

52. Supposing a capable business-man with a good bakehouse declares that he can sell bread at 5½d. per 4 lb. loaf over the counter when flour is £10 10s. per ton, and make a handsome profit, would you dispute that?—No, not if he sold over the counter and did not book a loaf. I would require 6½d. to sell a similar article for delivery.

53. You say it requires 1d. a loaf to deliver?—Yes.

54. The bakers' conference at Auckland have decided that with flour in Christchurch at £9 10s. a ton the price of the loaf shall be 6½d.?—That is their opinion, and they are not far out of it. It should be nearer that than 6d.

55. That covers the baker substantially?—Yes.

56. With flour at £9 10s. formerly, you have delivered bread at 5½d.?—No, 6d. delivered; and to meet the undercutters I am selling it at 5d. over the counter to keep my connection together.

57. With flour at what?—£9 10s., subject to discount.

58. You did not sit on the price committee?—Yes, on every price committee.

59. Which of the Mr. Woods was the miller who sat on that committee?—Mr. Henry Wood.

60. The young Wood?—Yes; the head of the firm.

61. Did the price of bread always follow the price of flour?—When flour went up bread went up, and when it went down bread went down. Our practice was not to increase or lower less than ½d. on the 2 lb. loaf. It would be 1d. on the large one.

62. And if a fall in the price of flour justified a fall of ½d. in the large loaf you would ignore that?—Yes.

63. You still have a price committee?—I do not think we have since the millers resigned from it. We determine the price now through the general committee of our association.

64. Rule 29 of your association 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 than agreed prices"?—We have not acted upon that for some time now. We have ignored all those arrangements.

65. But these are the last rules?—Our arrangements with the millers were settled long ago.

66. You are still working in harmony with the Millers' Association?—Yes; but they are not members of our price committee. We are not acting upon that Rule 29 now.

67. Supposing the Flour-millers' Association were covering all the millers of the colony, as they aim at doing—at the annual dinner of the Millers' Association the president declared that a few months would see all the millers in New Zealand belonging to the association—do you think that would be a good thing?—I do.

68. If that came about it would be almost impossible for a baker to be an undercutter?—I think so, and I should be very glad.

69. And no baker would be able to fix his own price for bread, because it would be fixed by your union?—Yes.

WILLIAM EVANS examined. (No. 16.)

70. *The Chairman.*] What are you?—A miller, of Timaru.

71. *Mr. Loughnan.*] You are a flour-mill proprietor?—I am managing director of a milling company.

72. You have a large mill at Timaru?—Yes.

73. And until recently you had another mill at Dunedin too?—Yes.

74. Which was recently sold?—Yes.

75. You were at one time largely engaged in the export flour trade?—Yes.

76. Where to?—The Australian Colonies and South Africa.

77. When did that trade to Australia cease?—Some years ago, when the duty was put on the flour.

78. That was about 1900, was it not?—Before that.

79. Was there no export trade in 1900?—I think we sent away about 1900 tons to Durban at that time.

80. At the present time production for export purposes is practically at an end?—Yes.

81. The association came into existence in 1901?—Yes.

82. Since then has there been any export trade?—Not any for flour.

83. You were a member of the association at one time?—Yes.

84. Then, the decision of the Court of Appeal was given to the effect that, according to the articles of such companies as yours, you were *ultra vires* of your articles in being a member of such an association?—Yes.

85. And then you entered into a working-agreement with the association?—I did.

86. Putting yourself as far as possible on the same level as the members of the association?—Yes; the association sold our output.

87. On the same terms with regard to the capacity of your mill as the other members were on?—Yes.

88. In March of this year your agreement ran out, and you did not renew it?—That is so.

89. And since then you have been a free miller?—Yes.

90. What was your reason for standing out?—My reason was that our neighbours had not come in. In Timaru we were not members of the association, and in Dunedin Steven and Co. and others did not come in, so we stood out in order to be in a position to compete with them.

91. Have you been competing with them ever since?—Yes.

92. In Dunedin?—In Dunedin and Timaru.

93. We have no evidence as to any coercion in Timaru, but it has been suggested in evidence