttan to Mr. J. M. Graham, General Manager of the Northern Pacific and Manitoba Railway, in which he states that the N.E.  $\frac{1}{4}$  11—5—14 W., 1st M., will be included in 'the list of lands which the Commissioner is asking authority to offer for sale by public auction at that time,' that is, during this month, and I shall be obliged if you will inform me on what authority Mr. Ruttan made this statement, as there was no intention nor any proposition to do so as far as I am aware, of holding a general sale of school lands at the present time.

I shall be glad of an early reply.

A. M. BURGESS,

Deputy Minister of the Interior.

DEPARTMENT OF THE INTERIOR,

OFFICE OF THE COMMISSIONER OF DOMINION LANDS,

WINNIPEG, MAN., February 17, 1890.

A. M. BURGESS, Esq.,

Deputy of the Minister of the Interior,  
Ottawa.

I have your letter of the 13th instant, No. 224348 on 198600 inquiring by what authority the Assistant Secretary stated in his letter to the General Manager of the Northern Pacific Railway Company, dated December 10 last, that it was proposed to hold a sale by public auction during this month of certain school sections. I find that at the time this letter was written to Mr. Graham we were actually preparing a list of school lands, which list was subsequently forwarded to you with my letter of December 19 last, No. 156781. That list was prepared in consequence of a suggestion contained in your private communication to myself dated December 3, in which you informed me that 'Father Cloutier writes inquiring whether a sale of school lands will be held this winter. He states that two families located on section 29, tp. 8, rge. 2 east, are desirous of purchasing their holdings. I have told him, in reply, that it is not intended to have a general sale of school lands in Manitoba this winter, but that if any considerable number of persons were desirous of buying we might manage to hold a small sale. I think that if you were to send us a list of the applications for school lands we might in the end conclude to consult with the Manitoba Government as to the advisability of selling a few sections, &c.'

I do not think that there is anything in Ruttan's letter that would justify Mr. Martin in assuming we had definitely decided to hold a sale of school sections this month, and all that he can fairly take from it is that I was asking for authority to hold such sale.

A copy of the letter to Mr. Graham above mentioned was sent to the Secretary on December 11, as also a copy of Mr. Graham's letter to which it was a reply.

H. H. SMITH.

SESSIONAL PAPER No. 83

DEPARTMENT OF THE INTERIOR,  
OTTAWA, February 26, 1890.The Honourable JOSEPH MARTIN,  
Provincial Lands Commissioner,  
Winnipeg, Man.

Referring further to the Assistant Secretary's letter to you of the 13th instant, I beg to say that my letter of December 11, to which you refer in your communication of the 30th of that month, was not meant to be offensive, and if you will look at it again I am quite sure that you will agree that no such construction could properly be placed upon it. It is quite clear that the letter written by Mr. Ruttan to Mr. Graham, dated December 10, could not have been the authority on which you stated, on the 4th of that month, that you had been credibly informed that homestead inspectors have stated to various persons that it was the intention to have a sale of school lands this winter. If, however, any homestead inspector did make a statement of the kind, it is scarcely necessary to say that it could not have any such official authority as to justify you in asserting, as you have frequently done in the course of this correspondence, that the Government intended to sell school lands in Manitoba without consulting the Provincial Government.

As to Mr. Ruttan's letter of December 10 to Mr. Graham, I am to say that upon receipt of a copy of it the Minister caused communication to be had with the Commissioner of Dominion Lands, with a view of ascertaining how Mr. Ruttan came to make the statement he did. In answer the Commissioner refers to a letter addressed to him by the Deputy Minister, in which he mentions that inquiry has been made as to whether a sale of school lands would be held this winter, and that the correspondent was told in reply, 'that it is not intended to have a general sale of school lands in Manitoba, but that if any considerable number of persons are desirous of buying we might manage to hold a small sale.' Mr. Burgess added:

'I think if you (the Commissioner) were to send us a list of the applications for school lands we might in the end conclude to consult with the Manitoba Government as to the advisability of selling a few sections.'

JOHN R. HALL

Secretary.

PROVINCIAL LANDS DEPARTMENT, MANITOBA,  
WINNIPEG, August 30, 1890.Honourable EDGAR DEWDNEY,  
Minister of the Interior,  
Ottawa, Ont.

Referring to the conversation between yourself and members of this Government at Winnipeg, while you were here on your visit west, I would suggest that it would be well to make immediate arrangements in connection with the leasing of school lands in this province.

A great many persons lease the land they intend to work the season before. In the case of those lands now occupied by squatters fall ploughing will no doubt be done by most of them, and it would be only fair that they should at once be notified of the intention of your Government to lease the lands.

JOSEPH MARTIN,  
Provincial Lands Commissioner.

OTTAWA, Sept. 12, 1890.

The Honourable JOSEPH MARTIN,  
Provincial Lands Commissioner,  
Winnipeg, Man.

I have the honour to acknowledge the receipt of your letter of the 30th ultimo, with reference to the leasing of school lands. The Minister of the Interior is now on

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his way to England, but the matter will be submitted to the Acting Minister without delay.

JOHN R. HALL.

Secretary.

OTTAWA, October 25, 1890.

Honourable JOSEPH MARTIN,  
Provincial Lands Commissioner,  
Winnipeg, Man.

I write to you, in the absence of Mr. Greenway, in further reference to the interview which the Minister and myself had with the members of your Government in Winnipeg last summer, to ask whether, in view of the very fine crop obtained in the province this year and the exceptionally prosperous condition of the people, it might not be advisable in the public interest and in the interest of the school fund in particular to offer for sale during the coming winter some of the more conveniently situated sections of school lands which have been applied for. I address you this note merely that the subject may not be overlooked, and so that I may be in a position to inform the Minister on his return from England in the course of a few weeks what the views of your Government are.

A. M. BURGESS.

Deputy Minister of the Interior.

PROVINCIAL LANDS DEPARTMENT, MANITOBA,

WINNIPEG, October 29, 1890.

A. M. BURGESS, Esq.,  
Deputy Minister of the Interior,  
Ottawa, Ont.

Yours of the 25th inst. at hand. Our Government are of the opinion that it would not be advisable to sell the school lands at present, and we desire that your department should lease the land, as suggested in the interview to which you refer and also in my letter to the Minister of the Interior of August 30, 1890.

I regret very much indeed that I am afraid facts will not bear out what you say with regard to the very fine crop of this year and the exceptionally prosperous condition of the people. We hope to have a fairly large crop to export, but the season has been very much against harvesting operations and the reports from different parts of the province are not nearly so favourable as it was at first hoped they would be.

JOSEPH MARTIN,

Provincial Lands Commissioner.

PROVINCIAL LANDS DEPARTMENT, MANITOBA,

WINNIPEG, November 14, 1890.

Honourable EDGAR DEWDNEY,  
Minister of the Interior,  
Ottawa, Ont.

I would respectfully ask for an answer to my letter of August 30 last, with regard to the leasing of school lands, which I was informed by letter from your department, dated September 12, would be submitted to the Acting Minister without delay.

JOSEPH MARTIN,

Provincial Lands Commissioner.



SESSIONAL PAPER No. 83

OTTAWA, November 21, 1890.

The Honourable JOSEPH MARTIN,  
Provincial Lands Commissioner,  
Winnipeg, Man.

I have the honour to acknowledge the receipt of your letter of the 14th instant with regard to the leasing of school lands. Sir John Thompson did not care to deal with a matter of this kind, involving a question of change of policy, during the very brief absence of the Minister in England. The Minister has now returned and I will immediately lay the papers before him.

A. M. BURGESS,

Deputy Minister of the Interior.

PROVINCIAL LANDS DEPARTMENT, MANITOBA.

WINNIPEG, December 11, 1890.

A. M. BURGESS, Esq.,  
Deputy Minister of the Interior,  
Ottawa, Ont.

Yours of the 24th ultimo, promising that the papers in regard to leasing of school lands would be at once laid before the Honourable the Minister of the Interior, was duly received. I hope by this time that the Minister has been able to deal with the matter, as I understood from him at our interview here that he was quite prepared to carry out this policy if this Government would take the responsibility of suggesting it. There is no matter in the province causing a greater amount of petty annoyance and local ill-feeling than these school lands being thrown open to squatters. These squatters pay no taxes of any kind; in many cases, have the use of the choicest land in the township; get the benefit of roads, schools, municipal improvements of all kinds, and it certainly is great neglect on the part of those responsible for the administration of these lands that the present state of affairs should be allowed to exist. If the Government at Ottawa is afraid of the political effect of ejecting from these lands the squatters who are not willing to comply with reasonable regulations as to leasing, they may throw the entire responsibility upon this Government.

JOSEPH MARTIN,

Provincial Lands Commissioner.

OTTAWA, December 23, 1890.

The Honourable JOSEPH MARTIN,  
Provincial Lands Commissioner,  
Winnipeg, Man.

I have the honour to acknowledge the receipt of your letter of the 11th instant, No. 807, with reference to squatting on school lands, and beg to say that the question has not been lost sight of. The Minister has given a great deal of consideration and attention to the matter and will be ready to deal with it definitely in a very short time. He directs me to add that it is unnecessary to say that the Government is not afraid of the political or any other effect which may arise out of the performance of a public duty.

A. M. BURGESS,

Deputy Minister of the Interior.

*CERTIFIED copy of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council on March 20, 1891.*

On a report dated March 18, 1891, from the Minister of the Interior submitting the following point in regard to the administration of school lands in the Province of Manitoba.

The contention is made by the Honourable Joseph Martin, relying on the reference contained in the Orders in Council of the 1st of April and the 20th May, 1884, copies of which are hereto annexed, to the practice of consultation with the Government of Manitoba in regard to the disposal of school lands in the province, that it is incumbent upon the Dominion Government to hold no sales of school lands in Manitoba without the consent of the Local Government.

The Minister observes that it has been the practice, as a matter of courtesy, before holding auction sales of school lands in Manitoba, to ascertain the views of the Provincial Government in regard thereto, and the auction sales that have taken place in the province were held with their concurrence.

The Minister states that in view of the number of applications which have been made to the Department of the Interior to purchase school lands, an auction sale was contemplated for last autumn, but on consulting with the members of the Local Government on the subject it was found that they were opposed to any sale being held that season, and in deference to their wishes the sale was indefinitely postponed, although in the opinion of the Minister of the Interior the time was favourable for disposing of these lands at good prices, in view of the excellent harvest of last season and the demand existing for these lands.

The Minister in consideration of these facts desires to call attention to this matter and wishes for a definition of the position of the Dominion Government in the premises, as trustees of these lands, for, if the contention of Mr. Martin is correct, that the Dominion Government is bound to hold no sales of school lands in the Province of Manitoba without the consent of the Local Government, it involves a very vital qualification of the discretion reposed by Parliament in Your Excellency in Council and the Minister of the Interior, and such an abridgement of the trust created by the school lands provisions of the Dominion Lands Act as, in his opinion, would require to be authorized by Parliament.

The Minister observes that it has been declared by Parliament that the school lands in Manitoba and the North-west Territories shall be administered by the Minister of the Interior under the direction of the Governor in Council, and he submits that the position of the Dominion Government as trustees of these lands would be practically untenable, if, while charged with the responsibility for the proper administration of the same, Your Excellency were unable to take such action as might seem to be in the interest of the School Endowment, the more especially since, should any action or want of action prove injurious to the School Endowment, the fact of the Dominion Government having been guided in the premises by the wishes of the Government of the province would not relieve it of its responsibility for the result.

The Minister therefore recommends that the Government of Manitoba be informed that, while the Dominion Government has expressed its desire, as a matter of courtesy, to consult the local administration as to the sale of the school lands, it is also bound by Act of Parliament to administer these lands solely through the Minister of the Interior, under the direction of Your Excellency in Council, and therefore to hold sales of such lands when Your Excellency deems it advisable in the public interest.

The Committee concurring in the above, advise that the Secretary of State be authorized to transmit a copy of this Minute, if approved, to the Lieutenant Governor of Manitoba for the information of his Government.

All which is respectfully submitted.

JOHN J. MCGEE,  
Clerk of the Privy Council.

DEPARTMENT OF THE INTERIOR,

OTTAWA, March 26, 1891.

The Honourable THOMAS GREENWAY,  
Winnipeg, Man.

