

ferred with his output he would become a straightout free miller, and with his large output he could have played havoc with the association. The letter goes on: "Just now they are trying to deal fairly by us, and we do not care to rail to Christchurch, for if we did so we would cause dissatisfaction with Christchurch millers. Have therefore for the present decline to quote for Christchurch delivery.—W. EVANS." I say that if you read this telegram to Steven and Co., in which he threatens to cut the price of flour unduly immediately Steven and Co. become free millers, in conjunction with his letter to Williams, it will be seen that it was used to further the interests of the association to try and force Steven and Co. to rejoin the association and come into line. To show that this was a threat on the part of Evans, and was a lever to force them into line, Steven and Co. protested against the telegram, and wired to Evans "Will you place 1,000 tons flour under offer at price quoted until noon Thursday?" Evans replied, "We do not desire your custom." It was bluff. Steven and Co. knew perfectly well that Evans could not sell flour at £9 without suffering ruinous loss, and he replied, "We do not require your custom." I say that these instances of Heslop, Williams, and Steven and Co. are evidence of pressure. I submit that I have brought ample evidence to show that solvent and capable men in a free country have been used by the association in this way so that its combination may be unrestricted and its method of business unchallenged. I will now take the next charge—"That unfair means have been used in Auckland and elsewhere to force free millers into the New Zealand Flour-millers' Association, such means including the sale of flour at prices fixed to render profitable trade by the Auckland and other millers difficult, if not impossible." Williams could not get flour from the Millers' Association. He could not get his ordinary quantity, but that I deal with under the Bakers' Union matter. He tried in Timaru, and Evans said, "I cannot supply you with flour, because I have a working-agreement with the association." He practically says, "I am a free man, but I am not a free man." Then Williams went to Auckland. There was this anomaly in Christchurch, where there was ample flour for local wants: that our bakers had to go abroad as far as Canada to meet their requirements, or to join an association called the Baker's Union, whose rules they protested against. Referring for a moment to Steven and Co., I want the Committee to note the fact that within sixteen days of their leaving the combine the price of flour fell by £3 a ton in Dunedin, and that that was through the action of the association there. At all events, Steven and Co. found that through the Millers' Association's action they could not sell their 200 lb. sacks of flour, which was the bakers' flour, because the Bakers' Union at Dunedin continued to work in with the association, and had an agreement with the association that it would not sell flour to any baker who broke the rules of the Bakers' Union. Through this action Steven and Co. found it necessary to open up a new market, and they specially canvassed the merchants and storekeepers, and developed a large trade in 50 lb. bags. It has been proved that ordinarily 50 lb. bags are 15s. a ton more than flour sold in 200 lb. sacks. But what happened? The association, sure of its trade for 200 lb. sacks, liberated the millers in Otago so that they might seize upon the new trade developed by Steven and Co., and the 50 lb. bags are being sold in Dunedin to-day actually at 5s. less than flour in 200 lb. sacks. That is to say, with the view of breaking up the trade that Steven and Co. had developed because of the restriction which had been placed upon them for sack flour by the Bakers' Union the millers of Otago, acting independently of the association apparently, are actually selling 50 lb. bags at 5s. a ton less than sack flour. If the Committee consider these are fair methods of trade I shall be very much surprised. I do not think they will admit that they are.

*Mr. Buchanan:* You say that these free millers are answerable for the association?

*Mr. Taylor:* You cannot distinguish between the two. These men are in the association and out of the association. They are in the association for 200 lb. sacks, and out of it for 50 lb. bags.

*Mr. Loughnan:* Not Mr. Evans.

*Mr. Taylor:* That is the position. I have proved that Mr. Evans is both in and out of the association, and you never know when you have him. I have already given you evidence on charge No. 6, as far as Steven and Co. are concerned, and if you turn up the evidence given by the secretary of the association you will see that he admitted that the association had been a party to the sale of flour at less than market value for trade purposes to meet the opposition of the Auckland roller mills. I say that no man carrying on a legitimate trade has a right to be systematically attacked by a combination that will take a course of action with a view to ruining his business, and they admit making that attack. Charge 7—"That the association has refused to sell flour to bakers who refused to charge for their bread the price fixed by the Bakers' Union, with which latter union the New Zealand Flour-millers' Association had a working-agreement": The association will now tell you that there is no such agreement—that it ceased to operate a long time ago—and that is partly true. I have the rules of the Canterbury Master Bakers' Union, and these rules at the present time exist, but the combination between the Master Bakers' Union and the Flour-millers' Association appears to have been broken. These are the rules, however, they did work under for some time. Rule 9 says, "All millers belonging to the union shall be members of the committee. Rule No. 11 says, "A price and appeal committee, consisting of three millers and three bakers, shall be elected to hold office for twelve months, and shall be elected by ballot from the whole of the members of the union, their duties being to determine the price of bread from time to time and settle any disputes that may arise. The chairman of all meetings to be a miller." So that when that price committee was operating it was really a millers' committee, the millers having a majority on it. They had a majority of two votes on that committee. Rule 29 says, "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