

212. You spoke of the millers fixing the price of flour: do we understand that only millers belong to your association?—That is all.

213. Then, practically your association fixes the price of flour?—Yes.

214. There is no difference when you speak of the millers or the association fixing the price?—It is the association really.

215. With regard to Steven cutting the rates in Dunedin, you say that the flour was sold at 5s. less than similar flour in Christchurch: are we to infer from that that the flour was being sold at a loss?—That I cannot answer, because, as I say, the association has nothing to do with the manufacture of flour. It costs, I understand, some of the millers more to produce flour than it does others.

216. Do we understand that Steven began the cutting?—Yes.

217. It was not your association?—No.

218. *Mr. McNab.*] How many bakery establishments are there in Christchurch?—I think about sixty or seventy.

219. If that number were reduced to four or five, and the most modern machinery were introduced into the business, would it not be possible to very substantially reduce the price of bread?—Not being a baker, I could not tell you anything about it.

220. You would not challenge the statement, if it were made, that it would?—No.

221. You stated in your evidence that you refused to supply a certain company because they were selling under the cost of production: that would be under the cost of production with the conditions under which the bread was produced at that time?—Yes.

222. If it was possible to take the place of twenty of these bakers, and by establishing one central bakery effect great reductions in the price of bread, would your company refuse to supply people who did that on the ground that they were reducing the price of bread and were obtaining their supplies from people who were in competition with your shareholders and from whom you receive instructions?—You ask me whether we would do a certain thing under certain conditions. I cannot tell you that.

223. You made it a point of refusing to supply flour to people who were alleged to be selling under the cost of production?—Yes.

224. And you took the statement of combined bakers and millers as to whether they were selling under the cost of production?—No; it was not combined bakers and millers, we took it from the bakers.

225. You took it from the bakers, actually, whom they were supposed to be undercutting?—Yes.

226. In your practice did you ever decline to supply when the bakers told you that they were being undercut?—We did refuse to supply.

227. Was there ever a case when you supplied flour after the bakers told you that they were being undercut by other people?—Yes.

228. Name the cases?—There were several—two or three, at any rate.

229. What determined you when you say in some cases you supplied and in other cases you did not supply, although the same parties told you they were undercutting them?—The persons came afterwards and offered us cash.

230. I understand you to say you never refused to supply a man when you were offered the cash?—I did not say that.

231. What did you say?—I said we did in one or two cases, in answer to Mr. Taylor, and then we altered the system.

232. Why did you alter it?—Because we thought it the better policy.

233. So you first of all refused to supply them on the ground that they were undercutting, and afterwards altered that decision?—Yes.

234. How many times did you alter your decision after making up your mind that you would not supply them—how many cases does that refer to?—One or two cases. These cases never came before me directly, but indirectly through the other office in Christchurch. We have two offices in Christchurch.

235. Would the final decision of whether you supplied a certain baker or not rest with you?—Yes; but there were cases in which they were supplied and refused that I do not know of.

236. Then, it is not the case that you finally decided?—Finally I did decide.

237. Who would be the man responsible for refusing in the first place?—Mr. Buchanan, who was in charge of the Christchurch retail office.

238. Were his decisions always sent up to you for review?—Not always.

239. But in the end they were all sent to you for review? Did you hear from the man in the street or from correspondents?—I used to hear from the office; Mr. Buchanan was very ill at that time.

240. But can you say whether there was any other point that entered into your decision as a question of policy that caused you to reverse your decision in regard to the supply?—The directors of the association decided all these points. I am only the general manager. I accept their decisions and act upon them.

241. Who are your directors?—They are mentioned in the balance-sheet.

242. Did any of those directors sit with the master bakers on the committee that has been referred to?—I could not tell you. I think it is very likely that one or two might have done.

243. At the time you were in charge they were not sitting on the committee?—They resigned just afterwards.

244. And from that time onwards they did not sit?—No.

245. You do not think any members of the association sit on the committee of the Master Bakers' Association?—Shortly after I joined the Millers' Association all the millers resigned from the Bakers' Union.