

175. Did you reduce the price of your flour to a non-paying point to meet their competition?—The association has nothing to do with the cost of flour. It has nothing to do with the manufacture of flour, and I do not know what price pays and what does not pay a miller. I do not know whether a price is a paying price or a non-paying price.

176. Were you selling flour at a low price in Dunedin in competition with Steven?—I think it was 5s. a ton cheaper in Dunedin than it was in Christchurch.

177. Would you consider it part of your general policy to sell it at a lower price in competition to flour sold in Dunedin?—I do not think it is fair to ask me what we should do under a certain set of circumstances. The Millers' Association has nothing to do with the cost of production.

178. Have you sold flour at a loss, counting the year's ordinary price, to meet the competition of free mills?—Not to the association.

179. How does that answer correspond with your admission about Auckland?—You asked me a specific question about Dunedin, and I gave you a direct answer.

180. I want a specific answer with regard to Dunedin, and I cannot get it?—I say, No. You asked me if we sold flour at a loss to the association, and I say, No, we did not.

181. And yet in the answer immediately before you said you did not know what would constitute a loss to the association?—I said to the millers.

182. Could the association make a loss on the sale of flour?—The association charges a commission on the sale.

183. Then, the association cannot make a loss?—No.

184. Did the association not sell on behalf of somebody else, or its members, flour at a price which represented a loss to meet the competition of free millers?—The association knows nothing about the price of manufacture. The millers fix their own price, and we charge a commission on the sale.

185. Who fixed the price of the flour that was in competition with Steven's?—The millers.

186. Do they meet together?—Yes.

187. Where do they meet?—In certain districts the millers fix the price themselves outside the directorate of the association.

188. Where is that district?—Dunedin.

189. Does your association not operate there?—Yes.

190. You fixed the price in Dunedin to meet the competition of Steven?—The association is advised by the Dunedin millers as to the price to be fixed.

191. Sometimes the association fixes the price, and sometimes the millers; the price may be determined at one time by the cost of production, and at another time to meet the competition of free mills?—The price is fixed by the association on advice by the millers.

192. Have all the millers done so voluntarily?—As far as I know, yes.

193. Do you know of any negotiations that have taken place with the view to compel or induce any of the millers to join the association?—Not since I joined the association.

194. Now about the brands: supposing a baker applies to you for a certain brand of flour, can he in all cases get that?—No, in all cases he cannot; in most cases he can.

195. Practically, on some occasions, he has to take what you give him?—If we cannot give him the brand he wants we give him a choice of others.

196. He is not free to choose his own brand of flour?—Practically he is; he is as free as he possibly can be. If we have not got the particular brand we give him the choice of other brands.

197. Did you only sell certain brands in Auckland below cost-price?—I do not know what brands you refer to.

198. The sales were made in accordance with your general policy, without regard to the quality of the flour?—All our flour is of guaranteed quality.

199. If any miller now belonging to your association says that he joined because some one representing you threatened to sell flour in his district under cost-price if he did not join, will you deny any knowledge of such methods?—Certainly, since the time I joined the association.

200. And you do not suggest that any such methods were in practice before?—No.

201. Or that anything was done to check the importation of American flour before the alteration of prices—no lowering of price took place when the flour was being imported?—It was not done with the object of checking importation.

202. Did you not alter your tariff at the time American flour was being imported?—I do not know.

203. Did you discuss the importation of American flour in regard to your prices?—I do not think so. It might have been talked of in a general way, but, as a matter of fact, last year we could not supply all the flour that was wanted. If it had not been for the American flour people would not have had sufficient.

204. But the matter of checking the importation or lowering the price was discussed at your meetings?—It might have been or might not. I do not remember.

205. *Mr. Rutherford.*] What was the object in forming the Flour-millers' Association generally?—Generally speaking, it was to try and better the condition of the flour-millers. The condition of the trade had been very bad for years.

206. Was the baking trade equally bad?—Yes, it was.

207. Both were bad?—Yes.

208. You told us in your evidence that there were thirty-three mills associated with your association in June, 1901—between June and September?—About that.

209. And five subsequently seceded?—Yes.

210. Do you know how many mills there are in the South Island altogether?—About fifty, I think.

211. And the maximum number that joined the association was thirty-three?—That is about right.