

85. And yet you will be surprised to know that Mr. Jameson says that Mr. Heslop never belonged to the association?—I should be surprised.

86. Is that the reply you sent to Mr. Heslop's letter [produced and handed to witness]?—Yes. "December, 3rd 1902.—Mr. G. Heslop.—DEAR SIR,—Yours of November 29th to hand, in which you say you cannot send the 4 tons unless through the Millers' Association, and invite us to ask them to allow you to send the same. I am instructed to reply that we have nothing whatever to do with the millers' trust and have no intention of approaching them *re* this order. As you accepted our order for 6 tons in the terms of our letter of November 8th by the fact of sending the first 2 tons, therefore we expect the remainder of the order completed, or proceedings will be taken for breach of contract.—Yours, &c., MARK W. WOODFIELD, Secretary."

87. Did you receive that from Mr. Heslop, dated the 1st November, 1902 [produced and handed to witness]?—Yes. "Irwell, November 1st, 1902.—Mr. Woodfield.—DEAR SIR,—Yours of 30th October to hand this morning. *Re* flour, the minimum I can send is 1½ tons. If you can make your order up to this I will be glad to send it. *Re* price, it will be £11 a ton, less 2½ per cent. 20th of month after order—that is, order in November you get to the 20th December. If you can give me the order as above please write and I will send it at once.—Yours, &c., G. HESLOP."

88. He was quite prepared to supply you with flour then?—Yes; that is an earlier date.

89. The only reason he could have for refusing to fulfil your orders afterwards was that he had joined the association?—That is right.

90. And then he would not supply you with any more flour unless you got permission from the association for him to do so?—Yes, that is so.

91. You have continued to bake, and have carried on your bakery right along?—Yes.

92. It has been suggested that you are doing it at a loss?—I cannot say we have made a loss but, it being a new department, we have not made so much, but I think we have done very well.

93. The object of the co-operative society is not to make profits, but to give your members the benefit of the administration?—Yes, that is so.

94. Where are you buying the flour now?—We have no difficulty now, we can buy it anywhere and at the best terms.

95. Does that indicate that the association is not operating so closely as it used to do?—I take it to be so.

96. There has been a great deal of criticism in connection with the Millers' Association in Christchurch?—Yes.

97. Were you one of the deputation that waited on Sir Joseph Ward in reference to the matter?—Yes.

98. You laid the facts before him then, did you not?—Yes.

99. And you think the association has been working better since?—Yes; I think it has been working a little better since.

100. *Mr. Laurensen.*] The reason, I believe, the association had for not supplying you with flour was because you were not in the Bakers' Union?—That is so.

101. Have you any objection to state why you did not join the Bakers' Union?—The reason was this: there was a difference in the price, and bread was varying from 4½d. to 6d. the 4 lb. loaf; either one price was too small or the other was too large, and an agitation was commenced in Christchurch and was worked up until people got us persuaded to build our bakery, and when we started it we got into difficulties with the Bakers' Union soon after.

102. Did you employ union bakers in your bakery, pay union wages, and keep union hours?—Yes; in fact, we paid more than the union wages.

103. Did you keep accounts showing the receipts and expenditure for each of your departments?—Yes.

104. I suppose you kept the bakery account separate from that of your other business?—Yes.

105. Did the bakery show that it cleared itself?—For the first three months it cleared itself except for about £3, which we thought very good for a department just started. In an association like ours, which is always charged up to the hilt for expenses, we cannot work it so cheaply as a private individual would.

106. Did you charge against that department the proportionate amount for expenses and delivery?—Yes; we have separate bread-carts, which, of course, are all charged to the bakery.

107. How long have you been running the bakery department now?—Close on twelve months.

108. Your balance-sheet, then, shows a loss of £3 on that?—Yes; but that does not say that the loss was entailed in the bakery department.

109. But I understood you to say that your separate accounts in your balance-sheet show a loss on the bakery of £3?—Yes; but that loss on the balance-sheet was not from the bakery alone. That is made up from the whole of the departments.

110. Did you keep receipts and expenditure for each department?—For my own use, not for the public.

111. Did the bakery show a loss on this department for six months?—It showed a slight loss. Our last balance-sheet ended on the 30th June, and there was a balance-sheet for the previous six months.

112. That would seem to indicate that if a private baker had started with no other business he would actually be showing a loss on his bakery business?—Not necessarily; because if I had been running that bakery department as a private individual I could have run it so that it would not have shown a loss, but an association cannot do that.

113. Do you charge anything for management?—There are charges for management and clerical work, and taxes of different kinds. You must have a system of book-keeping in an association like ours that bakers do not necessarily keep, or that many of them do not; and there are different ways by which a private person could have run it and would not have shown a loss.