

12. This is another arrangement outside your association?—Mr. Heslop asked us to sell his flour for him, and we sold it, and charged him the commission.

13. Do you sell everything he produces?—I do not know. He is free to do absolutely what he likes.

14. Did you on any other occasion supply any other brand of flour to Mr. Heslop's customers?—Only on that one occasion.

15. Was that inferior flour?—We have only flour that is of first quality.

16. Then, if Mr. Wood, one of the associated millers, says that you sold inferior qualities of flour at cutting prices in Auckland, would he be wrong?—I say that the rules of the association are against it.

17. If Mr. Wood says that your reason for selling flour in Auckland at less than the prices charged elsewhere by your association was because it was inferior, he would be wrong?—It might apply to Auckland, because the millers are free to do as they like in Auckland.

18. *Mr. McNab.*] I understood you to say that Mr. Heslop was not a member of the association?—He is not a member of the association.

19. In August, 1902, was Mr. W. Evans a member of the association?—He was working under an agreement with the association.

20. Was he in the association?—He was not a member of the association, simply for this reason: that the Court of Appeal held that he could not be a member.

21. Was he working under an agreement with the association?—He was.

22. You therefore had, in addition to your membership of the association, a class of miller that was working with you, is that not so?—We had two cases of millers working in that way.

23. They formed a class that was working with you?—Yes.

24. They were not members of your association, but were working with you?—Yes; the Timaru Milling Company and the Atlas Milling Company. But the Atlas Milling Company and the Timaru Milling Company could not join because the Appeal Court held that they could not hold shares in the association, but they acted in the same way.

25. Is this statement in the Atlas Milling Company's letter correct: "We are at liberty to sell our output outside the association should we desire to do so, but have promised them we will not go outside them"?—I believe it is quite correct.

26. And to the second mill that you referred to as being on the same footing, would that remark equally apply?—The Timaru Milling Company's agreement was exactly the same as W. Evans and Co.'s, except that they had a right to sell wherever they liked.

27. What was the difference in the arrangement with the second one as compared with W. Evans and Co.?—W. Evans and Co. sold their flour through the association, while the Timaru Milling Company sold their own flour.

28. Does this part of the letter apply to them: "We are at liberty to sell our output outside the association should we desire to do so, but have promised them we will not go outside them"? Would that apply to the second agreement?—No; the Timaru Milling Company sell their flour to whom they like.

29. Then, what was the nature of the agreement which put them in the same class with the Atlas Milling Company?—The agreements were exactly the same, with the exception that one company sold their flour to whom they liked and the other company sold through the association.

30. And there were agreements entered into with those two companies?—Yes.

31. Have you copies of the agreements with you?—No; they are not in existence now, because they came to an end on the 28th February last.

32. What was the point you had to have an agreement on in regard to the second company if they were not members of your association and had not given any promise which prevented them selling outside of you?—They sold at our prices and on our terms.

33. *Mr. Rutherford.*] Did Mr. Williams ever complain about the quality of Richard Evans's flour supplied to him through Heslop?—I believe he did on one occasion.

34. And did other bakers occasionally complain?—Yes.

F. WILLIAMS examined. (No. 2.)

35. *The Chairman.*] What is your full name?—Frederick Williams.

36. What are you?—A master baker.

37. In business for yourself, or are you connected with any association?—I am in business for myself.

38. *Mr. Taylor.*] How long have you been in business in Christchurch?—About fourteen years.

39. Have you a pretty large establishment?—Fairly.

40. How many men do you employ?—Six.

41. Including yourself?—No.

42. I think you have one of the best-equipped bakery-shops in Christchurch?—Yes.

43. Do you remember the Flour-millers' Association being formed?—Yes.

44. Was there a Bakers' Union before that association was formed?—They were formed about the same time.

45. Did you join the Bakers' Union?—Yes.

46. Before the Millers' Association was formed had you any difficulty at any time in purchasing your flour or in getting supplies?—None whatever.

47. You say you did join the Bakers' Union?—Yes.