With further reference to my letter of the 11th November last, addressed to the Honourable Mr. Martin, I have the honour to inform you that the Minister of the

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Interior has very carefully considered from all points of view your proposition to lease some portion of the school lands of Manitoba, and has come to the conclusion that to adopt such a policy would not be in the interests of the School Endowment.

The experience of the department in the management of the public lands of Canada goes to prove that the leasehold system involves relatively much greater expense than the system of selling. Not only is the ordinary cost of management relatively very high, but when tenants fall in arrear, as they naturally and inevitably do, their ejection and the collection of the arrears involves an expensive suit at law. Moreover, the interest of a lessee, unless the leasehold were confined to purely pastoral purposes would be to obtain as much as possible from the land during the time he was in occupation; and before the expiry of the lease the soil would be greatly exhausted and the marketable value of the property reduced to a minimum. It would of course, as suggested by you in the course of the discussion which you had with the Minister, be possible to insert such conditions in the lease as would tend to prevent the exhaustion of the soil, but the Minister has concluded that the cost of the machinery necessary to enforce such conditions would be out of all reasonable proportion to the revenue.

A statement of the school lands account of Manitoba has been prepared by this department in conjunction with the Department of Finance, and is now under consideration by His Excellency the Governor General in Council. The result of it, when rendered, will be to show that a considerable annual revenue will henceforward be derived by the province from the sales of the school lands already made; and it is hoped, if the prosperity which the province has latterly experienced in agricultural affairs should be maintained, that this revenue will be very largely increased in the course of the next few years.

I have further to inform you that the Government is taking active measures to eject trespassers from the school lands in the province.

A. M. BURGESS,  
Deputy Minister of the Interior.

DEPARTMENT OF THE SECRETARY OF STATE,

OTTAWA, April 1, 1891.

The Deputy Minister of the Interior,  
Ottawa.

I have the honour to inform you that I have this day transmitted to the Lieutenant Governor of Manitoba, for the information of his Government, copy of a Minute of Council, dated the 20th March last, making known the course to be pursued by this Government as regards the sale of school lands in the Province of Manitoba.

L. A. CATELLIER,  
Under-Secretary of State.

DEPARTMENT OF THE INTERIOR,

OTTAWA, May 29, 1891.

L. A. CATELLIER, Esq.,  
Under-Secretary of State,  
Ottawa.

I have the honour, by direction of the Minister of the Interior, to request that the Government of Manitoba may be informed that in consequence of the number of applications which have been made, and are still being made, to this department to purchase school lands in Manitoba, it is proposed to offer a number of these lands for sale by public auction, in accordance with the provisions of the Dominion Lands Act in that behalf, about January next, or so soon after this season's harvest is gathered as may be convenient, should the harvest be a satisfactory one. In conformity with the practice heretofore, the Minister desires that this information be conveyed to the Provincial Government, with the expression of the hope that the proposed time of the sale commands their approval.

A. M. BURGESS,  
Deputy Minister of the Interior.

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DEPARTMENT OF THE SECRETARY OF STATE,

OTTAWA, June 2, 1891.

A. M. BURGESS, Esq.,

Deputy Minister of the Interior.

I have the honour to acknowledge the receipt of your letter, 198600, of the 29th ultimo, respecting the proposed sale of school lands in Manitoba, and to inform you that in accordance with the desire of the Minister of the Interior, a notification of such proposed sale and the time thereof has been communicated to the Government of the province of Manitoba with an expression that the time named may command their approval.

L. A. CATELLIER,

Under-Secretary of State.

Lieutenant Governor.

DEPARTMENT OF THE SECRETARY OF STATE,

OTTAWA, June 12, 1891.

The Deputy of the Minister of the Interior,  
Ottawa.

Adverting to your letter of the 29th ultimo, I have the honour to transmit to you herewith for the information of the Honourable the Minister of the Interior, copy of the reply made by the Lieutenant Governor of Manitoba on receipt of the notification made to him by this department respecting the purposed sale of school lands in the said province.

L. A. CATELLIER,

Under-Secretary of State.

GOVERNMENT HOUSE,

WINNIPEG, June 5, 1891.

The Under Secretary of State,  
Ottawa.

I have the honour to acknowledge the receipt of dispatch No. 1695, file No. 1862, dated 2nd instant, informing me that in consequence of the number of applications made to the Dominion Government to purchase school lands in this province, it is proposed to offer a number of sections of these lands for sale by public auction about January next, or as soon after this season's harvest is gathered as may be convenient.

In reply, I have to state that I have directed the attention of my Government to the consideration of your despatch; but that, owing to the temporary absence of the Premier, that consideration will have to be deferred till his return.

JOHN SCULTZ,

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on April 30, 1892.*

On a report dated April 16, 1892, from the Minister of the Interior, stating that by an Order in Council dated April 4, 1891, certain lands in the Prince Albert district embraced within a belt twelve miles wide on either side of the line, were set apart for the purposes of the land grant to the Manitoba and North-western Railway Company, and that by a previous Order in Council dated February 4, 1891, an area of 1,269,031 acres of land was set apart for the purposes of the land grant to the Qu'Appelle, Long Lake and Saskatchewan Railway Company.

The Minister further states that an examination of the lands set apart for the purposes of the last mentioned company's grant proved that a considerable proportion



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of the odd-numbered sections within the tract could not be classified as 'fairly fit for settlement'; and with a view to make up the area of the grant due to the company it has become necessary to make a further reservation.

The Minister further states that it has also been intimated to him by the Manitoba and North-western Railway Company that the portion of their line between Yorkton and Prince Albert will be located further north than was anticipated at the time of the passage of the Order in Council of April 4, 1891, hereinbefore referred to, and consequently some of the lands reserved would not fall within a belt twelve miles wide on either side of the line. Mr. F. Brydges, the vice-president of the railway, has by letter designated certain lands within the company's existing reserves which they are waiting to surrender and accept other lands in the Birch Hills and Carrot River districts in lieu thereof.

The Minister, as the lands proposed to be surrendered are contiguous to the reservation of the Qu'Appelle, Long Lake and Saskatchewan Railway and would become available on being withdrawn from the existing reservation for the purposes of the land grant to that company, submits herewith a map on which, coloured in red, are shown the lands which the Manitoba and North-western Railway Company offer to surrender, and in blue the lands the odd-numbered sections in which they propose shall be reserved in lieu thereof, and he recommends that the proposition of Mr. Brydges receive the approval of Your Excellency in Council.

The Committee submit the above recommendation for Your Excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on May 27, 1892.*

On a report dated May 17, 1892, from the Minister of the Interior, stating that the auction sale of school lands held at Calgary, on July 16, 1889, sales were made to Messrs. R. H. Moody and to W. F. Ramsay, Messrs. W. F. Orr and James Walker and Mr. T. S. Lee for portions of section 2, township 24, range 1, west of the 5th Meridian.

The Minister further states that patents were subsequently issued to Messrs. Moody and Ramsay for their respective portions of the section, and that there having been received from Mr. Ramsay a protest against the reservation of the right to the minerals in the land in question under the authority of the Order in Council of October 31, 1887, he was authorized by Order in Council of December 8, 1891, to issue supplementary letters patent to Mr. Ramsay and Associate, covering the minerals reserved in the certificate of title to their lands.

The Minister, in view of the fact that the sales to Messrs. Orr, Walker and Lee, were made under circumstances exactly similar to those under which Messrs. Moody and Ramsay purchased from the Government, recommends that he be authorized to issue patents to Messrs. Orr, Walker and Lee, without any mineral reservation.

The Committee advise that the requisite authority be granted.

JOHN J. MCGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency, May 30, 1892.*

On a report dated May 13, 1892, from the Minister of the Interior, submitting that it was provided by the Order in Council of January 13, 1890, that the Manitoba and South-western Railway Company should be permitted to acquire the area applied for by them in school sections, for the purposes of the railway, and which were set forth in the schedule which accompanied the said Order in Council, at the prices set opposite to each parcel described therein.

The Minister observes that it was, however, subsequently represented by the company that the prices fixed by the Order in Council were in some instances excessive, being, they contended, higher than the actual market value of the land, and as there appeared on further consideration of the matter, reason to believe that there was, with respect to some of the parcels, ground for the company's complaint, the Commissioner of Dominion Lands was requested to reconsider his valuation with a view of reducing the prices where there seemed to be a probability that they were in excess of the market value of the land, with the provision, however, that the aggregate sum placed by the revaluation upon the total area required by the company, should represent an average price of not less than \$5 per acre, nearly all the lands required by the company being within the province of Manitoba, and this being the price agreed upon with the Government of Manitoba, as the minimum price at which school lands in that province should be disposed of.

The Minister states that a report has now been received from the Commissioner of Dominion Lands submitting a revaluation of the lands in question as set forth in the schedule hereto annexed, and the average price according to this valuation is over the minimum price of \$5 per acre, before referred to, being in fact \$6.45 per acre.

The Minister recommends that the prices placed upon the parcels in the annexed schedule be approved, and that the Manitoba and South-western Railway Company be permitted to acquire the parcels therein mentioned, for right of way and station ground purposes at such prices, in lieu of those fixed by Order in Council of January 13, 1890, before referred to, which he (the Minister) recommends be rescinded so far as it relates to the prices to be charged the company for the lands in question.

The Committee submit the above for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

List of parcels of school lands applied for by the Manitoba and North-western Railway Company for right of way and other purposes of the railway, as set forth in the descriptions and tracings filed by the company in the Department of the Interior, together with the prices at which it is recommended the company be allowed to acquire the same, in lieu of the prices named in the schedule attached to the Order in Council of January 13, 1890.

Section.	No.	Township.	Range.	Meridian.	Area in Acres.	Price per Acre.	Remarks.
						\$ cts.	
Part of E. 1 $\frac{1}{2}$ .....	33	13	9 W.	1	4.07	6 50	
" N.E. $\frac{1}{4}$ .....	32	13	9 W.	1	3.11	6 50	
" S.W. $\frac{1}{4}$ .....	11	15	18 W.	1	9.69	5 00	
L. S. 3 .....	11	15	18 W.	1	40.00	20 00	Gravel Pit
Part of N. $\frac{1}{2}$ and of S.E. $\frac{1}{4}$ ..	29	15	19 W.	1	13.66	5 00	
" S. $\frac{1}{2}$ .....	29	16	21 W.	1	7.32	5 00	
" S.W. $\frac{1}{4}$ .....	11	17	23 W.	1	3.05	4 00	
" N. $\frac{1}{2}$ .....	29	17	25 W.	1	12.27	4 00	
" S.W. $\frac{1}{4}$ .....	11	19	28 W.	1	22.09	3 00	
" S.W. $\frac{1}{4}$ .....	29	19	28 W.	1	12.05	3 00	
" S. $\frac{1}{2}$ .....	11	21	30 W.	1	12.59	3 00	
" S.W. $\frac{1}{4}$ .....	11	22	30 W.	1	12.87	3 00	
" W. $\frac{1}{2}$ and of S.E. $\frac{1}{4}$ ..	11	24	2 W.	2	10.26	2 50	
" E. $\frac{1}{2}$ and of N.W. $\frac{1}{4}$ ..	11	28	7 W.	2	16.84	2 00	
" W. $\frac{1}{2}$ and of S.E. $\frac{1}{4}$ ..	20	28	7 W.	2	14.47	2 50	
" W. $\frac{1}{2}$ and of S.E. $\frac{1}{4}$ ..	11	29	8 W.	2	14.72	2 00	
" S.W. $\frac{1}{4}$ .....	11	15	18 W.	1	1.80	20 00	
" W. $\frac{1}{2}$ .....	11	14	19 W.	1	8.58	5 00	
" S. $\frac{1}{2}$ .....	29	13	19 W.	1	20.31	5 00	For rt. of way Sask'n & Western Branch.

Department of the Interior, Ottawa, May 13, 1892.

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EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on January 6, 1893.

On a report dated December 31, 1892, from the Minister of the Interior, submitting the following with respect to the proposed sales of school lands.

