

in their report, "Whilst the policy of 'cutting' prices obtains, it is out of the question to expect substantial profits." On their Revenue Account they show a balance of £3 9s. 10d., showing that they were not making much out of it.

147. You do not assert that the absence of profit was due to their baking account?—I am told that it is, but I cannot say positively.

148. Did you not first of all refuse to supply them with flour at all?—I say that we did.

149. How long did you refuse to supply them?—For a week—possibly two weeks.

150. Then, why did you remove the restriction?—We thought it was advisable to sell our flour when the cash was tendered.

151. Was that change in the policy of the association not made in consequence of the agitation that was carried on in Christchurch against you?—No.

152. Was not the policy of your association discussed publicly?—It was.

153. That had nothing to do with the altered policy?—No.

154. Coming back to the connection between your association and the Master Bakers' Union, were there not relations existing between that committee and your association in fixing the price of bread?—The Millers' Association had nothing to do with the bakers in fixing the price of bread.

155. But they were connected through members of your association with the price committee?—Millers were appointed by the Bakers' Union to sit on the price committee, but they were not there as representatives of the association.

156. Have you any letters that passed between you?—The only understanding we had with the Bakers' Union was that at one time we would not supply flour to people who were cutting the price of bread.

157. And the fair price of bread was to be determined by a number of your members and an equal number of bakers of the price committee: was there not to be an equal number of bakers and an equal number of millers on that committee? Do you know whether that was the actual fact?—The Bakers' Union decide the price of bread, the association never had anything to do with it.

158. Have you seen rule 11 of the Bakers' Union, which provides: "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"?—That has nothing to do with the association.

159. Did you know that such a rule was in force with the Bakers' Union?—Yes.

160. Had you any objection to the rule?—Certainly not.

161. Have you any correspondence referring to that?—On the 27th March, 1901, there is a letter addressed to Mr. Macarthy, as follows:—"DEAR SIR,—I have to acknowledge the receipt of yours of the 20th inviting representatives from this association to meet your union to discuss general trade terms and other matters. We would be pleased to do so, but at present our time is very fully occupied in getting matters arranged in connection with our association, and would suggest that meantime you get Mr. Virtue, our local agent, to meet you. He could then forward your views to us, which would then be fully considered by my directors. I might, however, state that it is the earnest desire and object of this association to further the interests of the milling and kindred trades, and the members of your union can rest assured that we will do everything we reasonably can to assist the bakers if they do the same towards us.—I am, &c., THOS. MEEK, Managing Director." Here is another, dated May, 1902.

162. Did Mr. Virtue see the Federated Association?—I could not tell you that.

163. Had you a report from Mr. Virtue?—I cannot remember.

164. Can you not tell us whether anything came of the negotiations?—I believe it was understood the association was not to supply cutting bakers, but it was done before I joined the association.

165. In any case, your association fell in with the suggestion?—We did not fall in with the suggestion. We refused to supply in one or two cases.

166. Did you fall in generally with it or not?—No.

167. In what terms did you convey your decision on the matter—had you any correspondence, or was it verbal?—It was generally verbal, I think.

168. Did you have any difficulty in supplying Mr. Hopper with flour in Christchurch?—No.

169. Did you ever refuse him supplies?—I do not think so. He quarrelled with our agent in Christchurch, and we did not supply him for some time.

170. Do you know what happened in Wellington with regard to an application by bakers for flour—whether any of the supplies were cut off?—We did not refuse to supply any one in Wellington with flour.

171. Do you know whether your local agent refused to supply Mr. Beynon with flour?—Our agent would not refuse to supply any one with flour if he thought he was able to pay for it.

172. Now, with regard to Dunedin, what has been the policy of the association there?—To sell as much flour as we possibly could.

173. Specifically with regard to Steven and Co., did you take any special steps to cope with their competition?—As they reduced their prices we followed them to their level as nearly as possible.

174. Would you have reduced your price to a non-paying point to meet their competition?—I am not bound to answer as to whether we might have done that or not. I cannot say what would be done under a certain set of circumstances. When they reduced their price we reduced ours.