

56. How long was that after their installation?—About five or six years.

57. What was their condition at the time of sale?—The mill was in thorough working-order; but I understand Evans and Co. laid out a large sum of money on it. I know they recently sold again to Turnbull and Co., and came out with £150 loss on the transaction, and yet Mr. Evans thought he got the property very cheap. I know of other properties, too, which have been sold at a third of their original cost. Milling property, owing to the cut-throat policy which is going on, has been a drug in the market, and you can scarcely sell it at any price.

58. There has been a suggestion that the duty should be taken off flour and wheat: what would be the result of that course being adopted?—I think whoever advocated that would not know much about the business. One of two things would inevitably follow: either wheat would have to come down equal to the duty taken off—say, 6d. a bushel, and the farmer would have to lose that—or if the farmer kept up the price of wheat then the mills of the colony would be shut down, and the whole trade would be handed over to the Australians. One or other of these two things would eventuate. Millers could not afford to work for nothing, and it is well known that as a whole wheat in the Australian Colonies is cheaper than in any other part of the world. I know that; I brought a cargo from Victoria—there was plenty of wheat in this colony, but we could not get it at a price to leave a margin of profit—and we landed that wheat, after paying freight, insurance, 5½d. of duty, and other charges, in our mill at 3d. a bushel cheaper than we could have brought it from Oamaru. Other millers did the same thing.

59. *Sir W. R. Russell.*] What year was that in?—It was about eight or ten years ago.

60. *Mr. Loughnan.*] With your experience have you ever met an instance of the association using means to coerce millers to join the association?—Never, so far as I know. I know they have never attempted to coerce me. I have been on the best terms with them. We have had a little bantering, but no attempt has ever been made at coercion. As I have said, I have never had any difficulty in selling my flour to the bakers of Dunedin.

61. Have you refused to supply cutting bakers?—Certainly; and, as I said, on moral grounds as well as self-interest I would refuse to supply them. If a man cuts he has either no capital or he wants to take an undue advantage of others.

62. *Mr. Laurensen.*] What is the capacity of a mill like Mr. Meek's, of Oamaru—how many tons of flour could he turn out?—He has a capacity of fourteen sacks an hour, so you can easily calculate that. That is a ton and four sacks—ten sacks to the ton.

63. That is in one mill?—No, in both mills. He has two.

64. What about Mr. Wood, of Riccarton?—I think he has a capacity of fifteen sacks an hour. He has the Ashburton mills as well as the mills in Christchurch.

65. How many mills are connected with the association?—I really could not answer that question. Mr. Jameson would know. Mr. Jameson says there are thirty-three.

66. Can you tell me how many mills there are outside the association?—I think there would be more outside.

67. At that rate there are about seventy mills in the colony?—Yes.

68. You say the flour used in New Zealand amounts to eight hundred thousand sacks?—Yes; but there are a large number of mills which have only three- or four-sack plants.

69. You said that if the duty were taken off flour one of two things would happen, either the mills would have to run at a loss or the farmers would have to take a reduced price for their wheat?—Yes.

70. Do you mean to tell the Committee that the local market fixes the price of wheat?—Certainly not.

71. Does not the price in London always fix the price here except for a short period?—It did not last year or the year before, nor does it fix the price this year.

72. Are we to understand that as soon as the trust was formed the price was fixed locally?—No; but the drought in Australia fixed the price.

73. How would taking off the duty give the farmer a less price per bushel?—He would be shut up to London. Some of the wool ships from the other side will take flour from Australia to Wellington at a cheaper rate than we can send it to Auckland.

74. After all, the farmer would not be affected in the price he would get for his wheat by any alteration in the duty, because the price is not fixed by the demand here, but by the London market?—But as a rule the farmer gets better prices locally than he can possibly get in London. The local price is always better than the price in London.

75. The price is fixed, not by the local price, but by the London price, so that after all the duty would not affect us?—Certainly the duty would affect us, because the farmer would be shut up to the London market.

76. Or any other market outside?—Certainly; and he would be a decided loser. I have had twelve years' experience, and know that any farmer who has shipped has become a loser unless he has hit on a rising market. The charges are enormous.

77. *Mr. Rutherford.*] You have been milling for twelve years?—Yes, off and on.

78. Were your profits greater previous to the formation of the trust, or since its formation?—I believe that in certain years the profit outside the trust was greater, but during the time of the trust the price has been steadier and more certain. Bad debts and forward sales have been avoided, and a lot of evils that had crept into the milling industry have been prevented. One year I sold for forward delivery. It was a common thing then to enter into contracts with bakers for twelve months, and at the time I had a contract at £7 a ton, when flour suddenly jumped up, and for most of the period it was £13 a ton, so you see what a terrible loss that was to the miller. The moment flour comes down it becomes bad to the baker; he tries to wriggle out of his contract, and if you make him stick to it he coolly tells you that he will never take another sack of your flour after the contract expires.