

326. Did you ever see Mr. Gardiner, of the Cust, in regard to joining the association?—No.

327. Did your son?—I do not know, but I do not think he did.

328. You say that under the existing arrangement you save money on your turnover, because you do not require an agent in each centre?—That is so.

329. Have not the association an agent in each centre?—Well, I am not a director of the association, and could not possibly say.

330. Do you not know that they have a representative in each centre?—No, I do not know. I believe they have, but I do not know it.

331. What is the custom in America and Great Britain—do not the flour-mills there as a rule work twenty-four hours a day?—I could not say.

332. You do not know what the custom is in Great Britain or America?—No; but I believe they work to produce all the flour they can sell.

333. Do you tell me that you do not know that the millers of America and Great Britain are in the habit of working their mills twenty-four hours a day?—I know they can if they like, but I do not know that they do it. The speculation in America and Great Britain is very much greater than it is here.

334. You say that you did not write down the cost of your plant in your balance-sheet so much as you might have done, because you thought you might want to sell your plant?—That is so.

335. So that your balance-sheet might be misleading, as showing the exact value of the plant?—I think every one's balance-sheet would be like that, because I do not think it would be possible to sell any milling plant in New Zealand at its true value.

336. May I ask if this statement that you have put in to-day is a statement of actual fact, or whether it has been prepared for this inquiry?—It is a statement of actual fact.

337. In what year did you buy the Ashburton mills?—I think about 1901.

338. The condition of the milling trade up to this year had been bad?—Yes.

339. And yet you went in for buying mills?—Yes, I bought that mill. It was offered at so low a price that I thought it was worth buying.

340. You say that you never attended meetings of the association, and cannot tell us anything about the working of the association?—No.

341. Do you know anything about the cost of making bread?—No.

342. Then, any opinion that you have expressed as to whether a baker can sell bread at 5½d. or 7d. the 4 lb. loaf is really valueless?—Well, I suppose it is.

343. *Mr. Buchanan.*] At the time when some of the mills were working full time, or much longer time than others, when the association came into existence, was there any export trade in flour?—Yes.

344. Did the export trade in flour practically cease at or about the time when the association came into existence?—Somewhere about that time. It ceased, so far as Australia is concerned, when they put on the duty there. I do not exactly remember the month or the year, but they put on a duty of £2 a ton.

345. Would one be correct in making the general statement that a restriction in the number of hours worked by the mills generally throughout the colony would necessarily have come about—association or no association—because of the impossibility to export flour at a profit?—Yes.

346. In other words, the reduction in the number of hours that mills have been working since the association came into existence has been owing not to the coming into existence of the association, but because of the new conditions, under which it became impossible to export flour at a profit?—Yes.

347. Can you give us any approximate date as to when it became impossible to export flour except at a loss?—I should suppose the date commenced from the time when the duty in Australia was put on flour; I think about 1901 or 1902—I could not exactly say.

348. *Mr. Taylor.*] You say that prior to the Commonwealth putting a Customs duty on flour New Zealand did a large export trade with Australia?—Yes.

349. Very large?—Yes.

350. We were able to compete in the market with Adelaide prior to the Commonwealth putting on that duty?—We were able to compete with Adelaide in the Sydney market, and in Queensland, and in Perth, but not in the Adelaide market.

351. Do you want the Committee to believe that the smaller production of flour since the association commenced its operations is due to the loss of the export market?—I am certainly of that opinion—the Committee can believe what it likes. I am quite sure that it was the cause of a great falling-off in our business. We were doing business with Western Australia, Sydney, and Queensland; Perth and other mills were doing the same.

352. Can you tell us what quantity of flour was exported in 1895?—No.

353. In 1900?—No.

354. Or in 1902—you have no figures of any kind?—No; I could not tell you anything about the general exports.

355. I will give you a concrete case: Your output has been decreased by one-sixth. Did the reduction in your output represent what you otherwise might have exported?—I think so.

356. Then, you say that last year you would have exported 1,000 tons of flour if the association had not been operating?—In 1897 our output was 7,000 tons; in 1898, 7,054; in 1900, 7,238; in 1901, 6,200; in 1902 it was 5,531.

357. Did you not tell us that your output had been reduced so that other mills might have a fair share of the total trade?—Yes.

358. You first of all told me that your reduced output had been agreed to so that the association could have a larger share of the total trade; now you tell me that your lower output is due to