After a careful consideration of the long standing question of the illegal occupation and cultivation of school lands in Manitoba, it was decided that, except in certain special cases which the Minister of the Interior proposes to submit for special consideration by Your Excellency in Council, the only way of protecting the interests of the School Endowment, and of preventing at the same time any apparent hardship to those squatters who in good faith and in ignorance of the law had settled upon these lands, would be to offer at public auction at an early date all those quarter sections of school lands which to the knowledge of the Department of the Interior were illegally occupied, thus affording the squatters an opportunity of acquiring the land, and after the sale to take legal proceedings against all those who failed to avail themselves of the chance of acquiring the land, and yet persisted in their illegal occupation or cultivation of the same.

It was also proposed to take advantage of this sale to offer at the same time those school lands for which applications had been made and which had been inspected, provided that no lands should be offered at less than \$5 per acre.

The Minister observes that before taking any further steps in the matter the Commissioner of Dominion Lands, in accordance with instructions from him (the Minister) consulted Mr. Greenway, the Premier of the province, as to the views of his Government with respect to the proposed sale, and is informed that Mr. Greenway concurred as to the desirability of offering for sale the lands squatted on, but expressed himself as being doubtful as to the expediency of including this season any other school lands in such sale, unless there be a demand for them. It is, therefore, only proposed to offer, in addition to the lands illegally occupied or cultivated, those lands for which special applications have been received. There is no danger of any of those lands being sold at a sacrifice, as care has been taken to place an upset price upon each parcel equal to the full value of the land, as determined and made after inspection of each parcel by a specially qualified officer of the Department of the Interior, and a subsequent independent valuation made by a competent appraiser.

The Minister, therefore, recommends that he be authorized to offer for sale by public auction the school lands comprised in lists prepared by his authority, in accordance with the facts hereinbefore recited, and at an upset price opposite each parcel in the said lists, being in no case less than \$5 per acre, the sales to be held at the places and on the dates mentioned in such lists, that is to say:—

At Morden, January 25, 1893. At Pilot Mound, January 27, 1893.

At Deloraine, January 30, 1893. At Glenboro, February 2, 1893.

At Minnedosa, February 8, 1893. At Portage la Prairie, February 11, 1893.

At Brandon, February 14, 1893. At Winnipeg, February 16, 1893.

The Minister further recommends that the provisions contained in the Order in Council of December 12, 1891, with respect to the reservation of the minerals in the school lands offered for sale in January and February, 1892, be also made applicable to the lands which it is now proposed to offer for sale—that is to say, that notwithstanding the provisions of clause 8 of the regulations for the disposal of Dominion lands authorized by Order in Council of September 17, 1889, the school lands to be offered at the proposed sales in January and February next be not subject to a reservation to the Crown of the mines and minerals therein, except in cases where the Director of the Geological Survey has reported the lands as likely to contain minerals of economic value, due note of which has been made in the lists.

The Committee submit the same for Your Excellency's approval.

JOHN J. McGEE.

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on February 23, 1894.*

On a report dated February 1, 1894, from the Minister of the Interior, stating that by the Act 56 Victoria, chapter 18, a copy of which is hereto annexed, authority was given to the Minister of the Interior to grant, under direction of the Governor in Council, homestead entry to the persons mentioned in the said Act for the parcels of school lands therein described, upon proof to the satisfaction of the Minister of the Interior that such persons were in bona fide occupation of the said lands prior to January 1, 1880, and that they have continued to occupy and cultivate them in accordance with the homestead provisions of the Dominion Lands Act.

The Minister further states that the persons named in the following list, being among those provided for by the Act before mentioned, having furnished satisfactory proof that they have occupied and cultivated the school lands hereinafter described in accordance with the requirements of the said Act, that is to say: Alexander McMillan for the N. E.  $\frac{1}{4}$  of section 11, township 13, range 1, east of the 1st Meridian; Henry Welsh for the S. E.  $\frac{1}{4}$  of section 11, township 13, east of the 1st Meridian; Andrew Hunter for the N. E.  $\frac{1}{4}$  of section 29, township 14, range 2, east of the 1st Meridian; James Simpson for the N. W.  $\frac{1}{4}$  of section 29, township 5, range 5, west of the 1st Meridian; Thomas Guthrie for the N. E.  $\frac{1}{4}$  of section 11, township 14, range 1, west of the 1st Meridian; J. W. Walker for the N. W.  $\frac{1}{4}$  of section 29, township 13, range 2, east of the 1st Meridian; and George Williams for the N. E.  $\frac{1}{4}$  of section 29, township 13, range 2, east of the 1st Meridian.

The Minister recommends that he be authorized to grant the above mentioned persons homestead entries for the lands referred to.

The Committee advise that the requisite authority be granted.

JOHN J. MCGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on March 16, 1894.*

On a report dated March 2, 1894, from the Minister of the Interior, stating that applications are from time to time made to the Department of the Interior for leases of school lands in the North-west Territories for grazing purposes, and that while authority is given to the Minister by Order in Council of November 22, 1887, to issue leases of school lands in the Territories for hay purposes, no provision exists for issuing leases of these lands for grazing purposes.

The Minister is of opinion that, as it is not probable that the value of school lands in the Territories will for some time be such that it would be in the interests of the school endowment to offer any large area of them for sale by public auction, and as it is desirable that some revenue should be derived from them in the meantime, it would be in the public interest as well as in that of the school endowment to issue leases of them for grazing purposes, in cases where they are suitable for that purpose and where their market value is not sufficient to warrant their being offered for sale at auction, and he (the Minister) recommends that he be authorized to issue leases of school lands in the North-west Territories for grazing purposes subject to the following terms and conditions:—

1. The lease shall be for a term not exceeding five years, and shall be revocable at any time during the currency thereof when it may be deemed advisable by the Minister of the Interior to offer the land so leased for sale by public auction in the interests of the school endowment, or for any other reason. The lessee in such case shall receive one year's notice of the intention of the Minister to terminate the lease, but shall not be entitled to compensation for any improvements made by him on the land so leased.

2. The rental shall be at the rate of 4 cents per acre per annum, except where



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there is more than one applicant for any one lease, in which case the lease shall be put up for tender at the upset rental of 4 cents per acre per annum.

3. The lessee shall not break up or cultivate the land included in the lease, and shall not place upon it any structures other than such fences or corrals as may be required for the keeping of his cattle, or temporary stables necessary for their shelter.

The Committee submit the same for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on April 10, 1894.*

On a report dated April 3, 1894, from the Minister of the Interior, stating that he has been advised by the Department of Justice that where, on account of its railway being constructed upon, along, or across a road allowance between sections of Dominion lands it becomes necessary for the railway company to provide a substitutional highway (section 187, Railway Act, 1888), the company may acquire the land that may be necessary for this purpose in school sections, in the same manner as the areas of school lands required for right of way and station grounds purposes, that is to say under the provisions of section 99 of the Railway Act, 1888, on terms prescribed by the Governor in Council.

The Minister states that the practice with respect to the disposal of areas of school lands required for purposes of right of way and station grounds has been to sell them to railway companies at a price approved by Council; and the Canadian Pacific Railway Company having now applied for permission to acquire the school lands described in the schedule hereto annexed for the purpose of providing substitutional highways, he (the Minister) recommends that he be authorized to sell the said lands to that company at the price per acre set opposite each parcel in the said schedule, the prices being the same as those placed upon the areas required in the same school sections for right of way purposes which have been approved by Your Excellency in Council.

The Committee submit the same for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

SCHEDULE of areas of School Lands applied for by the Canadian Pacific Railway Company for the purpose of providing substitutional highways.

Railway line.	Section Part.	No.	Tp.	Range.	M.	Area.	Price per acre.
							\$
Main line of Canadian Pacific Railway.	Pt. N.W. $\frac{1}{4}$	29	10	13 W.	1	3.58	5 00
	Pt. S.W. $\frac{1}{4}$	29	10	18 W.	1	3.87	3 00
Manitoba South Western Colonization Railway.	Pt. S.W. $\frac{1}{4}$	29	9	24 W.	1	2.38	2 50
	Pt. N.E. $\frac{1}{4}$	11	10	26 W.	1	3.67	2 50
	Pt. N.E. $\frac{1}{4}$	29	10	26 W.	1	2.84	4 00
	Pt. N.E. $\frac{1}{4}$	29	2	16 W.	1	2.27	5 00

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on April 28, 1894.*

Present—His Excellency in Council.

Whereas application has been made by the Trustees of Clifton Public School District, No. 278, North-west Territories for a grant of one acre of the North-east quar-

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ter of section 22, township 16, range 4, west of the 2nd Meridian, adjoining the North-east corner of the said section, for the purposes of a school site.

His Excellency, in view of the facts that the land in question is at the disposal of the Government and is required for school purposes, is pleased, under the power vested in him by clause 31 of 'The Dominion Lands Act' and by and with the advice of the Queen's Privy Council for Canada, to order that one acre of the North-east quarter of section 22, township 16, range 4, west of the 2nd Meridian, adjoining the North-east corner of the said section, shall be, and the same is hereby granted to the Trustees of the Clifton Public School District, No. 278, North-west Territories, for the purposes of a school site, subject to the payment of a patent fee of \$10 (ten dollars).

JOHN J. McGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on April 28, 1894.*

Present—His Excellency in Council.

Whereas an application has been made for the reservation for Indian School purposes in connection with the Church of England of legal subdivisions 4, 5 and 6 of section 6, township 13, range 5, west of the 4th Meridian.

His Excellency is pleased, under the provisions of chapter 54 of the Revised Statutes of Canada, to order that the land mentioned shall be, and the same is hereby reserved and placed under the control of the Superintendent General of Indian Affairs for Indian school purposes in connection with the said church.

JOHN J. McGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on June 19, 1894.*

Present—His Excellency in Council.

His Excellency, in pursuance of the provisions of section 31 of the Dominion Lands Act, and by and with the advice of the Queen's Privy Council for Canada, is pleased to sanction and does hereby sanction, the issue on June 20, 1894, of a patent to the Board of Trustees of the Protestant school district at Battleford, for the following lots, for which those trustees had applied, namely, numbers 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32, on the north side of Twenty-fourth Street; and numbers 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32, on the south side of Twenty-fifth street, all west of Central avenue, in the town of Battleford.

JOHN J. McGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on June 19, 1894.*

Present—His Excellency in Council.

His Excellency, in virtue of the authority conferred upon him by section 31 of the 'Dominion Lands Act,' and by and with the advice of the Queen's Privy Council for Canada, is pleased to order and it is hereby ordered, that the following lots, situated in the town of North Battleford, in the district of Saskatchewan, namely: Lots numbers 1, 2, 3, 4 and 5, on the north side of Nineteenth street; and lots numbers 1, 2, 3, 4 and 5, on the south side of Twentieth street, all east of Central avenue, also lots num-

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bers 1, 2, 3, 4 and 5, on the north side of Nineteenth street, and lots numbers 1, 2, 3, 4 and 5, on the south side of Twentieth street, all west of Central avenue, be conveyed for school purposes to the Roman Catholic trustees of the school district of St. Vital at Battleford, being Catholic School District No. 11 of the North-west Territories.

JOHN J. MCGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on January 14, 1895.*

On a memorandum dated December 24, 1894, from the Minister of the Interior, recommending that the south-west quarter of section 4 and the south-east quarter of section 14, both in township 44, range 20, west of the second principal Meridian, in the district of Saskatchewan, be transferred to the Department of Indian Affairs for the purpose of effecting an exchange of these lands with 'La Corporation des Oblats du Nord-ouest' and 'La Corporation Episcopale Catholique Romaine de la Saskatchewan,' respectively for lands which have been given by these corporations for the purpose of an Indian Industrial School at Duck Lake.

The Committee submit the above recommendation for Your Excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on June 10, 1895.*

The Committee, on the recommendation of the Minister of the Interior, advise that the Order in Council of September 22, 1893, reserving the north-east quarter of section 16, township 14, range 2, west of the 3rd Meridian, for Indian school purposes, be cancelled, as this land is not now required by the Department of Indian Affairs for that purpose.

JOHN J. MCGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on July 13, 1895.*

On a report dated June 4, 1895, from the Minister of the Interior, stating that by an Order in Council of March 16, 1894, the Minister of the Interior was authorized to issue leases of school lands in the North-west Territories for grazing purposes under the terms and conditions therein specified, and numerous applications have been made to the Department of the Interior for leases of school lands in Manitoba for similar purposes, the question has arisen as to whether it would not be advisable in the interest of the school endowment to issue such leases of school lands in Manitoba also.

