Union, just as I am in the habit of making an annual contribution to the Trades and Labour Council for their Labour Day sports.

35. You have no recollection of contributing to that particular fund?—Yes, I think a certain amount was given by the local millers.

36. You cannot remember whether you contributed?—I could not be absolutely certain—I believe I did. I remember Mr. Harroway, who used to take an interest in it, ringing me up. I remember that distinctly.

37. What is your opinion of the effect of the operations of the association upon prices?—My decided opinion is that the association has been instrumental in keeping down the price rather than raising it.

38. That is, to the consumer?—Yes, to the consumer. I remember that ten years ago the price of wheat rose to 5s. a bushel in Dunedin, and flour rose to £13 a ton. Last year, or during the existence of the association, wheat rose to 5s. 9d. a bushel in Dunedin, while flour was never higher than £13 a ton. Thus, although there was a difference of 9d. a bushel in wheat as compared with the time I referred to ten years ago, during the existence of the association flour did not rise above £13.

39. Have you had an opportunity of seeing a list that compares the figures during the period of the association's existence and immediately after?—Yes.

40. How do they compare?—I consider the prices the association charged are considerably under; at any rate, they are under the prices that obtained before—I mean for flour compared with the price of wheat.

41. Taking the year 1902, was that a prosperous year, or otherwise, from the millers' point of view?—It was a fairly prosperous year.

42. The association practically controlled prices during 1902, did they not?—Yes.

43. Did they rise to an undue level during that year?—No, certainly not—that is, considering the price of wheat. The price of wheat always regulates the price of flour, just as the price of flour regulates the price of bread.

44. Do you know the terms of the association—that they charge 5 per cent.?—Yes.

45. Do you know what that 5 per cent. covers?—Yes; it covers commission 2½ per cent. and the purchaser 2½ per cent. The purchaser gets 2½ per cent., so that all the association gets to cover bad debts, working-expenses, and losses is 2½ per cent.

46. It has been suggested that that is an excessive price?—I consider that no private miller could do it for that. I know I could not, considering the bad debts I sustain. Besides, I do not think any miller has ever done it so cheaply. Before the association was formed each miller had his agents all over the colony, and as a rule those agents were paid 2½ per cent. for selling, and the miller ran the risk of bad debts in addition.

47. It is one of the charges, in fact, against the association that there is more milling machinery and plant in New Zealand than is required for the local trade, and that the result of the association's operations is to cause the millers to charge interest upon their idle plant?—But the same amount of machinery, or nearly so, existed before the association was formed, so that the association is not responsible for that. Besides, I suppose in most trades there is surplus machinery. Take the woollen trade for example: their machinery is more expensive than the millers' machinery, and they do not want to run their mills twenty-four hours.

48. Is there any reason why flour-mills should be running for twenty-four hours?—I do not know of any reason, one mill has as good a right to run twenty-four hours as another; and supposing that all the mills were to run twenty-four hours where would they be in a month? The market would be glutted just as it would be in other businesses if they ran twenty-four hours, and the whole market would be demoralised. There is a certain amount of business to be done by the flour-millers in New Zealand. The consumption amounts in round numbers to eight hundred thousand 200 lb. sacks per annum. That allows a sack for every individual—man, woman, and child—and comes to about £1 per head for the population of the colony per annum.

49. *Mr. Taylor.*] That is sixty-eight 4 lb. loaves for every person in the colony?—Yes; there are from sixty-six to sixty-eight loaves in a sack of flour.

50. *Mr. Loughnan.*] You put it that that is the entire demand for flour?—Yes; there is no market outside New Zealand at the present time. Supposing all the mills were run twenty-four hours, a cut-throat business would set in. There would be no profit for anybody, and it would be a question of the survival of the fittest—the longest purse would carry the day. Then you would have a monopoly pure and simple. Surely it is better in the interests of labour and every one else that the milling business should not be handed over to, say, twelve or fifteen of the largest mills. The large millers do not want to monopolize the trade with one or two exceptions, they simply want an equitable distribution of the business.

51. I presume you are referring to the large millers connected with the association?—Yes.

52. Do you think if the mills of the colony were restricted to eight or nine hours a day it could be fairly said that the capacity would be excessive?—No; I should say the consumption would be brought into harmony with the output, and the mills would be working rational hours. There is not more milling-power in this colony than is required if only eight or nine hours per day were worked.

53. Addressing your attention to the question that interest is being provided upon idle plant, do you think that is correct?—I do not think so, for this reason: that every miller's property has been immensely depreciated owing to the cut-throat business that has been going on.

54. You mean, I suppose, by that that it has been written down?—Yes.

55. Can you give us any instance of the depreciation of milling property—actual sales of your own knowledge?—Take my old mills, the Crown Mills, in Dunedin. They cost us about £24,000, and were sold to Messrs. Evans and Co. for £7,000.