

tion in price shall be borne by the mill-owners who manufactured the said flour. The decision of the directors or a majority of them on the questions aforesaid shall be final.

17. Is clause 15 the same—the penalty clause?—There is a slight alteration there. The clause reads, "If any flour shall be sold, supplied, or gristed by or on behalf of the mill-owners contrary to the provisions of section 13 hereof, then and in such case the said mill-owners shall pay to the said association the sum of twenty-five pounds per centum on the value of such flour, calculated at the current rate at the time the said flour was sold, supplied, or gristed by or on behalf of the said mill-owners, and in default of payment thereof to the association on demand may, subject to any provision herein contained for the determination of differences, be sued therefor, and the amount thereof recovered from them by the association in any Court of competent jurisdiction. All moneys payable to the association under this paragraph or under paragraph 14 shall be deemed to be liquidated and ascertained debts and recoverable as such, and not merely as damages, and, in addition to any other remedy that may be available against the mill-owners, the amount thereof may be deducted from any moneys owing to them by the association. Should the directors at any time have reasonable ground for believing that a breach of or non-compliance with this agreement has been or is intended to be committed or is contemplated by the mill-owners, they may retain any moneys owing or accruing to the mill-owners by the association until the question of the breach or intended breach or non-compliance has been determined, and then deduct all moneys payable in respect of such breach or non-compliance from the moneys owing by the association to the said mill-owners."

18. Then the association really dictated the production of each mill?—No; it does not dictate the production. The production is limited to the capacity of each mill.

19. How many mills were associated with the association in 1901?—I could not tell you how many at the beginning.

20. Say at the time you joined it?—About thirty-three.

21. Can you give us the list?—I would not be quite certain, but I think I have got the corrected list.

22. When was that?—In February last.

23. Of this year?—Yes.

24. I want to know the number from June to December, 1901?—I cannot give you the exact names, because I have not got them here.

25. I want to know what millers were associated in June, and what millers were associated at some other date, so as to get the reason for their seceding?—If you name any particular mill-owner I will tell you. I have not got the list here.

26. I want to know the mills that have been associated from 1901 up to a certain time, and the mills now associated, because I want to get at the secessions?—I can tell you the mills that are not in the association now that were in in 1902—William Evans, of Timaru; Steven and Co., of Dunedin; Milligan and Bond, of Oamaru; Ireland and Co., of Oamaru; Fleming and Co., of Invercargill. I think that is all.

27. Have you a list of the mills that have belonged to your association?—Yes. [List put in, and marked C.]

28. Can you tell us the normal capacity of the associated mills?—About 150 sacks per hour.

29. That does not include the secessions?—No.

30. That means each hour in the twenty-four?—Yes, I think that is somewhere near the mark.

31. Can you tell us what number of hours on an average they were working before the association was formed?—No.

32. Do you know what the total output was?—No.

33. Can you tell us what their output is now?—It varies from month to month.

34. Say, on an average throughout the year?—About 20 tons per sack per month.

35. You say they can turn out 150 sacks an hour?—On an average 20 tons per sack per month. If it was a ten-sack plant the mill would turn out an average of 200 tons a month.

36. What is the total tonnage on an average put out per month?—Multiply it by 20 and you will get it. It was about 4,000 tons per month.

37. What could these mills turn out supposing they were working at their full capacity?—10,000 to 12,000 tons if worked night and day.

38. *The Chairman.*] Can a mill go on continuously night and day?—Yes, it could for a time; but stoppages have to be made for repairs, inspection of boilers, and so on at regular intervals.

39. *Mr. Taylor.*] How do you regulate the output?—We do not regulate it, we sell as much flour as we can.

40. Take a mill like the Brookfield Mill in Christchurch: do you know how many hours that is working?—No.

41. Do you know how many hours any mill is working?—No; the association has nothing to do with that.

42. Can a mill produce as much flour as it likes?—Yes.

43. Will the association take all the flour that a mill will produce?—No.

44. I want to know how the association determines the amount to be produced?—Simply by demand. As we sell it it is allotted each month.

45. How do you credit the miller? Take the Brookfield Mill for a month: supposing it is working sixteen hours a day, will you take all the flour that is produced in those two shifts?—Not necessarily; the output is settled by the demand only. We sell as much as possible in the colony.

46. How do you arrange the proportion to each mill—do you pool the products?—We do not pool the products at all.

47. Do you indicate to each mill-owner what he has to produce?—No. We sell as much as