The Minister further states that it was deemed advisable to obtain the views of the Government of Manitoba on this point, and the question was therefore submitted to the Provincial Lands Commissioner, the Honourable Clifford Sifton, who expresses the opinion that it would be advisable that school lands in Manitoba which are suitable for grazing purposes should be so leased, and he sees no objection to the terms fixed by the Order in Council of March 16, 1894, for leases of school lands for the same purpose in the North-west Territories, except that he considers the rental fixed by that Order in Council, namely, four cents per acre, lower than that which could be obtained in Manitoba. Mr. Sifton was asked what he considered would be a fair rental, and in reply he stated that in his opinion the rental obtained for swamp lands in Manitoba by the

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Provincial Government, which from the statement furnished by him, would appear to average about \$30 per quarter section per annum, would be fairly applicable to the proposed grazing leases.

The Minister observes, however, that swamp lands are in their very nature exceptionally valuable as hay lands, and the rental obtained for them would therefore be higher than would be paid for lands to be used for pasturage only, which is all the proposed leases would allow.

While, therefore, he (the Minister) is of opinion that it is highly desirable in the interests of the school endowment that some revenue should be derived from such school lands in Manitoba as are suitable for grazing purposes, and which it would not be advisable for the present to offer for sale, he thinks that the average rental obtained for swamp lands would be practically prohibitive if charged for pasture lands, the rental for which, he considers, should not be more than \$25 per quarter-section per annum, or six cents per acre per annum.

The Minister, therefore, recommends that he be authorized to issue leases for grazing purposes of school lands in Manitoba upon the following terms and conditions:—

1. The lease shall be for a term not exceeding five years and shall be revocable at any time during the currency thereof whenever it may be deemed advisable by the Minister of the Interior to offer the land so leased for sale by public auction, or for any other reason. The lessee in such case shall receive one year's notice of the intention of the Minister to terminate the lease, but shall not be entitled to compensation for any improvements made by him on the lands so leased.

2. The rental shall be at the rate of six cents per acre per annum, except where there is more than one applicant for any one lease, in which case the lease shall be put up for tender at the upset rental of six cents per acre per annum.

3. The lessee shall not break up or cultivate the land included in the lease, and shall not place upon it any structure other than such fences or corrals as may be required for keeping his cattle, or temporary stables for their shelter.

The Committee submit the same for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on September 21, 1895.*

On a report dated September 5, 1895, from the Minister of the Interior, stating that the secretary of the Beaver Public School District, No. 374, of the North-west Territories has applied for one square acre adjoining the north-east corner of the north-east quarter of section 35, township 26, range 7, west of the 2nd Meridian, to be used as a school site.

The Minister further states that the land applied for is a portion of the reservation for the subsidy to the Manitoba and North-western Railway Company, but the general manager of that company states that he sees no objection to the making of the proposed grant.

The Minister, therefore, recommends that the above described piece of land be granted to the said school district under the terms and conditions set forth in clause 31 of the Dominion Lands Act, and that letters patent therefor issue, the trusts and uses to which the grant is to be subject being expressed therein.

The Committee submit the foregoing recommendation for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.



## SESSIONAL PAPER No. 83

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on October 10, 1895.

On a memorandum dated October 1, 1895, from the Minister of the Interior, recommending that under the provisions of section 31 of the Dominion Lands Act he be authorized to convey to the trustees of the Holy Cross Roman Catholic Separate School District No. 8 of the North-west Territories, for school purposes, the following lots situated in the town of Macleod, in the district of Alberta, namely: lots Nos. 6, 7, 8 and 9 south of Twenty-first street, west of Fifth avenue.

The Committee advise that the requisite authority be granted.

JOHN J. MCGEE,

Clerk of the Privy Council.

TREASURY DEPARTMENT, MANITOBA.

WINNIPEG, June 12, 1896.

The Honourable

The Minister of Finance,  
Ottawa, Ont.

As the number of schools in the province is steadily increasing and the claims for provincial assistance to these schools is correspondingly on the increase, and as the net revenues of the province are, from their nature, practically stationary, so that, taking into consideration the other increasing needs of the province, the school grants cannot be maintained out of the ordinary revenue of the province, I have to ask that a payment of \$50,000 be made to the province out of the School Lands Fund in the hands of the Dominion belonging to the province.

In support of this request I might point out for your information that in the year 1887 there was only 506 schools and teaching standards or departments of schools in the province, and the total amount paid as government grants to such schools was \$54,478.75. During the year 1895 there were 982 schools or teaching departments which received \$142,984.39.

You will remember that in 1879 the sum of \$20,000 and in 1883 a further sum of \$10,000 was paid to the province out of this fund, but since the latter date nothing has been withdrawn. This year, owing to the facts before stated, it was deemed by the Government to be but right that the province should withdraw the said sum of \$50,000, and this amount was consequently placed in the estimates revenue at the last session of the local legislature.

D. H. McMILLAN,

Provincial Treasurer.

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on July 6, 1896.

On a report dated June 30, 1896, from the Minister of the Interior, submitting that by the Order in Council of July 13, 1895, the Minister of the Interior is authorized to issue leases of school lands in the Province of Manitoba, for grazing purposes, subject to certain terms and conditions mentioned therein.

Clause 1 of the terms and conditions under which the leases are issued is as follows:—

1. The lease shall be for a term not exceeding five years and shall be revocable at any time during the currency thereof whenever it may be deemed advisable by the Minister of the Interior to offer the land so leased for sale by public auction, or for any other reason. The lessee in such case shall receive one year's notice of the intention of the Minister to terminate the lease, but shall not be entitled to compensation for any improvements made by him on the lands so leased.

2 EDWARD VII., A. 1902

The Minister states, however, that it is represented that the length of notice required by the foregoing clause to be given to the lessee, in order to terminate the lease during its currency, will have the effect of preventing the sale of school lands included in such leases at any time prior to the expiration of the leases, which lands might otherwise be disposed of to the advantage of the School Endowment Fund.

The Minister desires to point out in this connection that as the success of the auction sales of school lands is largely dependent on the result of the preceding harvest in Manitoba, the question as to the advisability of holding an auction sale of these lands cannot well be decided until the result of the harvest is known, that is to say, until October or November, and as it is the practice to hold the sales in the months of January and February following, this being found to be the most suitable time, it would be impossible to include in such sales any school lands which might be under lease, and at the same time to give the one year's notice to the lessee as required by the Order in Council of July 13, 1895.

The Minister is of opinion that it is most desirable the Minister of the Interior should be in a position to withdraw from the operations of the lease any school lands which he may deem it advisable in the interests of the school endowment to offer for sale by public auction, and he considers that a notice of three months would amply protect the lessee, especially as the lease would not terminate until after the end of the grazing season in any year.

The Minister, therefore, recommends that the Order in Council of July 13, 1895, be amended by providing that the notice required to be given to the lessee under clause 1 of the terms and conditions of the said Order in Council be three months instead of one year.

The Committee submit the above recommendation for Your Excellency's approval.\*

JOHN J. MCGEE,

Clerk of the Privy Council.

FINANCE DEPARTMENT,

OTTAWA, August 24, 1896.

The Honourable D. H. McMILLAN,

Provincial Treasurer of Manitoba, Winnipeg, Man.

Your letter of July 12 arrived here on the eve of the election and owing to the upset of the late Government was placed aside, without being acknowledged as it should have been.

The matter has been brought to the attention of Mr. Fielding, who has seen Mr. Sifton on the subject, and I regret to say that it is impossible to make an advance out of the School Lands Fund without special legislation, as you will see by reference to 46 Vic., cap. 17, section 20 (1883) that the interest only can be paid to the province.

The special advances which you mention in the last paragraph of your letter were made under special Acts, vide 41 Vic. cap. 13 (1878) and 47 Vic. cap. 7 (1884).

J. M. COURTNEY,

Deputy Minister of Finance.

TREASURY DEPARTMENT, MANITOBA,

WINNIPEG, December 17, 1896.

The Honourable

The Minister of Finance,

Ottawa.

Under the provisions of the Statute of the Dominion of Canada, 41 Vic., chap. 13, the Province of Manitoba received from the Dominion as an advance on account of the School Lands Fund the sum of \$20,000 in July and August, 1879.

## SESSIONAL PAPER No. 83

The remaining \$10,000 authorized to be paid, also, by the above statute, was not paid over until 1884, when the statute 47 Vic. chap. 7, after reciting the above facts, again authorized the remaining \$10,000 to be paid, and also authorizes a further advance of \$30,000 on account of the said fund. The \$10,000 amount was paid over in 1884, but the \$30,000 amount has never been received by the province.

I have therefore to ask that the said sum of \$30,000 be at once paid over, and charged to the School Lands Fund Account.

D. H. McMILLAN,  
Provincial Treasurer.

## FINANCE DEPARTMENT.

OTTAWA, January 6, 1897.

Hon. D. H. McMILLAN,  
Provincial Treasurer,  
Winnipeg, Man.

Having further reference to your letter of the 17th ultimo, with reference to an advance to the Province of Manitoba of the sum of \$30,000 authorized by Act 47 Vict. chap. 7, I have the honour to state that I am advised by the Deputy Minister of Justice that the Act in question was repealed by Act 49 Vic. chap. 4—'respecting the Revised Statutes of Canada' (See section 5, subsection 2 of that Act and schedule A of the Revised Statutes at page 49) and it cannot, therefore, be invoked as authority for the advance applied for.

J. M. COURTNEY,  
Deputy Minister of Finance.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on February 22, 1897.*

On a memorandum dated January 29, 1897, from the Minister of the Interior, stating that on January 14, 1895, an Order in Council was passed recommending that the south-west quarter of section 4, and the south-east quarter of section 14, both in township 44, range 20, west of the 2nd Meridian, be transferred to the Department of Indian Affairs for the purpose of effecting an exchange of these lands with 'La Corporation des Oblats du Nord-Ouest' and 'La Corporation Episcopale Catholique Romaine de la Saskatchewan' respectively, for lands which had been given by these Corporations for the purpose of an Indian industrial school at Duck Lake. A communication has been received from the Department of Indian Affairs asking that the north-east quarter of section 4, township 44, range 25, west of the 2nd Meridian, be substituted for the south-east quarter of Section 14, above mentioned, and that the title thereto be vested in 'La Corporation Episcopale Catholique Romaine de la Saskatchewan.'

The Minister recommends, as the quarter section asked to be substituted for the south-east quarter of section 14 is available, that the request of the Department of Indian Affairs be granted.

The Committee submit the foregoing for Your Excellency's approval.

JOHN J. MCGEE,  
Clerk of the Privy Council.

TREASURY DEPARTMENT, MANITOBA,  
WINNIPEG, March 20, 1897.

The Honourable,  
The Minister of Finance,  
Ottawa.

I beg to ask that the sum of \$100,000 be paid to the Province of Manitoba, as early as possible in this year, out of the Manitoba School Lands Fund in the hands of the Dominion Government.

As a reason for such request I might state that the schools of the province are greatly increasing in number, and the sparseness of the population makes it exceedingly difficult to maintain schools in all the school districts that have been opened up; while the limited resources of the province make it next to impossible to maintain the grants out of the ordinary funds of the province.

The increasing demands of the public schools have been constant, and the Government grant has been increased from \$68,380 in 1886-7 to \$185,000 in 1897, notwithstanding the fact that in 1892 the grant per school was reduced from \$150 to \$130. It is considered impossible to at present further decrease these grants as the result would be to close up a number of schools.

The lands set aside by the Dominion Government in 1883 as an endowment to public schools in Manitoba amounted to 2,000,000 acres, of which during the past 14 years only about 70,000 acres, or one-thirtieth of the whole has been sold. It is impossible to accurately estimate the value of the unsold lands, but a safe valuation based on present prices would be between \$2.50 and \$7 per acre, making this endowment for the lands yet to be sold worth from \$5,000,000 to \$14,000,000. Taking into account the circumstances of the country and the heavy burdens necessarily imposed on the early settlers in municipal and school taxation, it is astonishing to note that the benefits of this educational endowment have largely been withheld from the people at a time in the history of the province when they are most needed. We are of opinion that the province is as much, if not more, in need of assistance from this fund now than it will be in the future years, when the development of the province and the growth of the population will have rendered the burdens on the individual school districts much lighter than they are at present.

