

means £1 a ton in flour, because it takes 48 bushels to make a ton of flour and its corresponding proportions of bran and pollard. The fall in wheat made a difference of exactly £3 per ton in flour.

*Mr. Taylor* : It fell £3 in fifteen days.

*Mr. Loughnan* : Of course, partly because the competition among the millers brought it down and partly because of the sudden drop in wheat. But it is a very unjust statement for Mr. Taylor to make that the price fell without a corresponding fall in the price of wheat. Then commenced a system of cutting. The resolutions and correspondence of the Dunedin Bakers' Union Mr. Taylor asked the Committee to read, and I will ask the Committee to read them also. From these the Committee will find that early in March the Dunedin Master Bakers' Union passed a resolution that they would remove an embargo that had been placed upon Steven and Co.'s mill, and that their members could deal with Steven and Co. We had Mr. Laurenson, president of the Bakers' Association, before us, and he explained what had taken place previous to that resolution. He said that the union had resolved not to take Steven and Co.'s flour because they had been supplying some cutting bakers. Then, Steven and Co. arranged the matter with the Bakers' Union and promised that they would not supply cutting bakers, and upon that the Bakers' Union passed the resolution enabling their members to take Steven and Co.'s flour. But Mr. Laurenson explained that the union could not control its members, and that some of the members had reasons—some personal and some trade reasons—for not dealing with Steven and Co. A deputation waited upon Steven and Co. in August and pointed out what these reasons were, stating that certain bakers did not want their flour, and would not take it. That is the actual position. Every witness who has spoken on the subject denies that there was any connection between the action of the Bakers' Union in Dunedin and the Millers' Association.

*Mr. Taylor* : Mr. Laurenson admitted it by saying that there were frequent conferences.

*Mr. Loughnan* : There were frequent conferences, and there was an arrangement relating to the supply of cutting bakers, but Mr. Laurenson had pointed out that the same arrangement which existed between the Master Bakers' Union and the Flour-millers' Association in Dunedin existed between that union and all the free millers, including Steven and Co.; and he is supported on that point by Mr. Evans and Mr. Reilly, and they are both free millers. From the 1st March Mr. Evans was just as free as Steven and Co., and Mr. Reilly has never had any connection with the association. He continued throughout the whole contest to deliver flour, which was accepted freely by the Master Bakers' Union, and so did Mr. Evans. Now, how do these facts tally with Mr. Taylor's charge that the Bakers' Union had cut off their custom from all millers except the associated millers? The members of the union were being supplied by two of the largest millers down there—by Mr. Evans and by Mr. Reilly—and they continued to take their flour from them all the time. That is the position of the Dunedin trade up to that point when Steven and Co. commenced to force the sale of their increased output into the market. Mr. Dall tells us that they started a special trade in small bags. What followed, of course, was that their neighbours in competition with them followed them in that trade, and the associated millers found that at the associated prices they could not keep up with Reilly, Evans, and Steven and Co. They were running one another in the small-bag trade, and the associated millers found that they had either to lose their trade or ask the association to free them. The barrier was at their request raised, and the association practically retired from the competition and allowed the free millers to fight it out, and that is practically what they have been doing ever since. Now, we come to the next illustration in support of the charge—that of Mr. Gardner. We have had Mr. Gardner before the Committee, and he tells us that Mr. Allan, in talking to him and urging him to come into the association, said that unless he did he would run him in his own district. The first thing to be noticed in that connection is that if Mr. Allan made that statement—and it is not contradicted, and we must assume that it was made by him—it is perfectly obvious that Mr. Allan was doing what Mr. Evans had done on another occasion—that was, simply "bluffing." He was bound by the association to sell his flour through the association. The association has only one price for its flour, and the association could not, under the terms of its agreement and articles, have gone into Mr. Gardner's district and undercut him. Mr. Allan could not have gone there and supplied flour cheap, because he is bound to supply flour through the association on the same terms and at the same prices as others; consequently Mr. Allan's threat is only Mr. Allan's threat, and is worth very little. The effect on Mr. Gardner is told by Mr. Gardner himself. He says that it had no effect at all—that he came into the association without any pressure whatever, and surely he is the best judge of what took place. However, there is a possible explanation of Mr. Gardner's attitude with regard to the delegates who went up from Christchurch to see him as representatives of the Trades Council—this explanation seems to me to be a very reasonable one. Mr. Gardner wanted to sell his mills, or he wanted to get some guarantee that his output would be taken by the people represented by the delegates. He wanted to persuade them to start a co-operative flour-mill, and was, of course, playing upon their susceptibilities by suggesting that bread was going to be put up in price by the association. Mr. Gardner, in effect, said, "If you do not buy my mill and make arrangements for taking the whole of my output I shall be forced into the association, and then you will find that the price of bread and flour will go up." He was trying to sell his mill and to induce these gentlemen to buy it, and we are indebted to them for showing us that such was the case. Now, with regard to Mr. Heslop, the position Mr. Heslop was taking up is equally obvious. He had entered into an arrangement with the Working-men's Co-operative Society in Christchurch to supply them with a certain quantity of flour for forward delivery at a fixed price. The price of flour went up, and he entered into an agreement with the association which has been described by Mr. Jameson. It was simply an arrangement under which the association sold his output, collected the money, and charged him 5 per cent. He was under no restriction whatever