no agreement with them at that time, and when I found that Steven and Co. and others were not selling through the association I did not see why we should pay $2\frac{1}{2}$ per cent. more than they were paying.

167. Did Mr. Steven not offer to take 1,000 tons at £9?—Yes; but I refused to supply this quantity.

168. Your offer to sell at £9 was, of course, an attempt to force them into line?—1,000 tons of flour means a large quantity [† of wheat, and we did not want Steven's business just then] [** of wheat, and we did not want Steven's business just then] [* and I might ruin myself on a line like that] [§ and I might ruin myself on a line like that]. [See memorandum annexed hereto.]

169. You were selling all the time to the bakers?—All the time.

170. Did they not understand from start to finish that you were not to be regarded as a cutting miller?—No, but I try to work with everybody if I can [† do so amicably] [** do so amicably]. [See memorandum annexed hereto.]

171. Did you discuss sending that telegram with anybody before it was sent?—No.

172. Of course, you had been discussing milling generally right away from Steven and Co. giving notice that they would leave the association?—Millers, like any one else in trade, will discuss [* milling] [‡ milling] matters. [See memorandum annexed hereto.]

173. Mr. Meek said at the annual meeting that in a few months they would see all the millers in New Zealand belonging to the association?—Well, he has proved this statement to be wrong.

174. His prediction has not been fulfilled?—No. Personally, I would like to retire from the milling industry, or sell out to any of you gentlemen.

175. If all the millers of the colony belonged to the association, would not the association be able to practically dictate the price of wheat to farmers?—It would not interfere with the farmers, because every miller buys his own wheat independently.

176. Do you not think it would be almost a certainty that there would be some plan designed for buying wheat on behalf of the whole of the millers?—Quite possible, but it would be against millers' interests to keep down prices of wheat unfairly.

177. But there is the possibility?—There may be a possibility, but up to the present time every miller has bought his wheat in his own way. I never consult any one about it.

178. While you were a member of the association did you adopt the policy of the Bakers' Union not to sell flour to any baker who would not charge their price for bread?—I always adopted that policy; I never care to supply a cutting baker.

179. Supposing one of these bakers had a thoroughly equipped bakehouse, was a competent and solvent man, and did not charge the same as other bakers charged for their bread, you would not supply him?—No, not as a rule; but if he paid me for the flour I would supply him. There are plenty of those men it is not desirable to sell to.

180. In regard to the Dunedin trade, you said that Steven and Co. cut the prices first when they left the association?—Yes.

181. Are you prepared to swear that Steven and Co. were the first to break the prices down?—To the best of my belief they were.

182. You do not know?—I believe they were. I brought down the price as well as they did.

183. With regard to 50 lb. bags, are not fifties being sold in Dunedin at 5s. a ton less than the price of sack flour?—At the time I sold out they were selling fifties at 15s. more.

184. And if they are being sold at 5s. less than you offered to sell them at they are being sold at a loss?—Most decidedly; they are being sold at a loss now. I do not think there is a miller in New Zealand who will come out with any profit on his balance-sheet this year.

185. If Steven and Co. developed a special trade in 50 lb. bags, do you think it fair competition on the part of the association to reduce the price of fifties?—It was not the association—it was myself. Steven and Co. reduced the prices and I followed. I had to do that to protect our own interests.

186. Until you were [‖ You are] [¶ Until you were] all selling at a loss?—Yes [† I believe] [** I believe], we are all selling at a loss now. [See memorandum annexed hereto.]

187. *The Chairman.*] Was the year 1902 a profitable one because a large number of millers held a good stock when wheat went up in price?—It was to those who held wheat. Those who did not hold wheat would not find it a very profitable year.

188. Then, did the holding of wheat at high prices affect the results in 1903?—No doubt. At the present time we hold about thirty thousand sacks of wheat for which we paid something like 4s., and if there is a drop at the end of the year we will make a heavy loss. That is why I want to get out of the business—it is the most cursed uncertain business I was ever in. Some of the oldest millers came to grief. The late Mr. Lamb and Mr. Firth had mills in Auckland that cost them about £100,000, and the Bank of New Zealand afterwards sold them for £30,500, with all working plant, horses, &c., included.

189. *Mr. Taylor.*] Did not the banks at that time encourage unnecessary investment in milling property?—They encouraged investment everywhere. At the time there was a big export trade, but that subsided and has gone altogether. Now, if any man has not written down the value of his property he must come to grief.

190. *The Chairman.*] What would you regard as the amount of depreciation of milling plant n this colony as compared with its value ten years ago?—For the last twenty years it has been depreciating.

191. How much do you think the value of milling plant has been depreciated?—It has been depreciated, I should think, in many cases about one-half. In the cases I have mentioned the property was sold at one-third of the cost.

192. *Mr. Loughnan.*] With reference to that telegram that you sent to Steven and Co., had any member of the association anything to do with the wiring of that telegram?—Not in any way; it was entirely spontaneous on my part.