The request for \$100,000 in this year is, therefore, we believe, justifiable and necessary for the following reasons:—

1. Because it is not the intention of Parliament that the trust should enure to the benefit of future generations only. That is shown by the provisions for sale which were almost immediately acted upon.

2. The scattered settlements render the burden of school taxation at the present time most onerous. If it is intended to settle the Province the schools cannot be decreased in number, as the province must offer the best possible educational inducements.

I think, in view of the needs of this province as hereinbefore indicated, it is desirable that the Dominion Government should take authority from Parliament to pay over to this province from time to time, as may be deemed necessary, the proceeds of school lands already sold.

D. H. McMILLAN,  
Provincial Treasurer.

FINANCE DEPARTMENT,  
OTTAWA, March 24, 1897.

Hon. D. H. McMILLAN,  
Provincial Treasurer,  
Winnipeg, Manitoba.

I have the honour to acknowledge the receipt of your letter of the 20th instant, with reference to advancing to the Province of Manitoba the sum of \$100,000 out of the Manitoba School Lands Fund, and to say that the matter therein referred to will receive careful consideration.

J. M. COURTNEY,  
Deputy Minister of Finance.



SESSIONAL PAPER No. 83

RUSSELL HOUSE,  
OTTAWA, May 17, 1897.

The Honourable  
The Minister of Finance,  
Ottawa,

I have the honour to submit herewith for your information and consideration a memorandum in support of the request made in my letter to you dated March 20 last, asking that the Province of Manitoba may receive out of the Manitoba School Lands Fund, during the present year, the sum of \$100,000.

At the same time I think some provision should be made so that the province may receive, from time to time, further sums from this fund, so as to supplement the very limited resources of the province in maintaining anything like a reasonable public school system.

D. H. McMILLAN,

Prov. Treas. of Manitoba.

### MANITOBA SCHOOL LANDS FUND.

The total amount at credit to the fund at December 31, 1896, was \$438,484.45.

The Government of the Province of Manitoba ask that power be given the province to, from time to time, withdraw from this fund as may be required, and that for this year the province be allowed to withdraw \$100,000 for the reasons set forth in the accompanying copy of a letter sent to the Honourable Minister of Finance on March 20, 1897, to which might be added the following:—

The number of schools and teaching departments in the province have been rapidly increasing. In 1888 there were only 547 of these schools, and in 1896 there were 1,026.

In some parts of the province there are large quantities of lands held by the Dominion Government, by railroad corporations, &c., from which no taxes can be collected, and the sparseness of population incident, in part, to the lands being so held makes the burden of maintaining schools a very heavy one upon the poor settlers, who, in so many cases, have very insufficient means to meet the numerous difficulties of pioneer life; and the school districts cannot, for many reasons, be made very large. With the increase of settlement this burden will not fall so heavily upon the early settlers, and the necessity for government aid will not be so keenly felt.

The necessity and advisability of paying over to the province portions of this fund was admitted by the late Government, and the statute of 41 Vic., chap. 13, authorized an advance of \$30,000 from the fund, in sums of \$10,000 in each of the years 1878-9, 1879-80 and 1880-1; of this, \$20,000 was paid over, but in 1884 the other \$10,000 not having been paid, the statute 47 Vic., chap. 7, again authorizes the payment of the same, and also of the further sum of \$30,000 for the years 1881-2, 1882-3 and 1883-4. The \$10,000 item was then paid to the province, but nothing more has since been received out of the fund.

TREASURY DEPARTMENT,

WINNIPEG, February 14, 1898.

The Honourable  
The Minister of Finance,  
Ottawa, Ont.

I beg to remind you that the province made application at the same time (in May, 1897) for \$100,000 in aid of the public schools of the province for the year 1897, with power to draw further amounts, from time to time, in succeeding years, and that a Bill to give effect to this was introduced into the Dominion House by you last year, but owing to the session being too far advanced, the matter did not then receive attention.

2 EDWARD VII., A. 1902

I now respectfully urge that the \$100,000 asked last year, as well as an additional \$100,000 to assist the schools in the year 1898, be paid to the province as soon as possible.

D. H. McMILLAN,  
Provincial Treasurer.

FINANCE DEPARTMENT,  
OTTAWA, February 18, 1898.

The Honourable  
The Provincial Treasurer of Manitoba,  
Winnipeg, Manitoba.

I have the honour to acknowledge the receipt of your letter of the 14th instant, with inclosure, drawing attention to the claims of the Province of Manitoba, and also to the application of the province for aid in connection with the public schools of the province, and to say that the matter referred to in your letter will receive very careful consideration.

J. M. COURTNEY,  
Deputy Minister of Finance.

OTTAWA, March 21, 1898.

Hon. D. H. McMILLAN,  
Provincial Treasurer,  
Winnipeg, Man.

With reference to our several interviews on the subject of certain claims of the Government of the Province of Manitoba, that is to say :—

\* \* \* \* \*

3. The application for an advance from the Manitoba School Fund :

I have the honour to inform you as follows :—

\* \* \* \* \*

I have given notice of the resolution respecting the advance from the Manitoba School Fund which was placed on the notice paper last year, but not proceeded with.

W. S. FIELDING,  
Minister of Finance.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on June 27, 1898.*

On a report dated June 18, 1898, from the Minister of the Interior, stating that by Order in Council dated January 22, 1872, a block of land at Winnipeg, containing about 50 acres, was reserved for public purposes out of the lands formerly constituting the reservation made by the Hudson's Bay Company at Upper Fort Garry. Subsequently, by Order in Council of April 10, 1874, the easterly half of this block of land, on which the Provincial Government buildings are situated, was transferred to the Province of Manitoba.

The Minister further states it is now represented that a portion of the balance of the Dominion reserve is required by the University of Manitoba, and he is of the opinion that this application should be complied with.

The Minister recommends that the portion of the said reserve shewn in coloured pink on the annexed plan, and containing about 6.60 acres, be granted to the Government of the Province of Manitoba for educational purposes.

The Committee submit the same for Your Excellency's approval.

JOHN J. MCGEE,  
Clerk of the Privy Council.

## SESSIONAL PAPER No. 83

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on July 7, 1898.

On a report dated June 28, 1898, from the Minister of the Interior, submitting that he has received from the Honourable the Provincial Secretary for Manitoba a copy of an Order in Council passed by the Government of Manitoba and dated June 9, 1898, which reads as follows:—

‘That the Dominion Government be requested to offer for sale by public auction at convenient points in the Province of Manitoba as early during the summer of 1898 as practicable, all the school lands in the said province lying within eight miles of any constructed line of railway, and such other parcels as they may deem advisable to sell at such upset price as to each parcel as may be fixed by the Dominion Government previous to such sale, but so that in no case shall the minimum price of any parcel be less than \$5 per acre; and so far as practicable said lands to be sold in quarter section parcels.’

The Minister states that no sales of school lands have been held since 1893, and as there appears now to be a greater demand for these lands than for a few years past, and as the price of grain is high, with the prospect of an abundant harvest, he is of opinion that the present season would be a most favourable time for placing some of the Manitoba school lands on the market.

The Minister further states that the lands which it is proposed should be offered for sale are the vacant quarter sections of school lands lying within a radius of from six to eight miles of certain lines of railway in the Province of Manitoba, as well as a certain number outside that radius, applications to purchase which have been received, or which are being cultivated under permits issued by the Department of the Interior.

That these lands are now being inspected and valued, but until the reports of the inspectors are received it is impossible to submit a complete list of the lands it is proposed to offer, with the upset prices to be placed thereon, or to determine the dates of sale.

The Minister recommends, as it is most desirable, both in the public interest and in that of the school lands endowment fund, that ample notice should be given before the sale takes place, that he, the Minister, be now authorized to offer for sale at public auction during the present season the quarter sections of school lands above referred to at such points in the province and on such dates as he may hereafter determine, and that the upset price per acre at which each parcel shall be offered shall be the value placed thereon by the inspector, provided however, that in no case shall any land be offered at a lower upset price than \$5 per acre.

The Committee submit the above recommendations for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on October 6, 1898.

Present—His Excellency in Council.

His Excellency, in virtue of the provisions of clause 31 of the Dominion Lands Act, and by and with the advice of the Queen's Privy Council for Canada, is pleased to order that section 35, township 11, range 29, west of the 1st Dominion lands meridian, shall be, and the same is hereby set apart and appropriated for the purposes of the Indian Industrial School at Elkhorn.

JOHN J. McGEE,

Clerk of the Privy Council.

WINNIPEG, December 13, 1898.

The Honourable

The Minister of Finance,  
Ottawa, Ont.

I wish on behalf of the Government of the Province of Manitoba once more to press our claim to have the sum of three hundred thousand dollars (\$300,000) placed to the credit of the province out of the Manitoba School Lands Fund.

I need scarcely repeat the arguments in favour of our contention which have been already several times urged upon you and your Government. They were set out in detail in a communication from the Treasurer of this province, dated March 20, 1897, addressed to you. Some of the arguments which were of importance then are, under present circumstances, of even greater force. It was urged that the request then made was justifiable and necessary because:—

1. Parliament had never intended that the endowment should enure to the benefit of future generations only, as shown by the provisions for sale which were almost immediately acted upon.

2. The scattered settlements render the burden of school taxation most onerous at the present time. The schools cannot be decreased in number, as the province must offer the best possible educational inducement.

It was also pointed out as a remarkable thing that the benefits of the endowment should be withheld from the province at the very time when they were most needed. As I have stated, these last mentioned statements to-day apply with even greater force than in March, 1897. Since that date the population of the province has greatly increased. Many of the new settlers are foreigners with little or no acquaintance with the English language or with British institutions, yet it is well known they are eager to learn the language and to adopt the customs of the country, and provision for the education of their children must be made as soon as possible. I may mention also that many schools that withdrew from the operation of the public school system after the passage of the Act of 1890 have been reorganized and are applying for the legislative grant. There were twice as many of these schools in the first half of 1898 as there were in 1897.

I may further add that the value of the Manitoba school lands has unquestionably materially advanced since March, 1897. The amount asked for is extremely small compared with the aggregate value of the land. Parliament when it made the grant never surely imagined that thirty years afterwards it would still be useless for the purpose for which it was given.

The question has already been discussed in the House of Commons, and in the Senate, with unfortunate results in the latter chamber. I am, however, convinced that a representation of the case, especially in consideration of the circumstances that have arisen since then, would lead to the adoption of a different view. It is unfortunate that the settlers should be hampered more than is absolutely necessary at this stage of the history of the province. The children of the present day are certainly in justice as much entitled to the benefits of the trust as those of a generation hence.

I enclose herewith figures which will show the position of the province with regard to its educational expenditure, it being noted that the revenue of the province has been practically stationary for the last ten years.

J. H. CAMERON,  
Attorney General.

June 30.	Educational Grants.	Total Ordinary Revenue.
	\$	\$
1885-6.....	61,000 00	474,503 50
1886-7.....	66,000 00	493,833 96
1887-8.....	85,000 00	512,401 54
1888 (last half).....	122,000 00	250,248 84
1889.....	126,000 00	486,990 43
1890.....	123,500 00	484,199 36
1891.....	123,500 00	490,916 82
1892.....	124,272 96	513,539 15
1893.....	133,685 38	514,648 40
1894.....	124,272 96	490,934 88
1895.....	123,600 00	579,957 96
1896.....	158,600 00	535,014 61
1897.....	183,600 00	529,104 17
1898.....	206,100 00	522,180 69
1899 (estimated).....	250,000 00	530,000 00



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Year.	No. School Districts organized.
1888 .....	557
1889 .....	609
1890 .....	719
1891 .....	774
1892 .....	821
1893 .....	876
1894 .....	916
1895 .....	956
1896 .....	985
1897 .....	1,018
1898 .....	1,116 (2nd half 1,136, estimated).
1899 (estimated) .....	1,216

## FINANCE DEPARTMENT,

OTTAWA, December 20, 1898.

The Honourable  
The Attorney General  
Winnipeg, Manitoba.

I have the honour to acknowledge the receipt of your letter of the 13th instant, with inclosure, respecting your claim to have the sum of \$300,000 placed to the credit of the province out of the Manitoba School Lands Fund, and to say that the same will receive due consideration.

