

The nominal total is £600,818. The uncalled capital is a very uncertain heading, and in the majority of cases calls are already in arrear considerably. The plant, buildings, rolling-stock, and stock figure for the huge total of £328,091. As far as plant and buildings are concerned, the sum written off as per the last balance-sheets for the whole seven companies does not total £1,000. Excluding stock on hand, which accounts for £63,718, the plant, buildings, &c., figure for £264,373. Their actual realisable value would at the moment certainly be little more than £100,000, if that. The stock is put down at £63,718, representing market value, which, of course, cannot be accepted as the figure likely to be obtained on realisation. The most interesting heading is "Bills and book-debts," which total £81,727, a sum out of all proportion to the business done. It merely strengthens our contention that the terms of credit allowed are certainly not those of general business. How much of this total stands for bad and doubtful debts? Take, for instance, the North Wimmera Company's balance-sheet. Book-debts figure for £15,150, less £7,691 written off for bad and doubtful accounts; that is more than 50 per cent. of the whole total. Few of the companies have made any provision for bad and doubtful debts. The extent of the latter is to a great part due to laxity of management; besides, the banks interested will in future result in claims being more severely pressed.

The figures in the foregoing are, we are inclined to think, sufficiently clear to all that in the majority of instances shareholders' interests will in the future be limited more to call-paying than dividend-receiving. In the past the competition of the companies has been rather severely felt, but this is far from being the reason of the unprofitable trade. Companies, like individuals, trade for profit, and the comparisons given above show that in this instance the publicly-owned concerns do certainly not command the resources of a well-managed private business.

Will the flour trade continue to drift is a general question. It is a difficult one to answer. The financial institutions are at the present moment a strong factor in the situation. Their aid to amalgamations would be judicious. Several of the public companies combined under one management would certainly stand a better chance of making interest (at least) than by continuing present competition. There are about thirty private mills in the colony, and their number could also be reduced, not that with an export trade—now on a fair way to establishment—the colony is over-milled, but simply because the individuals conducting the same have but limited resources, lack the means for an export business, and are forced to sell entirely within the colony. Strong combinations only will be able to stand possible losses, which must—even if they do not occur—be provided for in forcing new markets. That in the export trade lies the salvation of the industry is supported by the late improvement experienced due to fair outside orders. Judicious combinations will reduce the number of local competitors, and enable greater advantage to be taken of the export trade. The proposal to form a co-operative export company is certainly a good one, and might be tried as a remedy failing the former. The industry is an important one, for it directly employs over 850 men annually, as well as very large numbers indirectly, while of wheat alone its purchases run into approximately £1,300,000 per annum.

Mr. Mackenzie,

29th October, 1903.

ATTACHED evidence has been returned from Mr. Taylor and Mr. Evans with extensive alterations. Would you be good enough to examine and instruct.

PIRANI,

Clerk, Extension of Commerce Committee.

SIR,—

30th October, 1903.

Re alterations and corrections in Mr. W. Evans's evidence: Mr. T. E. Taylor has also dealt with this witness's evidence by striking out some of his additions and restoring his erasures. There is not time to follow the usual course of recalling and re-examining Mr. Evans on the points in dispute. I therefore wish you to adopt the following method to make clear the position:—

Mark the alterations *, †, ‡, §, ||, ¶, and **. * will indicate Mr. Evans's deletions from his own evidence; †, his additions and amendments to his own evidence; ‡, Mr. Evans's deletions restored by Chairman for information of Committee; §, Mr. Evans's deletions restored by Mr. Taylor; ||, Mr. Taylor's question amended by Mr. Evans; ¶, Mr. Taylor's restoration of Mr. Evans's emendation; **, Mr. Taylor's deletions of Mr. Evans's amendments. These indications are to be attached only to items in dispute.

Please attach Mr. Evans's telegram of explanation, and mark it "Exhibit ZA."

I am, &c.

THOMAS MACKENZIE,

Chairman of Extension of Commerce Committee.

Mr. Pirani, Clerk Extension of Commerce Committee.

WILLIAM GREGSON ASPINALL examined. (No. 17.)

193. *The Chairman.*] You reside at Temuka?—Yes.

194. *Mr. Loughnan.*] You are a flour-miller and also a director of the association?—Yes.

195. You have been connected with the association since its inauguration?—Yes.

196. And have been actively interested since its inauguration?—Yes; I was its first secretary.

197. And shortly after became a director?—Yes.

198. And have been a director ever since?—Yes.

199. You are familiar with the methods and objects of the association?—Yes.

200. Do you know of any instance within your knowledge that you can fairly describe as pressure being brought to bear on an outside miller for the purpose of forcing him into the association?—None at all.

201. Do you remember the occasion of Mr. Gardner joining the association?—No, I have no recollection of that. I had nothing to do with it.

202. I want you to please look at the figures relating to the prices of wheat, produced by Mr. Wood, which are in front of you?—Yes.