

mill run as a co-operative mill. On the 13th March, doubtless under the influence of threats, Mr. Gardner had written to Mr. Buchanan, of the Flour-millers' Association, "Will you please furnish us with particulars of how we should go about to join the New Zealand Millers' Association; what quantity of flour would be allotted to us per month, and where it would be delivered; also how would gristing be arranged?" Three days after the interview at the Cust Hotel Mr. Gardner telegraphed to the Trades and Labour Council stating that he had decided to join the association. He hesitated when I asked him whether the association had threatened to sell flour in his district against him; but he admitted that Mr. Allan had threatened him. Mr. Allan is one of the two original promoters, and was most active from the start in getting this association formed, and it is in evidence that he and Mr. Wood, the miller, went up and saw Mr. Gardner and had a casual conversation with him. Mr. Gardner admitted that Mr. Allan said that if he did not join the association he would come and sell flour in his district; but he would not admit that the association had said so. I wired down to Christchurch as follows, after hearing Mr. Gardner's hesitating evidence: "Shaw Billcliff, Poulson Street, Sydenham.—Gardner, miller, Cust, absolutely denies Newton's statement that he told Trades Council deputation that Millers' Association had threatened to invade his district and sell flour below cost if necessary for a year unless he joined the combine. Please see Fisher and Taylor, and wire your statement on point signed jointly.—T. E. TAYLOR." This was the reply I received: "Recollect distinctly Gardner making statement that trust would place flour in his district at less than cost, and asked what inducement Council could offer to warrant him in holding out." That is signed by Charles Taylor, Shaw Billcliff, and John Fisher. Of course, if the Committee want absolute proof of every detail in connection with pressure of this kind, all I can say is that the demand will be an unreasonable one. If I make out a *prima facie* case that undue pressure amounting to coercion has been brought to bear, then I submit I shall have done all I can reasonably be expected to do. Now, I will take another case. Steven and Co., of Dunedin, having joined the association, found that their output was restricted in such a remarkable manner—that it was thrown down from 6,360 tons to 2,160 tons a year—that they were practically only able to produce one-third of the amount compared with what they did before, and when their agreement expired they decided to withdraw from the association. They gave notice of their intention to withdraw in November, 1902, but they had to give three months' notice, and became free millers from March of this year. One would naturally expect that they would be free to do as they liked after leaving the association, but they were not. The association followed the same extraordinary tactics in dealing with Steven and Co. as with others. One thing, in my judgment, which goes clearly to show that there was undue pressure is this list which was put in showing the members of the association. The secretary of the association assured us that Mr. Evans, of Timaru, was not a member of the association. It was admitted he was originally a member of the association, but the right of his company to buy and hold shares in the flour-millers' trust was challenged, and the Court decided that under the articles of association the company had no power to invest capital in the purchase of shares, and without going into the matter of whether the association was restraining trade the Court decided on that point, and the Atlas Milling Company had to withdraw its membership. But it only withdrew its membership apparently. It will be remembered I had some difficulty in eliciting that. Up to this year it had been fully allowed that Mr. Evans had been a member of the association.

*Mr. Loughnan*: That is admitted up to the end of March of this year.

*Mr. Taylor*: After March of this year A. Steven and Co., Dunedin, were going to be free millers, and started to run their mill to turn out 6,000 tons a year, or 500-odd tons a month. On the 17th March, 1902, Steven and Co. received the following coercive telegram: "Timaru, 17th March.—A. Steven, miller, Dunedin.—Now retired from association through you and other millers withdrawing. Intend quoting nine pounds to-morrow, meantime will hold off if you, Eiby, and Jackson come in to-day on equitable terms." At the time Mr. Evans undoubtedly was as much a member of the association under the working-agreement he had with it as any man who is on the list of the association, and the market price for flour was £11 per ton.

*Mr. Loughnan*: His agreement had expired before that date.

*Mr. Taylor*: That is the difficulty. It is impossible to know at what point these free millers junctioned with the association, the methods of the association are so elastic; and if any one has read Mr. Lloyd's book in connection with the Standard Oil Company, "*Wealth versus Commonwealth*," he will recognise every lineament, every feature, of the Standard Oil Trust in this association. In that large concern in America there were actual members, associated members, and members working under one agreement and another agreement, and it was extremely difficult to know when one was working with a free man; and so it is in part with this association. A Christchurch baker named Williams, on the 4th August, 1903, wrote down to Mr. Evans—this very miller who threatened Steven and Co.—to say that he was boycotted in Christchurch, and his business was threatened with ruin. He wanted flour from the Atlas Mill, which he thought was a free mill, and received this reply: "Yours dated 4th instant to hand, and should have been replied to before, but the writer has been in Dunedin, and only returned by to-night's express. *Re* delivery of flour, we are at liberty to sell our output outside the association should we desire to do so, but have promised them we will not go outside them except they fail to let us have the output we are entitled to." It was well known amongst the millers in New Zealand that this man had bounced the association and had threatened that if it materially reduced his output and refused to allow him to sell all he produced—

*Mr. Loughnan*: That is not in the evidence.

*Mr. Taylor*: I have got it in evidence—I have it in this very letter in my own hand. I say that Mr. Evans practically bounced the association, because he threatened that if it unduly inter-