J. M. COURTNEY,

Deputy Minister of Finance.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on May 16, 1899.*

Present—His Excellency in Council.

Whereas, by the Order in Council of December 18, 1897, the Minister of the Interior is authorized to dispose of school lands required for irrigation works at such rates of compensation as he may deem warranted by the circumstances, having due regard to the interests of the School Endowment Fund ;

And whereas, in the case of lands required in school sections for the right of way of irrigation ditches, as the area necessary for this purpose would be very small, and as in order to sell or rent the land it would first be necessary to have the area defined by actual survey, the cost of which would be out of all proportion to the value of the land, the question arose whether it would not be in the public interest, as well as in that of the school endowment to allow a free right of way for such ditches through school sections, especially as the establishment of a system of irrigation would enhance the value of school lands in the vicinity.

And whereas, the Department of Justice, to whom the question was referred, has given the opinion that it would be competent for the Governor in Council to issue licenses of occupation for the right of way of irrigation ditches through school sections free of charge, if, as represented, the value of school lands would be enhanced by the establishment of irrigation works ;

Therefore His Excellency, by and with the advice of the Queen's Privy Council for Canada, is pleased, in view of the foregoing facts, and of the further fact that it would be in the public interest and in that of the School Endowment Fund to encourage a system of irrigation in the North-west Territories, to authorize, and does hereby authorize the Minister of the Interior to issue licenses of occupation of the lands required for the right of way of irrigation ditches through school sections free of charge.

2 EDWARD VII., A. 1902

His Excellency is further pleased to order, that the lands required for reservoir purposes in school sections shall be disposed of in accordance with the provisions of the Order in Council of December 18, 1897, before referred to.

JOHN J. MCGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on January 30, 1900.*

Present—His Excellency in Council.

Whereas, by an Order of the Governor in Council, dated March 16, 1894, the Minister of the Interior was authorized to issue leases of school lands in the North-west Territories for grazing purposes, subject to certain terms and conditions mentioned therein, clause 1 of such terms and conditions being as follows :

'1. The lease shall be for a term not exceeding 5 years, and shall be revocable at any time during the currency thereof when it may be deemed advisable by the Minister of the Interior to offer the land so leased for sale by public auction in the interests of the school endowment, or for any other reason. The lessee in such case shall receive one year's notice of the intention of the Minister to terminate the lease, but shall not be entitled to compensation for any improvements made by him on the land so leased.'

And whereas it is represented that the length of the notice required by the foregoing clause to be given to the lessee in order to terminate the lease during its currency will have the effect of preventing the sale of school lands included in such leases at any time prior to the expiration of the same, which land might otherwise be disposed of to the advantage of the school endowment fund :

And whereas it is deemed desirable that the Minister of the Interior should be in a position to withdraw from the operation of the lease any school lands which he may deem it advisable in the interests of the school endowment to offer for sale by public auction : and it is considered that a notice of three months would amply protect the lessee, especially as any sale of school lands which may be held is likely to take place at the end of the year, in which case the lease would not be terminated until after the close of the grazing season.

Therefore His Excellency, by and with the advice of the Queen's Privy Council for Canada, is pleased to order and direct that the Order in Council of March 16, 1894, shall be and the same is hereby amended by providing that the notice required to be given to the lessee under clause 1 of the terms and conditions of the said Order in Council shall be three months instead of one year.

JOHN J. MCGEE,

Clerk of the Privy Council.

WINNIPEG, February 1, 1900.

The Honourable

The Secretary of State,

Ottawa, Ontario.

I have the honour to ask when it will be convenient for the Government of Canada to meet a representative of that of Manitoba to discuss the question of the advisability of transferring to this Government the money representing the proceeds of the sales of school lands in this province now in the hands of the Government of Canada, and also the balance of school lands remaining unsold.

I know that the House being now in session the time of the Ministers of the Crown will be very much taken up, and consequently I deem it better to write you in advance before asking one of my colleagues to proceed to the capital.

HUGH J. MACDONALD,

Attorney General.

SESSIONAL PAPER No. 83

OTTAWA, February 6, 1900.

The Honourable HUGH JOHN MACDONALD,  
Attorney General, Winnipeg, Man.

I have the honour to acknowledge the receipt of your letter of the 1st instant, asking when it would be convenient for the Canadian Government to receive a representative of that of Manitoba to discuss certain questions connected with the subject of school lands in the Province of Manitoba. The Secretary of State will take an early opportunity of laying your communication before his colleagues for their consideration.

JOSEPH POPE,

Under-Secretary of State.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on March 27, 1900.*

On a report dated March 16, 1900, from the Acting Minister of the Interior, stating that an application has been made by the Canadian Pacific Railway Company for permission to acquire the land necessary for the right of way of the McGregor and Varcoe and Snowflake branches of their railway, through certain school sections, the land applied for being described in the schedule hereto attached.

The Minister observes that by clause 99 of the Railway Act it is provided that a railway company may acquire out of lands vested in Her Majesty as much of such land as is necessary for the right of way and other purposes of the railway on such terms as the Governor in Council may prescribe, and the Department of Justice has advised that this clause supersedes clause 23 of the Dominion Lands Act, which directs that all sales of school lands shall be at public auction.

The Minister further states that it has been the practice in regard to applications of this kind to submit for the approval of Your Excellency in Council a valuation of the lands applied for, and upon such valuation being approved, to sell the land to the applicants at such valuation. In the present instance the lands required for the McGregor and Varcoe branch have been examined by inspectors appointed for that purpose, and said land have been valued at prices ranging from \$2 to \$4 an acre. The two parcels required for the Snowflake branch of the railway have also been inspected, and valued at \$6 and \$7 an acre respectively.

The Minister recommends, as it is not the practice of the Department of the Interior to sell any school lands at a lower price than \$5 an acre, that that be the minimum price at which any of the lands now applied for be sold, and that he be authorized to dispose of the parcels required for the McGregor and Varcoe and Snowflake branches of the railway at the price set opposite each parcel in the schedule hereto attached.

The Committee submit the foregoing for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

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SCHEDULE of school lands applied for by the Canadian Pacific Railway Company for the right of way of the McGregor and Varcoe and Snowflake branches of the railway, showing, set opposite thereto, the price at which it is recommended each parcel be sold.

## MCGREGOR AND VARCOE BRANCH, CANADIAN PACIFIC RAILWAY.

Section.	Township.	Range.	Meridian.	Acreage.	Valuation.
S. E. $\frac{1}{4}$ 11.	12	11 W	1st	1 64	\$5 per acre.
N. W. $\frac{1}{4}$ 29.	12	12 W	1st	6 22	\$5 "
N. E. $\frac{1}{4}$ 29.	12	12 W	1st	6 22	\$5 "
S. W. $\frac{1}{4}$ 11.	12	11 W	1st	6 85	\$5 "
S. W. $\frac{1}{4}$ 29.	12	13 W	1st	6 25	\$5 "
S. E. $\frac{1}{4}$ 29.	12	13 W	1st	6 13	\$5 "

## SNOWFLAKE BRANCH, CANADIAN PACIFIC RAILWAY.

N. E. $\frac{1}{4}$ 29.	2	10 W	1st	5 65	\$7 per acre.
S. W. $\frac{1}{4}$ 11.	2	10 W	1st	4 57	\$6 "

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on May 1, 1900.

On a report dated April 18, 1900, from the Acting Minister of the Interior, stating that during the summer of 1898, a number of school sections in the province of Manitoba were inspected and valued for the purposes of determining the upset price to be placed on them for the auction sales which it was then proposed to hold in the autumn of that year.

The Minister further states that in consequence, however, of the lateness of the harvest operations in 1898, owing to the wet season, it was found necessary to postpone these sales, and none have since been held.

The Minister further states it is now represented to him that the demand for school lands has greatly increased and that it would be in the interest of the School Endowment Fund, as well as in that of settlement in Manitoba, that a number of these lands should be placed in the market this summer and that the best time for this purpose would be in the month of June, that being the time of year for breaking new land.

The lands which it is proposed to offer for sale are those which were inspected for the purpose in 1898, that is to say, undisposed of school lands within a radius of eight miles of any line of railway in the province, as well as a certain number outside that radius, for which application had been made.

The Minister, therefore, recommends that he be authorized to offer for sale by public auction during the month of June, 1900, at such places in the province of Manitoba and on such dates as he may determine, the school lands which have been inspected for this purpose, provided, however, that in no case shall any school lands be offered at a lower upset price than \$5 per acre.

The Minister observes that the regulations with respect to government advertising prohibit more than three insertions of an advertisement in any weekly newspaper, and, as in his opinion this would not be sufficient for the purposes of the auction sales of school lands, as it is most important that they should be well advertised, he recommends that the provision of the regulations above referred to, prohibiting more than three insertions of an advertisement in a weekly newspaper, be suspended in so far as auction sales of school lands are concerned.

The Committee submit the same for Your Excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.



## SESSIONAL PAPER No. 83

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on July 10, 1900.*

On a report dated June 21, 1900, from the Acting Minister of the Interior, submitting as follows in regard to an application made by Mr. Robert Fisher for homestead entry for the south-west quarter of section 25, township 11, range 5 east of the first meridian, which is school land, under the provisions of the Act 56 Victoria, chapter 18.

By the said Act, 56 Victoria, chapter 18, it is provided that the Minister of the Interior, under the direction of the Governor in Council, may grant to the persons mentioned in the said Act, of whom the present applicant, Mr. Robert Fisher, is one, homestead entry for the quarter-sections of school land set opposite their respective names, upon proof to the satisfaction of the Minister that such persons were in bona fide occupation of the said land prior to the 1st of January, 1880, and that they have continued to occupy and cultivate it from that date, in accordance with the requirements of the Dominion Lands Act relating to homestead entry. One of the conditions of the Dominion Lands Act relating to homestead entry is to the effect that the homesteader must actually reside on his homestead for a certain period, and as it was shown by the evidence filed by Mr. Fisher that he did not reside on the school land for which he desired homestead entry, it was impossible at that time to grant him entry for the school land applied for.

It is however provided by clause 2 of an Act passed during the present session of Parliament to amend the Dominion Lands Act, and which has been assented to, but not yet chaptered, that 'If the settler has his permanent residence upon farming land owned by him in the vicinity of his homestead, the requirements of this Act as to residence may be satisfied by residence upon the said land.'

The Minister in view of the foregoing provision, is of the opinion that the obstacle to the grant of homestead entry to Mr. Robert Fisher for the south-west quarter of section 25, township 11, range 5 east of the first meridian is removed, as Mr. Fisher owns the quarter-section adjoining the one now applied for and has lived on it for a number of years.

The Minister observes that Mr. Robert Fisher purchased this quarter-section of school land for which he now asks homestead entry, at public auction in 1892, and that the condition of actual residence on the land applied for is done away with by the amendment to the Dominion Lands Act, passed during the present session of Parliament and before referred to.

The Minister recommends that he be authorized to grant homestead entry to Robert Fisher for the south-west quarter of section 25, township 11, range 5 east of the first meridian, under the provisions of the Act 56 Victoria, chapter 18, and sub-clause 2 of the Act to amend the Dominion Lands Act, passed during the present session of Parliament.

The Minister further recommends that he be authorized to refund to Mr. Robert Fisher the money he has paid on account of the purchase of this land, amounting to the sum of one hundred and ninety two (\$192) dollars.

The Committee submit the same for Your Excellency's approval.

JOHN J. MCGEE,  
Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on September 3, 1900.*

On a report dated August 24, 1900, from the Minister of the Interior, stating that during the present year sales of school lands in the Province of Manitoba were held by public auction, in accordance with the provisions in that behalf contained in the Dominion Lands Act, at twenty-two points in that province, and that it has been reported to him that fraudulent practices or irregularities took place at certain of such

sales, on account of which a number of parcels of lands which were so sold were not disposed of to the bona fide highest bidder, or otherwise in accordance with the terms of sale, resulting in disappointment and in some instances loss to honest intending purchasers, and in loss to the Crown.

