

we were asked then whether we were willing to buy so many tons. There would be so much under-delivered, and we were asked to pay for so many tons of the under-delivered mills.

191. If you did that would it mean further restriction to you?—No; the man who was under-delivered this month would be remunerated by us paying him so much per ton.

192. Were the bakers free to select any brands of flour they chose?—No; there was friction over that, especially at the initiation of the association.

193. Practically they had to take whatever brand the association chose to send in in fulfilment of an order?—Practically.

194. And the freedom of the baker to buy was to that extent restricted?—Clearly. To meet that they endeavoured to give them as much as possible of what they wanted, especially to the fractious ones.

195. But to that extent the right of the baker to choose the quality of his flour was restricted?—Yes.

196. Giving evidence the other day, Mr. Jameson said the association had severed its connection with the Bakers' Union for over a year?—I have no desire to contradict Mr. Jameson, but to my certain knowledge there existed an understanding between the association and the bakers in Dunedin.

197. From your knowledge of the association's methods can you say that the association and those who were working with it are sometimes tangible and sometimes not—that their arrangements are sometimes made by correspondence and sometimes verbally?—Yes, they are very elastic.

198. Have you any figures to show the relative prices of flour prior to and after the operations of the association—say, from September, 1902, to September, 1903?—The price of flour in Dunedin last year in September was £11 10s.

199. What is it now?—£10. You can understand that the difference in the price of flour does not show out in the value of the products, because you have to take the by-products.

200. Are the by-products relatively of the same value now as last year?—No; both bran and pollard would be about £2 10s. dearer last year than this year.

201. And flour was £1 10s. dearer last year?—Flour would bear about £2 5s. to £2 10s. more profit to the millers last year than this year, and there is not much difference in the value of wheat per bushel.

202. Was wheat last month relatively of the same value as the year before?—Very nearly.

203. But the difference in the value of flour, because of the by-products, would be £2 5s. to £2 10s. more in 1902?—Yes.

204. If the price of wheat is relatively the same in September, 1902, and September, 1903, how do you account for the fact that flour was £2 10s. more value in 1902, including the by-products?—Because Messrs. A. Steven and Co. left the combine. We were told that there would not be a shilling made in flour this year. In other words, the reduction in the price of flour this year compared with the price last year is due to the existence of free millers.

205. I understand you to say that some one said that as the result of your having left the combine there would not be a shilling made on flour this year?—Yes.

206. Was that a general or a specific statement?—It was not made direct, and therefore it would not be evidence for me to give it to you. It was from a member of the combine.

207. Was the profit being made by the associated mills in 1902 excessive in view of the then price of wheat?—I shall have to qualify my answer to that. It was not excessive taking the total output as the basis, but it was excessive if we were running our mill all the time.

208. If you had been doing all you could with your machinery, the price then charged for flour would have been exorbitant in view of the then price of wheat?—Yes.

209. In other words, the public were then being made to pay for the expense of your plants while they were not producing in 1902?—I suppose you will have to put it that way.

210. If the flour-millers under existing conditions are losing money, what reason would you give that they are working their plants and making no interest?—It would be to endeavour to make the free millers join the association again.

211. That is to say, they are carrying out the very policy which they say they came into existence to stop?—Clearly.

212. Have you any hesitation in saying that the association has indulged in tactics that were intended to restrict your freedom of trade?—I have no hesitation in saying that.

213. It has been systematic?—Clearly; that is its very foundation.

214. Do you know what the association charges the millers for selling their products?—They charge 5 per cent., but $2\frac{1}{2}$ per cent. of that is given to the customer. They are working on the rate of $2\frac{1}{2}$ per cent., giving $2\frac{1}{2}$ per cent. as a rebate to the customer.

215. That ought to afford the association good profits?—Yes.

216. Now, if I were to say that the products of the associated mills were pooled, that would be a proper expression, would it not?—Yes; I suppose it would be quite applicable.

217. Do you know what profits the association made this last year?—We left in March of this year, and consequently I would not know.

218. At the present time you are selling against the association wherever you can?—That is so.

219. *Mr. W. C. Buchanan.*] You stated that you necessarily lost money by having your output reduced from 530 tons to 180 tons per month, and that you did not know any source from which that loss could be recouped except by raising the price of flour, did you not?—Yes.

220. Was the price immediately raised after you joined the association?—Yes, I think it was, so far as I can recollect. It was a gradual rise, you understand, and wheat began to rise. It was a gradual rise from £6 10s. to £13.