

effect is what we are dealing with, and not any carefully disguised resolutions of your union. We would much prefer that you said openly that your union had resolved not to purchase our flour because we had withdrawn from the millers' trust. We would again ask a plain, straightforward answer to this question, as then we would know definitely the position and how to act to meet the case.—Thanking for an early reply to this, we remain, yours, &c., A. STEVEN and Co." If there was no boycott, why was that letter written to each individual member of the union stating that he was now at liberty to deal with A. Steven and Co. if he so desired.

323. That was the beginning of the trouble—that correspondence?—Yes.

324. The association was cutting the price on you, you say?—Yes.

325. And yet in your letter of the 14th March you quoted prices lower than the association, did you not? You told the master bakers that your article was as good as that of the other millers in the association and the price quite as low, if not lower?—Yes.

326. And have you not been quoting lower prices ever since?—I absolutely deny that we have quoted lower prices ever since. I say that the association have gone below our prices. We never touched them at £9 f.o.b. at Lyttelton.

327. Do you say that that is the only time you have offered to sell below the association?—At that particular time we might have done it cheaper.

328. Who commenced the cutting—you or the association? Did they cut before you wrote that letter?—Yes.

329. When? Do you not say that you will sell lower to the bakers than the association will?—It is a general term in the letter; there is no quotation to the general secretary.

330. You say that the price the association did fix was satisfactory, and you go on to say that you developed a trade in small bags with the merchants, having been driven away by the bakers?—Yes.

331. Then, you say that liberty was given to a certain number of its members to take a free hand and give you orders if they chose?—Yes.

332. And so it is individual competition between the millers in Dunedin to get the small-bag trade?—Well, it is an extraordinary position for a miller to sell small goods himself and the 200 lb. bags through the association. There was no other construction that we could put upon it.

333. Your objection is that they tie people's hands and would not let them loose, but when they let them loose your objection is that they did not tie their hands and let you run that small-bag trade of yours?—Not at all.

334. Well, please explain why you object to the association not restraining individual millers from cutting into your small-bag trade?—I am not objecting to it. All I am pointing out is the methods of coercion practised by the association to force A. Steven and Co. to rejoin the association.

335. What has the association got to do with the individual action of certain millers in your district in running the small-bag trade in opposition to you?—Everything to do with it, because formerly the small bags were sold through the association, and then suddenly they were taken out of the association's hands, and each miller allowed to vend them himself. I am speaking of facts that I do know.

336. Is it not a fact that the millers who are cutting in now have been cutting you during the whole of your existence down there? Have you not always been trying to cut each other for the purposes of trade?—I take it that that is the general rule in business.

337. What is the difference now?—The difference is that formerly there was a profit, and now there is none.

338. That is because the cutting has become a little sharper?—Quite so.

339. And the cutting is done by individuals outside the association?—We have never known whether they are in the association or not.

340. Do you not know this: there is a loss on that small-bag trade? Who is standing the loss, the individual miller or the association?—I do not know.

341. If you satisfied yourself that it is the individual who is making a loss, and not the association, then you would admit that the contest is purely one as between individuals?—I cannot; because, if the miller is losing on the small bags and making it up through the association, the association is supporting him.

342. With regard to the returns of the outputs, while you were in the association did you not receive every month, the same as every other miller did, a return of the sales during the month, and the supplies by each miller in the association—that is to say, the amount supplied, the amount over-supplied, and the amount under-supplied, including every mill in the colony?—We did get that return, but Mr. Jameson told me personally that the returns were not reliable.

343. *Mr. McNab.*] When you joined the association, I understood you to say, your output per month fell off from 530 tons to 180?—That is about it; but I will have to qualify that somewhat. That would be a correct quota, possibly; but, as I understand, we were over-delivered sometimes, and we had to buy the undelivered amount from other mills.

344. To what extent would that affect the cost of production in your mill per ton?—I could hardly tell you that without going into it thoroughly.

345. Could you give the Committee a general idea?—Possibly it would be from 5s. to 7s. 6d.

346. It would mean that the cost of production per ton of flour would be increased from 5s. to 7s. 6d.?—Yes, I should say so.

347. Would the advantages which the association claim they gave you, and which are alleged to be comprised in the guaranteeing of debts, a better system of selling, and, covering interest on the idle plants, amount to from 5s. to 7s. 6d. per ton on the flour you turned out?—Yes, I should say so. I am not speaking definitely on that, because without going into the figures thoroughly I could not say; but I should say from a casual glance that that would be about it.