The Minister is of opinion that the matter above referred to is of such a nature that it should be investigated by a commissioner to be appointed under, and to have conferred upon him all powers provided by Chapter 111, R.S.C., 'An Act respecting inquiries concerning public matters;' and he, therefore, recommends that James Emile Pierre Prendergast, Esquire, a Judge of the County Courts comprised within the eastern Judicial District of the Province of Manitoba, be appointed a Commissioner under the provisions of the said Act, to hold an investigation and inquiry under oath or solemn affirmation, as therein provided, with regard to any fraudulent practice or irregularity which has been, or may be reported to him in writing over the signature of the person making the charge or by affidavit or solemn declaration, made by him, to have, in his belief, taken place at any of such public auction sales of school lands in connection with the sale of any lands sold thereat, and with regard to any and all matters which are in any way connected therewith, and which it may appear to him, as such Commissioner, should be investigated and inquired into, in order that a full and complete knowledge may be had concerning any sale of any such lands which may be so brought before him, the said James Emile Pierre Prendergast, as such Commissioner; the Commission to be so issued to him to confer upon him all powers which Your Excellency in Council is authorized to confer upon a Commissioner under and by virtue of the provisions of the said Act, and to contain instructions to the said James Emile Pierre Prendergast to report to Your Excellency the result of such investigation and inquiry, and to send with his report a correct copy or transcript of the evidence taken by him, as such Commissioner.

The Minister further recommends that the remuneration of the said James Emile Pierre Prendergast for the services to be performed by him while engaged upon such investigation and inquiry or upon his report thereon, or upon any other matter properly connected therewith, be fixed at the rate of twenty dollars (\$20) a day, it being understood that no payment is to be made for Sundays; and also that all his travelling and living expenses during the whole period he shall be so employed, and all other expenses necessarily and properly incurred by him in and about such investigation and inquiry and report, including the payment of a stenographer or stenographers whom he may appoint at such remuneration as he may think proper, and whose duty it shall be to record the evidence taken under such Commission and to perform such other work connected therewith as the said James Emile Pierre Prendergast may direct him or them to perform, shall be paid after being approved by the Minister of the Interior.

The Committee submit the foregoing for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on December 22, 1900.*

On a report dated December 14, 1900, from the Minister of the Interior, stating that an application has been made by the Great North-west Central Railway Company to acquire the lands necessary for the right of way of the railway in certain school sections.

The Minister observes that Section 99 of the Railway Act provides that railway companies may acquire of lands vested in Her Majesty, as much of such lands as may be required for the purposes of the railway, on such terms as the Governor in Council may prescribe, and the practice in regard to the applications of this kind for right of way through school sections has been to have the lands valued and sell the same to the company at such valuation, the authority of the Governor in Council having first been obtained.

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The Minister further states that in the present application the company represents that the price to be paid for the school lands in question should be based upon the value of the land in that vicinity in the year 1887, when the line was located and plan filed, and, as the contention is a reasonable one, the agent of Dominion Lands was asked to ascertain and report as to the value of the land in that vicinity in the year 1887. In reporting on the matter the agent submits a list of the lands sold in that vicinity in the year 1888, the average price of which is \$6.50 per acre, which price he states fairly represents the value of the lands now applied for in the year 1887.

The Minister, considering this price \$6.50 an acre a fair one under the circumstances, recommends that he be authorized to sell the following parcels of school lands to the Great North-west Central Railway Company for the purposes of the railway at such price, namely—

N E 1 29 10 18 W. 1 M., 6.21 acres.

NW 1 29—10—18 W. 1 M., 6.22 "

S E 1 29 13 19 W. 1 M., 6.07 "

N E 1 11 13 19 W. 1 M., 6.07 "

N E 1 29 13 22 W. 1 M., 79 "

The Committee submit the same for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

WINNIPEG, December, 1900.

To the Right Honourable Sir WILFRED LAURIER, K.C.M.G.,  
Premier of Canada,  
Ottawa.

We understand that you have been advised by the Premier of Manitoba that the Lieutenant Governor in Council has, at the request of the Legislative Assembly of Manitoba, nominated us to bring before you the question of the school lands and moneys of this province.

We thank you for the interview which you have kindly consented to give us on January 3, 1901, and meanwhile we transmit for your consideration a memorial embodying the substance of our claim and request.

COLIN H. CAMPBELL,

JOHN A. DAVIDSON.

## SCHOOL LANDS AND SCHOOL MONEYS OF THE PROVINCE OF MANITOBA.

Memorial to the Federal Government by Messrs. Campbell and Davidson, delegates from the Provincial Government and Legislative Assembly of Manitoba.

The question of these lands and moneys has been the subject of negotiation and discussion between the Federal and Provincial Governments almost since the organization of the province.

Immediately after the settlement of the province it was arranged that two sections of land in each township should be set aside as an endowment for school purposes, and this arrangement was confirmed by an Act of the Parliament of Canada in 1872, according to which sections 11 and 29 in every surveyed township in the Province of Manitoba were reserved from settlement and dedicated to the support of education, it being expressly provided that the lands so dedicated should be thereafter dealt with in such manner as should be prescribed by law. It was not thought wise to hand over these lands to be administered by the province, as it was at this period in the initiatory stage of responsible government, and unprovided with a land department.

In 1878 the Government of Manitoba applied to the Parliament of Canada to have the school lands transferred to the province and sold for the purpose of creating an educational endowment. The Parliament, however, held that it was not then expedient to grant this request on the ground that the lands should acquire additional value by reason of the increase of the population, but it authorized an advance of \$30,000 to be charged against the proceeds of lands to be thereafter sold. In 1884 by statute 17 Vic., cap. 7, a further payment of \$30,000 was authorized by the Parliament of Canada. No objection was made on any ground to these payments, and in the debate upon the last Act Senator Girard from Manitoba favoured the transfer of all the school lands to the province, and the same view was taken by Senator Power. No sales of the said lands had been made when the payments were authorized and none took place until 1885.

In 1879 the Parliament of Canada made provision for the sale of the said lands by the Federal Government, for the investment of the proceeds and for the payment to the Government of the province of the yearly income for the support of public schools, and these provisions have been in force ever since.

In 1884 the Legislative Assembly of the Province of Manitoba passed a unanimous resolution asserting the right of the province to its public lands, and asking for the transference of its school lands. The federal authorities did not see their way to grant this request, asserting, to use their own language, 'that the retention of the general lands involved the maintenance of a staff organization for their management, and that the school lands could be best cared for by that organization.' Had the request applied to the school lands only it would probably have been granted, for they stated, that they had recommended the first proposition, namely, that relating to the general lands, they might have regarded the second, that relating to the school lands, somewhat differently. The question of the general lands was subsequently settled by an annual allowance of \$100,000 to the province, and by the gift to it of the swamp lands. In connection with these swamp lands, together with other lands possessed and acquired by the province, a lands department was organized in 1887, and has been in existence since. It is therefore apparent that the federal authorities themselves abandoned their plea as to the retention of all the general lands, and it certainly will not be argued that the Dominion Land Department is more capable of managing the school lands than the Provincial Land Department. Moreover, it should not be forgotten, that in 1884 the University of Manitoba received from the Dominion Government a grant of 150,000 acres, and it will not be denied that the Provincial Land Department is as capable of administering the school lands as the University is of administering the lands bestowed upon it.

The number of acres bestowed upon the province approximately amounted to 2,277,900 acres. Of these there have been sold about 243,721 acres, leaving 2,034,179 acres. The proceeds of these sales have amounted to about \$2,400,000, of which about \$600,000 has been paid into the hands of the Dominion. The estimated balance of deferred payments amounts to \$1,800,000.

Contrary to the spirit and meaning of the Act creating the original endowment and amendment thereto, the interest derived from such sales, instead of being paid over to the province to be applied for the purposes of education, has been added to the original endowment, and only 3 per cent paid to the province on the principal and interest so received. In addition thereto the interest on the sales made has not been promptly collected, and there remains overdue for interest about \$.....

From the sales already made and from the cash on hand there should, without impairment of the capital or endowment, accrue to the province an annual income or interest of about \$100,000, and in addition a considerable sum should arise from the sale of hay and other permits and rentals, yet the Province has only received up to December 31, 1899, \$106,748.39.

There has been a very great increase in the population of the province since 1887, and the number of school districts has correspondingly multiplied. In 1887 the number of districts was 522 and in 1900, 1,145, while the school population has increased from 17,600 in 1887 to 59,811 in 1899. Many of the new settlers are foreigners with little or no acquaintance with the English language, and it is of the first consequence



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that they should be made familiar with it, and so become acquainted with our institutions and usages.

The increase in the population has materially added to the expenditure of the province on education. The amount contributed by the province is now fourfold what it was in 1887, notwithstanding that the grant was reduced in 1893 from \$150, to \$130. The pressure of this increase has been the more felt because the provincial revenue has been practically stationary since 1887.

The following table shows the amount of the legislative grant and of the municipal taxation for the years therein mentioned:

	Legislative Grant.	Municipal Taxation.
1886-7.....	\$ 68,330 00	
1888.....	97,051 96	\$ 226,813 00
1889.....	118,809 05	282,204 00
1890.....	118,292 97	225,089 00
1891.....	113,837 16	312,396 00
1892.....	127,036 93	262,297 00
1893.....	136,968 49	329,562 00
1894.....	140,562 68	351,963 00
1895.....	152,386 51	481,828 00
1896.....	171,546 81	472,039 00
1897.....	180,088 88	525,182 00
1898.....	201,557 00	525,000 00
1899.....	250,000 00	567,246 00
1900.....	250,000 00	(Estimated.)

For many years the Parliament of Manitoba has asked the Dominion Government to transfer the school lands to the province, and in 1898 the Government of the province urged the Dominion Government to take such action, and as a result a bill was introduced providing for the payment to the Government of Manitoba of the sum of \$300,000 out of the school lands funds, but while the bill was accepted by the Commons it was rejected by the Senate. Among the reasons specified for this rejection was, that there had been no expression of opinion on the subject, either by the people of the province or the Legislative Assembly of Manitoba. This objection has since been removed. Immediately after the action of the Senate the Parliament of Manitoba, by practically a unanimous vote, there being only two votes against it, resolved that the time had arrived when the school lands should be transferred from the Federal to the Provincial Government. Shortly thereafter a general election took place, and during the campaign both political parties pledged themselves to advocate the transference of the school lands and moneys from the federal to the local authorities. As soon as the new Parliament met in 1900 it unanimously re-affirmed the resolution already mentioned and directed the Government to take steps to bring this resolution before the federal authorities. In discharge of this duty the present memorial has been prepared.

The Government and the Legislature of Manitoba hold that Parliament never intended that the endowments should enure to the benefit of future generations only, and that the scattered settlements of to-day render the burden of maintaining the schools peculiarly onerous, more particularly when, as already shown, they are increasing more rapidly to-day than ever.

They further submit that by no reasonable construction of the Act of 1872, or of any subsequent Act, can it be inferred that it was the intention of Parliament to retain the control of these lands for all time to come. On the contrary, the resolution on which the Act of 1878 was based shows clearly that Parliament was prepared to transfer the lands to the province had they been then sufficiently valuable to be sold, and the province able to undertake their administration.

They further submit that the Parliament of Canada are merely trustees of these lands and funds, and that Manitoba being the *cestui que trust*, the province has long since arrived at a stage at which it can and ought to be entrusted with the administration of these lands and funds. It has a department fully competent to take charge of

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the lands, and as these are situated within the province its fuller local knowledge will enable it to administer them still more wisely and economically.

Finally, they submit by the true construction of the Acts creating the endowment all such moneys as are now on hand, derived from interest on sales paid into the Department of the Interior, and all permits, fees, licenses, rentals, &c, should be paid at once to the Province of Manitoba, to be applied for the purposes intended.

Accordingly the Government and Legislative Assembly of the province request the Government of the Dominion and the Parliament of Canada to provide by legislation during the ensuing session :

1. That the Government of Canada shall pay over to the Government of Manitoba the amount of money in the hands of the Government of Canada already realized as principal from the sale of school lands, and transfer to the Government of the province the full control and management of the lands not yet disposed of.

2. That the moneys now in hand, exclusive of the payments to account of the principal of the purchase money, be paid over to the Province of Manitoba.

In name and by authority of the Government of the Province of Manitoba,

COLIN H. CAMPBELL,

JOHN A. DAVIDSON.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on January 3, 1901.*

On a report dated December 14, 1900, from the Minister of the Interior, submitting that an application has been made by the Great North-west Central Railway Company for permission to acquire the land necessary for the right of way of the railway in certain school sections.

