

now there would come into existence a very much worse kind of monopoly. Mr. Taylor maintained that if some of the large mills were allowed to work night and day they would absorb the whole trade of the colony. And that is precisely what they would do. They would monopolize the trade of the colony and combine probably under one management, and if they did they would begin to regulate the price of the raw material. As it is now each miller buys his wheat from the farmer according to the convenience of his situation and other causes which regulate his own trade, and no miller regulates the buying of his wheat by what his neighbour does, but by his own circumstances. I have already pointed out, when giving evidence myself, that it is quite contrary to the memorandum of association for the Flour-millers' Association to set up a buying agency for the millers. The association is purely and simply a selling agency and cannot regulate the price of the raw material. One of the main objects of the association is to prevent a monopoly of this description taking place.

With regard to the general weight of evidence, I submit that on the question of coercion and cutting prices we have the evidence of two free millers, the president of the Dunedin Master Bakers' Union, and the secretary, and, in fact, all the witnesses who know anything about the position, with the exception of Mr. Dall, that the association has not been a party to cutting prices, and that that has been brought about by the action of the free millers themselves. The best proof of that is Steven and Co.'s letter, showing that they had actually commenced to cut the price before going out of the association. The evidence of Mr. Laurensen, Mr. Reilly, Mr. Evans, and the secretary of the Bakers' Union of Dunedin all goes to prove the fact that Steven and Co. were running a cutting trade all through, and that the free millers had to do the same to meet them.

APPENDIX.

A.

AN AGREEMENT, made the day of , one-thousand nine hundred and , between (hereinafter called "the said mill-owners," which expression shall include their executors, administrators, successors, and assigns) of the one part, and the New Zealand Flour-millers' Co-operative Association (Limited), a company incorporated under the provisions of "The Companies Act, 1882," and also registered and incorporated under the provisions of "The Industrial Conciliation and Arbitration Act, 1900," as "The New Zealand Flour-millers' Co-operative Association Industrial Union of Employers" (hereinafter called "the association"), of the other part.

WHEREAS for many years the business of flour-milling in New Zealand has been carried on practically without profit, and very frequently at a loss, largely owing to heavy expenses of distribution in consequence of each mill-owner in the past having separately disposed of the products of his mill to buyers residing in various parts of the colony, and having for that purpose to maintain a separate staff of travellers, agents, and others, and to incur other expenses, which considerably increase the price at which the manufactured articles can be placed upon the market, which circumstances together with overproduction have rendered the business not only practically profitless but frequently a source of loss: And whereas, unless the cost of distribution is lessened and the output made proportionate to the needs of the community for consumption in this colony, a large number of the persons now engaged in the business will incur further heavy loss and have to retire from it, leaving it in the hands of those who are longest able to bear the loss resulting from the unsatisfactory condition of the trade, and other consequences detrimental to manufacturers and consumers alike will follow: And whereas the system of sale and joint distribution provided for by the form of agreement hereinafter contained, by which it is intended that each mill-owner shall supply to the said association flour manufactured in his mill to the extent and on the terms and conditions hereinafter mentioned, will minimise the cost of distribution and largely tend to ameliorate the condition of the business and obviate the consequences before referred to, besides enabling the output of the mills to be sold at a less cost to the consumers than would otherwise ultimately be the case: And whereas the said mill-owners are the owners of a certain flour-mill situated at , and hereinafter called "the said mill": And whereas the said mill-owners have agreed to supply flour to the association in accordance with the provisions hereinafter contained:

Now this deed witnesseth that the parties hereto do hereby, in consideration of the mutual covenants and agreements hereinafter contained and implied, mutually covenant and agree in manner following, that is to say,—

1. The term "associated mill" as herein used shall mean any flour-mill from which the association shall for the time being be bound or entitled to procure flour under any agreement with the "mill-owners" as defined by the articles of association of the said company; and the other definitions contained in the said articles of association shall, so far as applicable, apply hereto.

2. For the purposes of this agreement, and for all other purposes connected with the business of the association, the capacity of the said mill and of all other associated mills shall be deemed and taken to be an output of the number of half-sacks per hour fixed by an expert or experts to be appointed by the directors or provisional directors of the association, either before or after incorporation. In case of mill-owners joining the association after its incorporation, the capacity of their mills, for the purposes of any such agreement made with them, shall be fixed in like