

203. You compiled this table?—Yes.

204. From what data?—From data supplied from Mr. Wood's office, from the Timaru mills, and other sources.

205. Have you compared those prices of wheat with other sources of information bearing on the same question?—Yes.

206. How do you find they compare, generally speaking?—They are very similar.

207. And in your opinion are they actually reliable?—Decidedly.

208. As displaying the market prices?—Yes. The market prices vary in regard to the price of wheat, but not in regard to flour.

209. Did you make allowance for that?—Yes.

210. These are the Christchurch prices?—Yes.

211. Having those figures in front of you, what is your opinion as to the charge made against the association that its effect was to put up the price of flour to the consumer?—It is totally erroneous.

212. As a matter of fact, what was the actual result of the association's operations in regard to the consumer?—In my opinion the actual result of the operations of the association has been to bring about a reduction in the price to the consumer.

213. At the same time, as that is so, what has been its effect upon the profit of the miller?—It has been of considerable assistance to the miller. Prior to the formation of the association the millers were losing money.

214. And for the last two years, since the formation of the association?—During both years of the existence of the association the millers made money.

215. How do you reconcile the two positions—you put it that during those two years the price was reduced to the consumer, and at the same time say that the profit was increased to the millers?—Yes.

216. I want you to explain the causes that produced those results?—The causes were that there was greater economy effected in distribution. That was the principal cause. But there were other causes, such as doing away with forward sales, the altering of credits, and the cash payments.

217. Under the new system the miller has no item of "bad debts" at all?—None at all. The association act for us on a *del credere* commission.

218. It has been suggested that a combination of millers in this form is calculated to affect the price of wheat eventually?—The association has nothing to do with the buying of wheat for the mills.

219. Is there anything in the articles of association that could produce such a result—say, the cornering of wheat?—There is nothing of that sort.

220. You are familiar with the memorandum of association, of course?—Yes.

221. It has been suggested, and it is one of the charges that we are here to meet, that one of the objects of the association was to enable a miller to charge to the consumer a price that would cover the rate of interest on his depreciated or idle plant?—I do not see how that is possible—in fact, I know to my own knowledge that it is quite the reverse. In my case we originally paid £10,000 for our mill, which is a country mill, and we subsequently leased it for £300 a year for a term of years.

222. What you mean is that the depreciation——?—Has brought down the capital value £5,000, or 50 per cent.

223. And do you think that is the general position with regard to the mills?—There are several other instances of great depreciation that I know of. There are the Crown Mills, the Ashburton mills, the Auckland mills, and there are the Richter Nannestad or Manawatu mills.

224. *The Chairman.*] When the association was working on combination how did it affect the price of wheat as far as the farmers are concerned, as compared with the operations of the mills when they were not working in combination?—It was calculated to increase the price of wheat to the farmer when we were working in combination.

225. Why?—Because we got better prices, and were able to make a profit, whereas before we were losing money and naturally tried to get wheat at the lowest price we could.

226. What was the cost of the Richter-Nannestad mills?—I understand there has been a considerable depreciation of values in that mill. Mr. Loughnan could tell you more about that than I can.

227. *Mr. Taylor.*] What is the normal capacity of your mill supposing you work twenty-four hours a day?—Our sack capacity is five, and we take four sacks and a half. If working twenty-four hours we could turn out between 60 and 70 tons per week.

228. About 3,000 tons a year?—Yes, if working twenty-four hours.

229. Do you know the custom in the milling trade of America and Great Britain?—No.

230. And your milling business has not led you to inquire about the custom of other countries?—No; I am not interested in other countries.

231. Your normal capacity, working full time, is 3,000 tons a year: what is your ordinary output since the formation of the association?—About 1,200.

232. You are working less than one-half the capacity of your mill?—Yes, about eight or nine hours a day.

233. If you were working full time—the whole twenty-four hours—could you not sell your flour cheaper?—Not at a profit.

234. If your mill were running full time do you mean to tell the Committee it would not decrease the cost of production?—It would decrease the cost of production as compared with running eight hours.