

3. Your Committee have been much impressed with the rapid increase of the export of the New Zealand flax fibre, and are gratified to observe from the evidence before them that, notwithstanding the serious decline in prices lately experienced—a decline which was equally shared by kindred fibres—manufacturers are apparently not discouraged, but, on the contrary, are still producing largely. It must be remembered, however, that the fibre as now exported is fit only for the manufacture of rope and twine and for such purposes for which manilla and sisal are used.

4. Your Committee, being strongly of opinion that the New Zealand fibre is capable of greater possibilities, think that some steps should now be taken to further the industry; they, therefore, beg to make the following recommendations, viz.:—

5. That the Government should offer a bonus of £10,000 for the encouragement of the flax industry, to be devoted to the following purposes, viz.:—

(a.) For a process of flax-dressing which will reduce the cost of production:

(b.) For a process which will improve the quality of dressed fibre, making it suitable for textile purposes:

(c.) For a mode of utilising the waste products of the industry.

6. Appended will be found regulations, which the Committee recommend for adoption by the Government, under which the bonus can be earned.

7. That steps be taken to establish classification at the port of export, to be undertaken by Inspectors appointed by Government, and that the Government should confer with hemp-millers for the purpose of framing regulations.

8. That, as your Committee regret to find that there has virtually been no inquiry into, or report on, the production of New Zealand flax fibre since 1873, they recommend that the evidence now before them be printed in pamphlet form, and that Sir James Hector's pamphlet ("Phormium as a Fibrous Plant") be reprinted, together with carefully-revised information obtained during the present inquiry, and any additional information that may be procurable with respect to experiments conducted during the progress of the Indian and Colonial Exhibition, or at any other time, in connection with New Zealand flax fibre.

9. That these publications, when printed, be distributed amongst flax-millers and others interested in the industry.

10. Your Committee find that hitherto the flax in many districts has been cut in a most reckless and destructive manner; and, in order to insure a continuous supply of the raw material, it is imperative that some care should be taken in the future. Flax-owners should therefore be strongly urged to give instructions to their cutters to cut in such a manner as to leave the heart of the flax-fans uninjured.

11. Your Committee are further of opinion that, in view of the evidence laid before them, it is very desirable that attention should be given to the planting and cultivation of the best varieties of flax, with a view to the production of fibre of superior quality.

12. That your Committee find that the market-price in London is prejudicially affected by the fact that the contents of a single bale, as well as the several bales of one consignment, often vary very widely; and they desire to draw the attention of flax-millers to the expediency of exercising care in this particular.

13. Your Committee wish it generally known, and therefore embody it in this report, that, from special inquiries made as to the liability of phormium fibre to fire when shipped damp or wet, they find conclusive evidence that it is *not* liable to spontaneous combustion, but that dampness merely has the effect of rotting or so seriously discolouring the fibre as to render it almost valueless on reaching the Home market.

14. Your Committee are of opinion that the above recommendations, if carried out, will result in the flax industry becoming one of very great importance to the colony.

26th August, 1890.

GEO. BEETHAM, Chairman.

SUGGESTED BONUS CONDITIONS FOR THE ENCOURAGEMENT OF THE FLAX INDUSTRY.

1. Any one applying for the whole or any portion of the bonus must submit his process to be tested before three Commissioners, who shall be appointed by Government.

2. That the test shall be the production of not less than ten tons of dressed fibre.

3. Taking the present cost of fibre at £15 at ship's side, if the Commissioners are satisfied that the process reduces the cost at ship's side of good dressed fibre (equal to superior New Zealand) to £7 10s. (or half the present cost), that they shall recommend that the sum of £4,000 be paid to the inventor by Government, and, if they think fit (besides such bonus), may recommend that the inventor be allowed to retain his right to require a royalty per ton from those who use the process.

4. If the process reduces the cost at ship's side to any sum per ton between £15 and £7 10s., then the Commissioners may award such portion of the £4,000 as they may consider proportionate.

5. If the Commissioners consider that there is an improvement in the quality of fibre dressed by the process, they may award the sum of £1,000, or such proportion thereof as they may think fit.