The Minister states that section 99 of the Railway Act provides that railway companies may acquire of lands vested in Her Majesty as much of such lands as may be required for the purposes of the railway on such terms as the Governor in Council may prescribe, and the practice in regard to applications of this kind for right of way through school sections has been to have the land valued and to sell the same to the company at such valuation, the authority of the Governor in Council having first been obtained.

The Minister observes that in the present instance the quarter-sections of School lands through which the right of way is required were sold by public auction at the recent auction sales held in Manitoba, subject to the reservations of the land required for the said right of way.

The Minister, therefore, recommends that the land required in these quarter-sections by the Great North-west Central Railway Company for right of way purposes be sold to the said company at the price for which the quarter-sections in question were disposed of at public auction, that is to say :

2.27 acres of S.E. $\frac{1}{4}$ of 11—14—24 W. at \$6.50 per acre . . .	\$14 75
6.16 acres of S.W. $\frac{1}{4}$ of 11—14—24 W. at \$8.50 per acre . . .	52 36
3.89 acres of N.E. $\frac{1}{4}$ of 11—14—24 W. at \$11.60 per acre . . .	42 79
Total . . . . .	\$109 90

The Committee submit the same for Your Excellency's approval.

JOHN J. McGEE,

Clerk of the Privy Council.

SESSIONAL PAPER No. 83

RUSSELL HOUSE,  
OTTAWA, January 7, 1901.

To the Right Honourable  
Sir WILFRID LAURIER, K.C.M.G.,  
Premier of Canada,  
Ottawa, Ont.

In reply to your suggestion this afternoon that the memorial presented *re* the school lands of the Province of Manitoba did not state on what trusts and conditions the Manitoba Government would, if the requests were granted, receive them, we would repeat what we personally stated to you, that we assumed the trusts of the original endowment were in full force and effect and binding, no matter which Government held and controlled the lands and moneys. However, to make the matter perfectly clear, we would agree that the original endowment should be kept unimpaired, and the earnings therefrom devoted solely to the purpose of education, and we wish to assure you that the province desires the trusts sacred and inviolate, and to use only the income arising from the lands and capital.

These terms may be embodied in the legislation transferring the lands and moneys, and if required, confirmed by legislation of the Province of Manitoba.

We would again urge an early answer on both branches of the memorial.

COLIN H. CAMPBELL,  
JOHN A. DAVIDSON,

OTTAWA, January 18, 1901.

Messrs. COLIN H. CAMPBELL and JOHN A. DAVIDSON,  
Russell House, Ottawa.

I have the honour, by direction of the Right Honourable Sir Wilfrid Laurier, Premier, to acknowledge the receipt of your letter of the 7th instant, with reference to the memorial presented concerning the school lands and moneys of the Province of Manitoba.

JOHN J. MCGEE,  
Clerk of the Privy Council.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on January 21, 1901.*

On a memorandum dated December 31, 1900, from the Minister of the Interior, submitting that the north-west quarter of section 29, township 12, range 17, west of the first meridian, was among the school lands offered for sale by public auction at Brandon, Manitoba, in the month of June, 1900, under the authority of the Order in Council of May 1, 1900, but was not disposed of.

The Minister states that application is now made to the Department of the Interior to have the said quarter-section again offered for sale, so as to afford the applicants, who were unable to purchase at the last sale, another opportunity of doing so, and he recommends that he be authorized to offer the said quarter-section, the north-west quarter of section 29, township 12, range 17, west of the first meridian, for sale by public auction during the months of January or February at Douglas, Manitoba, this place being convenient for the purpose.

The Minister further recommends that the quarter-section in question be offered at the upset price of \$5 per acre, this being the value placed upon the land when inspected in the summer of 1898.

The Committee submit the same for Your Excellency's approval.

JOHN J. MCGEE,  
Clerk of the Privy Council.

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on March 13, 1901.

On a report dated March 1, 1901, from the Minister of the Interior, stating that Judge Prendergast, the Commissioner appointed to investigate the irregularities alleged to have occurred at the auction sales of school lands held in Manitoba last year, has forwarded to the Department of the Interior for payment the accounts of the various newspapers in the Province of Manitoba for the publication of the advertisements for the sittings of the School Lands Commission.

The Minister states that these advertisements were not given to newspapers in the usual way through the King's Printer, but were sent to the newspapers by the Commissioner himself.

The Minister observes that as sittings of the Commission were held at the twenty-two points in the province at which the auction sales had taken place, it was most desirable that the widest publicity as to the date and place of each sitting should be given by the notice to that effect in the newspapers, and to accomplish this the Commissioner found it necessary to continue the advertisement in the newspapers for a longer period than that allowed by the regulations with respect to Government advertising, which provides that an advertisement shall not be inserted more than six times in a daily or three times in a weekly newspaper.

The Minister recommends that the provisions of the regulations with respect to Government advertising, which provide that not more than six insertions shall be given to a daily or three insertions to a weekly, be waived with respect to the advertisement of the sittings of the School Lands Commission before referred to and that the King's Printer be authorized to pass the accounts for such advertisements for the number of insertions shown therein, subject however, to his decision as to the amount charged being a proper one.

The Minister further states that among the newspapers to which the advertisements were given were the *Shoal Lake Star* and the *Selkirk Expositor*, neither of which is on the list of newspapers authorized to receive Government advertising.

The Minister, under the circumstances before mentioned, recommends that the insertions of the advertisements of the sittings of the School Lands Commission in these newspapers, the *Shoal Lake Star* and the *Selkirk Expositor*, be approved.

The Committee submit the same for Your Excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on April 9, 1901.

On a memorandum dated February 11, 1901, from the Minister of the Interior, stating that the north-west quarter of section 11, township 1, range 10, west of the first meridian, was among the school lands offered for sale by public auction at Crystal City, Manitoba, on the 12th June, 1900, but was not disposed of.

The Minister further states that application is now made by the Department of the Interior to have the said quarter-section again offered for sale, as the applicants were unable to acquire it at the sale held in June, 1900.

The Minister therefore recommends that he be authorized to offer the said quarter-section, the north-west quarter of section 11, township 1, range 10, west of the first meridian, at Crystal City, Manitoba, during the coming spring, on a date to be determined hereafter, the sale to be subject to an upset price of \$5 per acre.

The Committee submit the same for Your Excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.



## SESSIONAL PAPER No. 83

EXTRACT from a Report of the Committee of the Honourable the Privy Council approved by His Excellency on May 31, 1901.

On a report dated May 17, 1901, from the Minister of the Interior, stating that an application has been made by the St. Mary's River Railway Company for the land required by the railway in school sections 6 and 9, in township 6, range 21, west of the fourth meridian.

The Minister states that under clause 99 of the Railway Act, a railway company may acquire of lands vested in His Majesty as much of such land as is required for the purposes of the railway on such terms as the Governor in Council may prescribe, and the practice has been, in regard to applications of this kind, to sell to the company, subject to the approval of the Governor in Council the lands required for such right of way at a valuation made by an officer of the Department of the Interior who has valued the land, in regard to the present application, at three dollars per acre.

The Minister recommends that he be authorized to sell to the St. Mary's River Railway Company at the rate mentioned the land required for the right of way of the railway in the following quarter sections, that is to say :—

Part of Section.	Section.	Township.	Range.	Meridian.	Area in Acres.
N.E. $\frac{1}{4}$ .....	6	6	21	Wt. of 4th	0.05
N.W. $\frac{1}{4}$ .....	6	6	21	"	0.11
S.W. $\frac{1}{4}$ .....	6	6	21	"	0.21
N.E. $\frac{1}{4}$ .....	9	6	21	"	4.09
N.W. $\frac{1}{4}$ .....	9	6	21	"	4.49
S.W. $\frac{1}{4}$ .....	9	6	21	"	1.66

The Committee submit the same for His Excellency's approval.

JOHN J. MCGEE,  
Clerk of the Privy Council.

GOVERNMENT HOUSE,  
WINNIPEG, August 1, 1901.

The Honourable  
The Secretary of State,  
Ottawa.

I have the honour to transmit herewith, a memorial of the Executive Council of the Province of Manitoba on the subject of the school lands and school land fund, together with a certified copy of an Order in Council, approved May 23, 1901, recommending that the annexed memorial to His Most Excellent Majesty in Council on the subject of the school lands and school land fund be transmitted to His Excellency the Governor General with the request that the same be forwarded to the Secretary of State for the Colonies.

D. H. McMILLAN,  
Lieutenant Governor.

August 6, 1901.

His Honour  
The Lieutenant Governor of Manitoba,  
Winnipeg, Manitoba.

I have the honour to acknowledge the receipt of your despatch of the 1st instant, covering a memorial to His Majesty the King from the Executive Council of the Pro-

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vince of Manitoba on the subject of school lands and school land funds, together with a certified copy of an Order in Council, approved May 23, 1901, recommending the transmission of such memorial to the Governor General with a request that the same may be forwarded to the Secretary of State for the Colonies.

F. COLSON,

Acting Under-Secretary of State.

*(From Mr. Chamberlain to Lord Minto.)*

DOWNING STREET, December 18, 1901.

I have the honour to acknowledge the receipt of your despatch No. 253 of August 31, forwarding a memorial addressed by the Executive Council of Manitoba to the King in Council on the subject of the lands reserved by the Parliament of Canada for school purposes in that province.

2. I have given careful consideration to the memorial in consultation with the law officers of the Crown, and I am of opinion that its subject matter is not one which I should be justified in advising His Majesty to refer to the Judicial Committee of the Privy Council under 3 and 4 William IV, cap. 41, section 4.

3. The question, as it appears to me, is one of administration by the Federal Government and for legislation, if necessary, by the Dominion Parliament and not for the interference of the Crown.

J. CHAMBERLAIN.

*EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on October 31, 1901.*

On a report dated October 16, 1901, from the Minister of the Interior, submitting that an application has been made by the Canadian Northern Railway Company for permission to acquire the land necessary for a right of way of the railway through certain school sections.

The Minister further submits that under the provisions of the Railway Act, railway companies may acquire of lands vested in His Majesty as much of such lands as is necessary for the purposes of the railway, upon such terms as the Governor in Council may prescribe and the practice has been with respect to school lands to have a valuation made of the lands applied for, and upon such valuation being approved by His Excellency in Council, to sell the lands in question to the company at such valuation.

In the present instance, the school lands applied for by the Canadian Northern Railway Company have been valued as follows :—

Section.	Township.	Range.	Meridian.	Acres.	Price per acre.
					\$ cts.
S.E. $\frac{1}{4}$ 11.....	15	12 W	1st Principal Meridian.	8 14	5 00
S.W. $\frac{1}{4}$ 11.....	15	12 W	1st " "	0 34	5 00
S.E. $\frac{1}{4}$ 29.....	15	12 W	1st " "	5 91	5 00
S.W. $\frac{1}{4}$ 29.....	15	12 W	1st " "	1 27	6 00
S.W. $\frac{1}{4}$ 29.....	16	12 W	1st " "	5 70	5 00

The Minister recommends that he be authorized to sell the school lands specified in the foregoing list at the prices set opposite each parcel.

The Committee submit the same for Your Excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.

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OTTAWA, January 11, 1902.

HIS HONOUR D. H. McMILLAN,  
Lieut. Governor of Manitoba,  
Winnipeg, Man.

I beg to inclose, herewith, copy of a communication from the Right Honourable Mr. Chamberlain, Secretary of State for the Colonies, to His Excellency the Governor General, being in answer to memorial addressed by the Executive Council of the Province of Manitoba to the King in Council, on the subject of the lands reserved by the Parliament of Canada for school purposes in that province.

R. W. SCOTT,  
Secretary of State.

GOVERNMENT HOUSE,  
WINNIPEG, January 18, 1902.

The Honourable  
The Secretary of State.  
Ottawa, Ont.

I have the honour to acknowledge the receipt of your despatch, bearing date 11th instant, inclosing a copy of a communication from the Right Honourable Mr. Chamberlain, Secretary of State for the Colonies, to His Excellency the Governor General, being in answer to a memorial addressed by the Executive Council of the Province of Manitoba to the King in Council, on the subject of lands reserved for school purposes. A copy of the communication has this day been forwarded to my provincial secretary for information of my government.

D. H. McMILLAN,  
Lieutenant Governor.

















