

that the association adopted practically a system of coercion in Dunedin as against Steven and Co. to force them into the association: will you give us your experience of the nature of the contest which has been going on in Dunedin and to which you are a party?—We have been competing with Steven and Co. and with the association. When Steven and Co. brought down the price of small bags, of course we followed suit, and we were selling lower than the association for some time.

94. That is, you and Steven and Co. in the small-bag trade?—Yes, in both small and large bags we were both competing keenly. It is nothing unusual. We did the same for years past, long before the association started.

95. And what has been going on since is merely reverting to the old condition of things?—Yes, and the survival of the fittest.

96. You say that Steven and Co. brought the prices down?—We are both equally guilty so far as that is concerned. We both brought the prices down.

97. It has been suggested by a witness—in fact, by Steven and Co.'s traveller—that part of the system of coercion adopted by the association towards free mills was to get certain bakers to refuse to take flour from free millers, and particularly from Steven and Co.: now, in your experience have the Dunedin bakers refused to take flour from you?—No, they have not refused me.

98. You have nothing to complain of in that direction?—They certainly preferred dealing with the association to dealing with outsiders, but still we always managed to do business with them.

99. So that there was no boycotting of free mills as far as your experience went?—No.

100. And you have not suffered?—Well, as I have said, they were more in favour of buying from the association than from outside millers.

101. I am putting it strongly, because it has been put strongly before: was there anything in the nature of a boycott?—No; I was selling to the associated bakers all the time. I can give you names.

102. Will you give us the names?—I supplied Mr. Wood all through, who is a large baker in Dunedin, also William Wright, and several others.

103. You have had a long experience in milling?—About fifteen years. I have been about twenty-eight years in the grain trade.

104. Will you tell the Committee the condition the flour trade was in prior to the inauguration of the association?—The principal reason why we joined the association was because previous to the association coming into operation there was considerable forward selling, and the association was established principally to prevent forward selling. At the beginning of every season wheat is usually much cheaper than it is later on; this was the time when bakers went in for forward contracts, and some of the millers used to supply them up to the end of the year. The object of millers accepting these contracts was to keep their mills running full time. Many times I objected to this practice, and we very seldom sold forward, because we looked upon it as throwing money away, and on several occasions we shut our mills down for months, because we knew that those millers who sold forward would be heavy losers if wheat went up. At one time we shut our mill down for about six months, while other mills were running alongside of us, and later on that season we made a good profit out of our grain speculation, while they lost money. The forward selling was the most objectionable part of the business.

105. What about the bad debts?—Another result of the forward selling was this: that numbers of young men who ran bakers' carts have gone to millers who were anxious to do business and got stocks of flour from them in order to start on their own account—buying forward. Eventually some of these people would have to retire from business and call meetings of their creditors. A good deal of money was lost in that way, and we found that it was poor business to supply that class of man. For ourselves, long before the association was formed, we as a rule refused to serve these unreliable customers.

106. During the period that you had a working-agreement with the association, and were practically a member of the association to that extent, did you find that the output of your mill was materially curtailed?—No doubt it would be curtailed.

107. I am going to place in your hands a list of figures with which I think you are familiar, because it was placed in your hands yesterday: you have gone through that list, have you not, chiefly in regard to the prices of wheat?—Yes, I think those prices generally are similar to the prices paid in Timaru. Those are the Christchurch prices. I would have made up a list of the Timaru prices if I had known they would be wanted.

108. From your observation of the trade while you were working with the association, do you consider the action of the association was to put up the price to the consumer?—No; but the working-expenses were so much less than they used to be. For instance, every miller had to keep a traveller in days gone by, and travellers were expensive luxuries, and when the association was formed they were done away with with the exception of an agent in each town and one or two travellers employed for the whole of the milling community. Of course, it was a great saving of expense, and by cutting the expenses down in that way the public got the benefit.

109. One of Mr. Taylor's charges is that the interest on the excessive value of milling plants is being charged against the consumer?—As far as I know that is not so. For instance, any year when we make money—which is only done through grain speculation if at all—we write down the plant and premises.

110. Do you think generally that the plant and premises have been written down to meet the depreciation in values?—Yes, in my company's case.

111. To what extent have you written down your plant and premises?—I think we have written off the Atlas Mills about £12,000 or £13,000.

112. Off a cost-price of what?—Say £33,000 or £34,000. We have written it down to about