

"That the Millers' Association has striven to establish a monopoly in the flour-milling business in New Zealand, and within certain areas has succeeded in doing so." On this point I want to point out that we have a list, put in by Mr. Jameson, giving the names and addresses of the associated millers. On the surface, if handed to any member of the Committee without any knowledge of what has been elicited from witnesses, he would assume that that represented all the mills which were operating in conjunction with the Millers' Association; but, as a matter of fact, it does not, and it is as misleading a document as it can possibly be, and I am going to prove it. Mr. W. Evans, of Timaru, is not in this list, and Mr. Heslop, of Irwell, also is not in this list. I asked Mr. Jameson, when he was giving evidence, whether Mr. Heslop was connected with the association, and he replied that he was free to do absolutely what he liked. At the first blush one would take that answer to be straightforward and conclusive.

*Mr. Jameson:* So it is.

*Mr. Taylor:* I will let the Committee see whether it was. Mr. Heslop owns a small mill at Irwell, and we are told by the secretary that the association was collecting his accounts. Now, this is the history of the matter: Mr. Heslop is said by Mr. Jameson to be free to do absolutely what he likes. There are a certain number of mill-owners that are openly members of this association, but there are certain other mill-owners that have working-agreements with the association—how many I do not know—but the working-agreement is just as effective for all public purposes as the straight-out membership. The Christchurch Working-men's Co-operative Society ordered from Mr. Heslop 6 tons of flour. On the delivery of 2 tons of them, Mr. Heslop wrote: "Irwell, 22nd November, 1902.—Mr. Woodfield, Working-men's Co-op.—*Re* yours of 21st for pollard and bran, I cannot now supply you. I have joined the Millers' Co-op., and any orders must now be through them. I have come to the conclusion that it was the best thing for me to join the association." Now, if the association had desired that the Committee should know exactly what Mr. Heslop's position was, why was an effort made to induce it to believe that he was free to do absolutely what he liked? On the 28th November, 1892, the secretary of the Working-men's Co-operative Society wrote to Mr. Heslop, "Yours of the 22nd to hand, which came as a surprise after the conversation we had only a few days previously, and while we see no advantage to yourself and much to the other party, we recognise that you have a perfect right to please yourself in the matter. Kindly send the 4 tons which are still needed to complete our 6-ton order," to which Mr. Heslop replied on the 29th November, 1902, "Your letter just to hand asking me to send 4 tons flour. I cannot send any more orders unless through the association. Try them, and if they allow me I will send you what I can." How on earth Mr. Loughnan will reconcile a straightforward statement in writing like that, obviously not intended to mislead any one, with Mr. Jameson's statement that Mr. Heslop was free to do absolutely what he liked and was not a member of the association, I do not know. Then, the Working-men's Co-operative Society threatened to take proceedings for breach of contract. On the 13th October—just prior to his letter announcing his joining the association—Mr. Heslop was selling flour to Mr. Williams, baker, Christchurch. He writes to Mr. Williams as follows, "I will send to you on Wednesday sixty sacks of flour. The fifteen sacks you sent me have arrived. I don't know how I will act yet in regard to the Millers' Association. They have, or rather Trapnell," [Mr. Trapnell was a member of the association according to the list put in] "one of them, has threatened to make prices so low that if done will either force me in or shut my mill for a time, as at the price of wheat I cannot sell less than £10 10s. 2½ per cent. off. He, Trapnell, says the association are going to help him to run me off. However, I will let you know as soon as I can how it will affect me." How many more letters of this character there are in the colony I do not know, because I have not interviewed the millers to see what steps have been taken to force them into the association. How it did affect Mr. Heslop is very clear, because within a month he notified that he had joined the association, and members of the Committee will remember that when I was examining the secretary of the association I had great difficulty in getting anything like a straightforward answer concerning Mr. Heslop's connection with the trust. In the list put in I have the name of Mr. Gardner, of the Cust, as a member of the association, and Mr. Gardner's joining the association indicates that undue pressure was put upon him by the associated millers or members to get him into the association. The association naturally realised that a small free mill upset its plans. The mere fact of two bakers getting out of line with their union, and two or three mills standing out of the association, meant that the power of the association was challenged. This man Gardner got into communication with the Trades and Labour Council about his position. He drew attention to the fact that the area within which he could trade was being restricted by the association, and he wanted to know whether the Trades and Labour Council could not arrange some way by which they could keep him going, and an interview was arranged for. Writing to Mr. Wilson on the 8th March, 1902, he says, "Yours of the 6th instant to hand, and contents carefully noted. From the first we decided to stand out from joining the Flour-millers' Co-operative Association, and are no more inclined to join now than we were formerly. We wish to offer our thanks to your Council for its assurance of assistance, and should the necessity arise we will ask you to assist us in keeping our stand." That was on the 8th March, 1902. On the 23rd March, we have it in evidence that Mr. Gardner met a deputation of four members of the Trades and Labour Council—Mr. W. Newton, Mr. S. Billcliffe, Mr. Charles Taylor, and Mr. J. Fisher. These gentlemen drove out to the Cust on the Sunday, and had an interview with Mr. Gardner about his position. They allege that at that interview he said he was in great perplexity as to what he ought to do, that he had been threatened by the association that if he did not come in and work with it they would sell flour in his district for a year at cost-price, with the view of shutting him up. I may say Mr. Gardner worked the northern district of Canterbury, serving Oxford, Cust, and other places adjacent to his mill. The deputation said they could not commit their council to anything, but would see what could be done in the way of getting the