235. You have had a set of comparative tables prepared from your own books, have you not?—Yes; I think I gave it to Mr. Jameson.

236. This is a printed copy of your return [produced and handed to witness]?—Yes.

237. That table shows the prices paid by you according to your books?—Yes. I would like to mention that it might appear as if it wanted correction here. The wheat bought in February was not used in February. We would be using old wheat, which would not make it a favourable comparison. Flour in one year appears to be very high in proportion to the price of wheat in the month of February; but at the same time we were not using the wheat bought at the low price for the flour.

238. You have given each month for each year?—Yes; but when we buy wheat from the farmer we probably do not get the delivery until the next month; and then when our price appears for that month it may appear to be a very large profit, whereas that would not be so, seeing that the wheat cost us considerably more.

239. That applies to the purchase of wheat in the early months in each year throughout the records?—Yes.

240. These tables are designed to show the difference between the actual cost of 48 bushels of wheat and the actual gross returns of the manufactured article—that is to say, bran, pollard, and flour—each month?—Yes.

241. Do you put these figures forward as accurate?—I believe they are. The statement was got out by our chief accountant, and I believe he has taken everything from the books correctly.

242. It is easy for anybody to compare the results in each year—they are all there?—I think so.

243. The year 1902 was the most prosperous since the association has been formed, I understand?—Yes; the association has only been in existence for two years, and 1902 was the more favourable year.

244. During that year did the prices of bran, pollard, and wheat vary materially from the prices of previous years?—I think not; but you will see by that statement put in. You will get all the information from that.

245. Assuming that the prices were not materially different from what they were in previous years, what was the result of those operations compared with prior years when there was no association?—It was a more favourable year regarding profits, and our bad debts were much less. The expense of distribution was much less, as we were not obliged to employ agents in all the different towns.

246. There were no bad debts at all incurred by you as millers?—No; but we had to write a little off for previous years.

247. Is that how you account for the increased profit to the miller?—Yes. We were prevented from making a loss on our forward sales, because there were no forward sales in that year.

248. What was the practice before the association started in regard to cutting prices?—Well, it was not a practice, but it was done. If a buyer came to us and said he could buy flour for 5s. a ton less than we offered it at, we had either to do the same as others or leave the order to some one else. We were forced into this gambling position by the competition.

249. Do you consider that the tendency of the association is to restrict the output generally?—Not at all.

250. But it regulates the output?—It regulates the output according to the local demand.

251. It is suggested that the result of doing that is to render idle a large proportion of the milling plant and machinery in the colony: have you any observations to make on that statement?—I do not think it in any way restricts the output of the mill. We used to do a business with Queensland, Sydney, Perth, and other places outside, but owing to the duty of £2 a ton being put on by the Federal Government of Australia, and also owing to the increased charges in manufacture, we have been restricted to our own markets. We have not been able to export, and that has led up to the competition. Not being able to export, there has been a greater desire on the part of the millers to sell in the local market.

252. *Mr. Buchanan.*] A necessity?—Yes; you may call it a necessity.

253. *Mr. Loughnan.*] Is there any necessity for working flour-mills twenty-four hours?—Not unless you have a demand for the flour. If you have a demand exceeding what you can produce in eight hours you naturally work longer hours; but the necessity has not existed during the last three years. We probably have worked our mill twenty-four hours, owing perhaps to stoppages. We might have been obliged to stop for cleaning-up purposes, repairing and cleaning out the boilers, and things of that sort. Then we would have to work longer hours to make up the quantity of flour we required.

254. During the existence of the association have you ever had any of your machinery idle except for the purposes that you suggest?—No.

255. Can you give us an idea of the hours you have been in the habit of working since the association was formed?—We have two sets of plant—a 10-horse plant and a 5-horse plant. Sometimes we would have to work eight hours only, and sometimes we would be working sixteen hours; and when, in the event of a breakdown, we could not work the mill we would have to make up for lost time.

256. Do you know any mill that has been actually idle?—No, not any roller mill.

257. It is suggested that sometimes there is a large amount of machinery lying idle, and that the interest on the capital invested in that machinery is charged in the price of flour: do you think that is a correct deduction?—No, I do not think it is.

258. Give us your views on the subject. It is suggested that the miller increases the price of his flour for the purpose of making up the interest on the excessive value of his plant?—Decidedly