

348. Do you know if the effect on your mill was singular, or whether there were other mills in the colony connected with the association that were in the same position and were affected similarly—that is, to largely reduce the amount of flour produced without a corresponding increase of cost?—It would do on the larger mills, but not on the smaller.

349. And, again, a small mill, where the owner of it had not secured a good trade for whatever reason, would be guaranteed by the association an output that would be larger than what it was previously getting at the cost of the successful mills?—Very likely it would.

350. So that the general average produced by the association was got at the cost of the successful millers, and consisted of an advantage given to the comparatively unsuccessful millers?—Yes, to a certain extent it was that way.

351. Some questions were asked you in regard to the price of flour and the cost of wheat: in considering any two given periods, are there any other elements that must be considered beyond the market price of wheat and the market price of flour before you can form a correct conclusion?—None other than the by-products are included with the price of flour.

352. And are not the by-products a material factor in the question?—Very material.

353. So that in making any comparison we must have, first of all, the cost of wheat, the cost of by-products, and also the price of flour?—Yes.

354. Outside the question of competition, by the amount of the price quoted for the article, do I understand you to say that, in connection with the association's dealings, there was a further element introduced in the nature of a boycott by the association making arrangements with bakers and others that they were not to take the produce of certain mills regardless of the price?—Yes; I can fairly say that from my own experience.

355. If that were so, then, the mere question of whether, in the price charged for the article, there was any undercutting would not decide the question as to whether there was fair competition or not?—No.

SIDNEY THORPE MIRAMS examined. (No. 5.)

356. *The Chairman.*] What is your occupation?—Company-manager.

357. Resident in Dunedin?—Yes.

358. *Mr. Taylor.*] Are you secretary of the Master Bakers' Union in Dunedin?—I am.

359. Have you been secretary for long?—No, only for a matter of six months.

360. And the union has been in existence longer than that?—Yes.

361. Have you the rules of your union with you?—Yes.

362. Have you a rule there similar to Rule 29 of the Canterbury Master Bakers' Industrial Union of Employers, as follows: "No member shall do any business with any miller who does not belong to the union and also to the New Zealand Flour-millers' Co-operative Association (Limited); and a purchase of flour by a member of the union from any other person or firm shall be deemed a breach of the rules, and he shall be dealt with in a similar manner as if he had sold bread at less than agreed prices"? Have you any rule to that effect?—No; we have no rule bearing on that with regard to the Flour-millers' Association.

363. What is the practice of your union—to deal with the Flour-millers' Association only?—No. Our Rule No. 23 says, "No miller or merchant shall be prohibited from supplying any baker or pastrycook with flour till said baker or pastrycook has been proved guilty of underselling, or otherwise breaking the rules of the union, when all the millers and merchants shall be notified in writing by the secretary, and must at once stop supplying the defaulting baker or pastrycook. The letter of notification to each miller and merchant shall be registered, and the receipt thereof shall be deemed sufficient proof of service." Then, Rule 24 says, "No member of the union shall do any business with any miller, merchant, or flour-salesman who has been proved to have supplied any one that undersells, whether a member of the union or not, without permission of the union in writing." In other words, members of our union can buy from whom they like.

364. As a matter of practice, do they not confine their business to members of the Millers' Association?—No.

365. From whom else do they buy?—From A. Steven and Co. I cannot mention others at present, but they have bought Manitoban flour, and I believe they have bought flour from other non-associated millers.

366. And the business with Steven and Co. is not restricted in any way?—Our members, by resolution passed, have the right to purchase their flour from Steven and Co. if they like.

367. What was the custom before that resolution was passed?—That I do not remember.

368. Why should they be given that right by resolution?—Because it was complained that Stevens and Co. were not getting a fair share of the trade.

369. Have you a copy of that resolution?—Yes. [Minute-book referred to.] "March 18, 1903.—Resolved, That the members of this union are open to do business with Messrs. A. Steven and Co., provided that firm give a written undertaking that they agree to sell flour at association rates and terms, to stop supplying all cutters, Mr. Peterson excepted, provided he sells at not more than ½d. below tariff, and that they desist from all advertising and newspaper correspondence."

370. That was the official decree of your union?—Yes.

371. When Steven and Co. left the Millers' Association, did any correspondence take place between the Millers' Association and your union with regard to Steven and Co.?—I believe there was. There was a lot of correspondence. Following up that resolution Steven and Co. wrote to us some time in August, and we replied to them. [Letter read.]

372. What I want is correspondence between your union and the Millers' Association in regard to Steven's secession?—This letter is in reply to Steven and Co.'s letter asking us for our support. Mr. Steven was verbally informed that the bakers had a free hand in the matter when he said he was not getting a fair share of the business.

373. The fact remains that this mill is doing a very small amount of business with the bakers