not. If you will look over the figures in the statement put in, you will see that a very small margin has been obtained by the miller as his profit both before and since the association has been formed.

259. Have you written down the value of your milling plant during the last year or so?—Yes.

260. Materially?—Not materially. The Government returns allow only a small percentage to be written off for repairs and increased wear-and-tear, and we have not written down our plants very much more than that, because we were always in hopes of selling out, and it would not have done to show our plant in the balance-sheet at a much less cost than it really did cost if an opportunity occurred to sell.

261. As a matter of fact, milling machinery and plant have been very much reduced in value? —Very much.

262. Would that apply to all new machinery?—Yes, it would apply to all kinds of machinery.

263. You yourself bought a mill not very long ago, did you not?—Yes.

264. What were the figures?—The price of the mill stood in the books at £24,000 as cost-price.

265. In the books of the Bank of New Zealand which had taken over the property?—Yes.

266. What mill are you speaking of now?—The Ashburton mill.

267. You bought it?—Yes.

268. What was the price to you?—We gave £6,000 for it, including a large store in the Ashburton town which we subsequently sold for £2,000, reducing the actual cost of the mill, including warehouse, machinery, dwellinghouse, and about 14 acres of land, to £4,000. There were stables and every convenience, a steam-engine in good order, and two turbine wheels, which were all included in the purchase.

269. Do you know the particulars of the sale of the Auckland mills?—I cannot speak confidently as to that. I have heard it reported that the Auckland mills cost over £100,000, and that they were sold for a very low price. I believe that almost every mill in New Zealand could be purchased to-day at considerably less than cost-price.

270. It is suggested that the association has refused to supply cutting bakers by an arrangement with the Master Bakers' Union. What has been your practice as to supplying cutting bakers? —I have always found that it resulted in bad debts. I have a list of bad debts that were made before the association started. During nine years we wrote off £2,789 7s. in bad debts.

271. *Mr. Rutherford.*] I see the returns show a profit on a ton of flour, for January, 1898, of £2 2s. 9d.; for January, 1901, £1 10s. 6d.; for January, 1902, £1 8s. 9d.; and for January, 1903, £2 13s. 6d.?—Yes.

272. Then, the result of the Millers' Association has been to increase your profits, the object for which it was ostensibly designed?—No.

273. Then, although the gross returns do not show a profit, will you maintain that your profit is greater on the net returns than you made before the association was formed?—Yes, I think so, because we have done away with so many expenses.

274. *The Chairman.*] What profits have you made from milling?—I really could not answer that question, because we do a great deal in the produce trade. We sell wheat as well as mill it.

275. You do not keep separate accounts?—We have not kept elaborate accounts so far as the working-expenses go The working-expenses of the establishment have all been put down together.

276. You have given us what the relative price of flour is to wheat: can you give us what the relative price of bread should be to the cost of flour?—No, I have had no experience in the bakery business.

277. If a non-union baker said he could sell bread at 5½d. the 4 lb. loaf, while a member of the Bakers' Union wanted 7d., could you say whether the one was reasonably low, or whether the other was unreasonably high?—I should say that one was unreasonably low and was cutting prices, which I found always resulted in bad debts. I have had bakers ask me to supply them with flour, when perhaps £30 or £40 would be as much as they had to start them, and they would get credit for almost any amount.

278. But take a company like the Working-men's Co-operative Society at Christchurch: their secretary stated that it paid them to sell bread at 5½d. when flour was at £10?—I think if you worked it out with the bakers themselves you would find that it would not pay. I do not see how it possibly could.

279. We had it in evidence from a baker in Wellington that if he got his flour at £10 10s. a ton he could sell for 5½d. over the counter?—There is a great deal of difference between cash over the counter and delivering the bread. I could not say that he was not correct, as I am not up in the bakery business.

280. You must acknowledge that such a price would make a great difference to a working-man's family?—Of course it would.

281. Have you any idea as to how much the milling plants of the whole colony have been written down?—No.

282. Can you tell us what proportion of loss the bad debts on your flour written off came to? —No.

283. Is it paying you to sell your flour now?—No.

284. Do you make a loss by selling it now?—Well, if we do not make a loss we do not make a profit.

285. *Mr. Taylor.*] Then, you are selling flour now at cost-price?—Pretty well so.

286. You say that if you are not making a loss you are not making a profit?—It depends entirely upon how we have bought our wheat. If you take the present price of wheat and the present price of flour you will find there is no profit; but if I had bought wheat at an earlier part of the season, and at a lower price, I should be making a profit.