bring the millers and bakers of the colony into combination; and, thirdly, that a monopoly is about to be effected, and that the output of the mills is limited.

Now, the first thing I ask the Committee to consider—and it is really the factor that governs the whole position—is whether the public has been exploited. I put in a list of the actual prices for flour per month compared with the price of wheat. Mr. Wood put the list in originally, and Mr. Aspinall said that he had compared the prices with that of other mills, and that they were the actual figures and buying-prices. In the year 1898, when there was no association in existence, the difference between the gross selling-prices of the manufactured article and the raw material at per ton rose to over £3 on eight different occasions. The monthly records for that year are—January, £2 2s. 9d.; February, £2 4s.; March, £2 12s. 9d.; April, £3 10s. 3d.; May, £3 19s.; June, £3 13s. 6d.; July. £3 4s. 3d.; August, £3 6s. 3d.; September, £3 4s. 3d.; October, £3 5s. 6d.; November, £3 2s. 6d.; December, £2 6s. 3d. In the following year, 1899, there are instances of prices reaching up to a difference of £3, but not in any one single month since the association came into existence has the difference between the raw material and manufactured article reached £3. As against this position Mr. Taylor produced Mr. Dall, who said that the association put up the price of flour out of proportion to the price of wheat. I asked Mr. Dall if he had any figures, and he said, "I have in my books." I asked him if he was in a position to give any figures at all to substantiate his statement, and he said, "No, I am not," and that is the whole of the adverse evidence on the point. Mr. Taylor, in his eloquent and exhaustive address has not said anything about these prices, and I take it that he must have accepted the prices contained in Mr. Wood's return. They are not contradicted, and they show that from the consumers' point of view the price of flour has been less in proportion to the cost of the raw material since the association was formed than it ever was before. I submit that that governs the whole position.

However, I must follow Mr. Taylor through his details; and, of course, his main charge is that of coercion, and he has rallied all his forces round that charge. He has put all his strength underneath it. The first thing that appears to be curious, and surely inconsistent in Mr. Taylor's position is this: that he seems to think it is a monstrous thing that millers should run each other in their prices, whilst he objects to the association because it was designed to stop cutting. He contends that it is a monstrous thing for individual millers to begin cutting each other with the object of bringing every one into the association. He wants to produce a system of cutting—that very system, in fact, which the association aims at stopping—but because it came into effect again immediately upon the association breaking up in March last, when so many of its members seceded, he complains and calls it coercion. Mr. Taylor does not prove that this cutting of prices, which certainly took place in Dunedin, and has been taking place all over the colony since, is a new thing. As a matter of fact, the prices have been cut for years past in the milling trade, and the only way by which millers could succeed in making profits was by speculating in wheat—by making large hauls when wheat was cheap, and profiting by the rise in the market. I propose to take, first of all, the case of Steven and Co. That is the main charge, and Mr. Taylor's evidence is brought from all parts to bear upon that particular contest going on in Dunedin as proving coercion upon Steven. The first thing to consider is this: what is the weight of evidence as to who started the cutting? Mr. Taylor has put in that telegram from Mr. Evans, and has well described it as a "bluffing" telegram. It is well that the Committee should understand the position of Mr. Evans. He first came into the association as a straightout member in 1901, but found that the articles of association of his company did not allow of his continuing membership straight out. He then entered into an agreement. That agreement I can put in or forward to the Committee. It is on all-fours with the agreement signed by all other millers. His mill was tested, his capacity was ascertained, and he worked on that capacity just as other millers did, and he signed the ordinary agreement. The letter he wrote to Mr. Williams, and which Mr. Taylor read, was read for the purpose of establishing that Evans had a special agreement under which he could produce as much flour as he liked out of his mill. That is not so. Mr. Evans in his letter was referring to this: that so long as the association sold for him his tested capacity so long was he bound under his agreement. That was what Mr. Evans's position actually was—he was under a firm written agreement to produce a certain amount, and he was under penalties if he sold over that amount. At the end of February last all these agreements, including that of Mr. Evans, came to an end. Every miller's agreement determined on the 28th February of this year. Evans's and Steven and Co's agreement fell in on the 28th February, and Steven and Co. gave notice that they were not going to continue in the association. Mr. Evans was not at all singular; he was one among many. Still, dealing with Steven and Co.'s case, Mr. Dall in his evidence gives the reason as to why they went out. He says it was because they wanted to get their full capacity running twenty-four hours per day. It must be obvious to everybody the advantage it would have been to Steven and Co. for the association to have continued independently of them, and to have fixed a price that would have enabled Steven and Co. to sell under them. Steven and Co. were in competition with other mills in Dunedin up to that point, and it is quite obvious that Steven and Co. went out because they hoped to reap the advantages accruing from the association without any of its disadvantages, and they were very disappointed when they found that other millers—perfectly independent men—were not going to stand that. Among these mills their principal opponent was the Crown Mills. Mr. Evans practically said, "My neighbours, the Timaru Milling Company, who have as large a capacity as myself, and Steven and Co.'s mill, with the same capacity as the Crown Mills in Dunedin, are going to stand out of the association, and I must stand out also and fight them." He sent the bluffing telegram that has been referred to, and Steven and Co. replied with an equally bluffing telegram; and then prices began to be cut. In regard to these cutting prices Mr. Taylor tells us in accents really of horror that flour fell £3 a ton without any corresponding fall in the price of wheat. What happened in January of this year? Wheat stood at 5s. 4d., and it fell to 3s. 10d. per bushel by April. Now, 5d. a bushel in wheat