

than agreed prices." Those were the rules fixed by the Bakers' Union. Now, how did they work out? They said to the Millers' Association, "We will not buy flour from you if you sell to any baker who does not belong to our union"; so that it was within their power to fix an unduly high price for bread, and there was no escape from it, because by their rules they could control the millers as well as their own members. Mr. Laurenson, president of the Dunedin Bakers' Union, admitted that they had been working under the rule that the union would not buy flour from millers who supplied cutting bakers, and he also admitted that if a man had business ability and modern plant, and was able to sell bread at a substantial profit at 1d. the 4 lb. loaf less than the union price, a miller would be justified in refusing to sell him flour, and the union would force the millers to that course. That is to say, he thought the millers would be justified not only in restricting trade, but in refusing to sell flour to a most capable man by their arbitrary action. The Committee will find in the evidence correspondence bearing on that point, and backing it up. Then, to show how the interests of the Bakers' Union and the Millers' Association in Dunedin were combined, you will find in the evidence that just after Steven and Co. notified their intention to become free millers certain millers in Otago—who, as official members of the Millers' Association, were presumably acting with the association—made a present of a fifty-pound cheque to the Bakers' Union at Dunedin, Mr. Laurenson says, because they were in financial difficulties and wanted help. I put it to the Committee that that is a suspicious fact, and I shall ask the Committee to believe that it was directly a bribe from the millers to the Bakers' Union, in order that they should remain loyal to the associated millers as far as sack flour was concerned and leave them free to fight Steven and Co. later on in regard to the special trade that firm might develop to get rid of their flour. I do not propose to read the correspondence between Steven and Co. and the Bakers' Union, but it is in evidence, and it is most instructive. The Committee will find that there was a clearly defined boycott instituted against Steven and Co., which the bakers only made a pretence of raising when Steven and Co. wrote to the Bakers' Union threatening to open a bakery on their own account if the union refused any longer to buy their flour at market rates. My next charge is "That the Flour-millers' Association has taken unfair advantage of its power to attempt to force free bakers into union with its ally, the Master Bakers' Union, in exploiting the public," and I shall very briefly prove to the Committee that such was the case. One of the most capable bakers in Christchurch—I think I am right in saying he is the largest baker in Christchurch, because he employs six men besides himself, and has a very fine bakehouse—I refer to Mr. Williams—says that he belonged to the Bakers' Union, but left it because they refused to let him have two prices. He has a counter cash price, and they would not allow him to charge less for his counter trade than the price the members of the Bakers' Union charged for delivery. He argued that the most profitable trade is the cash counter trade, and the Bakers' Union said, "We will not allow you to give any advantage for cash." Every baker in the trade knows that it is an advantage to sell for cash in view of the saving which can be effected in carrying on his business. But the Bakers' Union made this rule: that there should be only one price, and no difference made for cash. He said he could not conform to that rule, and dropped out of the union. Then the union levied fines on him as an undercutter, and fined him in all £12 for underselling. The man, however, quite rightly ignored the whole thing, and ceased to be a member. Then what happened? He found then that the Millers' Association refused to supply him with flour. He had been taking about 30 tons a month. He went round and saw Mr. Jameson twice and Mr. Buchanan once. Mr. Jameson and Mr. Buchanan told him that because he would not conform with the rules of the Bakers' Union he could get no more flour, and for two months he found himself unable to buy flour from the association. He says that his cash trade is very profitable, and when he waited with a deputation on Sir Joseph Ward in December, 1902, he stated that if he was allowed to sell bread at 5½d. with flour at £12 a ton he could do very well. Under examination I asked him whether he had any doubt that the association tried to control his business, and he answered that there was no doubt about that. I then asked him, "Did the refusal of the association to supply you with flour involve you in expense and trouble?"—Answer: "Yes." Q.: "A great deal of trouble?"—A.: "No doubt; I should not like to put in another six months like it." Q.: "Was your trade really endangered by their action?"—A.: "Certainly it was. I did not know from one month to another when I would have to stop, because it was impossible to get flour." Q.: "That seemed to be their policy, to close you up because you insisted on running your business on lines that you thought would pay you?"—A.: "That was simply the trouble." Now, this man as he proved to you was driven to buy Canadian flour, and put to all kinds of shifts to get his supplies. I have already pointed out that he went to Timaru, and the result of his action was that Mr. Evans wrote him the letter stating that while the association treated him (Mr. Evans) fairly, he was not going to interfere with their territory up north. To show the Committee that the same kind of thing occurred in other places, I will refer it to the case of Mr. Isaac, baker, of Wellington. I asked him if he had had any difficulty with his merchant in paying for his flour, and he answered "No; but two of the mills outside the association would not supply me with flour on account of the combination." Q.: "Which were they?"—A.: "Paterson and Co. and Thomas and Co." Q.: "They are two merchants?"—A.: "Yes, they are agents. One is agent for Golden Gem and the other for Silver Dust." Well, the Committee will remember this: that when Mr. Mitchell, representative for Laery and Co., was giving evidence in connection with the difficulty Mr. Beynon, another Wellington baker, had in getting flour he said that if he (Mr. Beynon) could not get the brands he wanted from his firm he could have got Golden Gem and Silver Dust. When I was examining Mr. Mitchell I did not know that there was any difficulty about getting this Golden Gem and Silver Dust; but Mr. Isaac says that he actually went and tried to buy these two brands and could not get them. He said he was refused by the two firms I have mentioned. Why? Because he would not charge the same price for his bread as other bakers. That is to say, his freedom was taken away from him by