

221. If wheat began to rise concurrently with the raising of the price of flour, could there be any increase in profit per ton on the flour produced?—No; but the ratio between the price of £6 10s. and £13 was altered—that is, there was a much greater profit to the manufacturer at £13 than at £6 10s.

222. Would not the loss on the very decreased output be recouped by the saving of travellers' and other expenses incidental to the business as formerly conducted?—I do not think so. I think the expenses connected with the association have been more to the miller than they formerly were with travellers. That is my opinion.

223. It has been stated in evidence that instead of the members of the Flour-millers' Association each selling their own output that duty was undertaken by the association: is that correct?—That is so.

224. Do you mean, then, to tell the Committee that the Flour-millers' Association could not save expenses as compared with the sales being made by the different members of the Flour-millers' Association?—I say that our firm will be glad to do it at any time for $2\frac{1}{2}$ per cent. We can do it for less.

225. I wish to put the question in a profit sense: do you give it as your deliberate opinion to the Committee that an association covering the greater number of the mills in New Zealand could not conduct the sales of flour at a saving as compared with each member of the association conducting his own sales separately?—I do not think so, taking into consideration the expense of office staffs in the various centres.

226. But taking it as a matter of business broadly?—You ask me whether it is not cheaper for each individual miller to put his goods through the association than to sell direct himself to the consumer?

227. Yes?—Well, I do not think so.

228. You said the reduction in the price of flour since last year was caused by the action of the free mills?—Being outside, yes.

229. Did you not say a little later that the Flour-millers' Association was endeavouring to force back the free millers by cutting the prices?—That is so; but I have always debited the association with the cutting of the prices.

230. The two statements cannot be correct?—I shall be very pleased if you can put them side by side. I hardly understand.

231. I asked whether you had stated that the reduction of price in flour last year was caused by the action of the free millers?—I do not remember saying so. There was nothing further from my intention if I did say so.

232. *Mr. Duthie.*] You said your output under the association was 180 tons a month on the average?—Yes.

233. What are you putting out now?—We have been running full time since we left the combine—about 500 tons, running pretty nearly full time.

234. Then, you have extended the scope of your operations?—Not more than they were before we joined the combine. We picked up our old customers wherever we could. We have a connection all over New Zealand.

235. Then, to what extent have you driven the association to accept this lower rate of prices?—The shoe is on the other foot.

236. Have the association to accept this low price right over the South Island?—Yes; all over New Zealand.

237. Then, their losses must be enormous as compared with yours?—It all depends upon how you look at the loss. They may not have lost much actual cash, but the difference between what they would have made if it were not for the competition must be very serious.

238. Then, you are still making it pay you and can continue the battle?—We hope so, and when we cannot we shall shut down.

239. *The Chairman.*] You are making it pay now?—Yes, I think so.

240. *Mr. Duthie.*] But the loss to some of the millers must be great?—Yes.

241. And it does not affect you so seriously?—We are not paying this $2\frac{1}{2}$ per cent. to the association. We are doing our business for less money.

242. Your position is similar to the shipping trouble that existed some years ago, when an opposition company to the Union Steamship Company ran the old "Jubilee" and another vessel in the intercolonial trade and brought about a serious reduction in the Union Company's rates until an adjustment took place?—I do not know anything about that.

243. *Sir Joseph Ward.*] What was your experience in connection with the association—was it adverse to the interests of your business?—We looked upon it as such.

244. From what cause?—Chiefly from the restricted output.

245. You are of opinion that it would be more satisfactory to have no association at all—that all the mills should run independently and work out their destiny in their own way?—Yes; that is speaking for ourselves. I cannot speak for others.

246. Has there been a lowering in the price of bread since you seceded from the association?—No, not much.

247. What has been the drop in the value of your selling-price to bakers as between the time you were in the association and since you left it?—£3 a ton in Dunedin.

248. And concurrently with that drop in Dunedin there has been a reduction in the price of bread?—There has been a reduction, but I do not know that it has been equivalent. You can understand that the bakers' view of the question and the millers' view of the question are difficult ones for me to give evidence on. The bakers are naturally our customers, and we have to be very careful not to offend them.