

might cost them £1 or £1 2s. delivered at the mill. In the Foxton district, where we have some mills, it does not cost us anything like that.

197. How many tons of green flax go to a ton of fibre?—That depends on the situation of the flax and the quality. Some state that it takes from $6\frac{1}{2}$ to 7, and others from $7\frac{1}{2}$ to 8.

198. Say 7?—Yes, that is a fair average.

199. It costs £14 to do the dressing at the mill?—It largely depends on where the flax is produced. In some places it costs more than £14, and in other places it would cost a shade less. There are a few cases in which they might have exceptional advantages, such as nominal rent, taking several thousand acres of land, and saying, "We will pay royalty in the shape of rent." In such cases they might produce it at a less cost. When the people examine their accounts at the end of the year they find they are invariably under the cost, for the reason that they never take into consideration the interest on the capital employed and the enormous risks flax-dressers have to undergo. In some cases where I am personally interested we have a mill costing £1,500 or £1,600, with plant, machinery, buildings, &c., and perhaps £1,200 of that is uninsured. We cannot get insurance, and we may wake up in the morning and find the whole thing gone. You cannot calculate the cost on that basis.

200. A man going into a business of that sort would require to make calculations?—The people who give you a statement and say it costs so much per ton never calculate on the outside things in the shape of interest, wear-and-tear of machinery, and probable loss by fire.

201. *Major Steward.*] You have answered some questions as to the cost of flax, Mr. Holmes, probably you can inform the Committee what is the average price at which f.a.q. flax, speaking generally, can be placed on the London market, without loss, per ton?—I should say it would vary from £22 10s. to £24.

202. And do the present prices pay?—The prices obtainable do not pay the producer; there is an absolute loss.

203. Do you happen to know from your business relations with this trade the purpose to which the flax you ship to London is generally applied? Is it not for rope- and twine-making?—Principally, yes.

204. Have you ever heard any complaint as to the use of flax for this purpose, particularly for larger descriptions of rope, owing to the presence in it of gum?—None whatever.

205. Do you know whether it is capable of being applied to the manufacture of coarse fabrics, such as are now made of jute, sacking, and so on? do you know if it has ever been tried?—I think we have some correspondence on the point. I cannot tax my memory.

206. In what port have you had your experience of shipment for London? At the Port of Wellington?—Yes, Wellington and Picton.

207. Can you say anything generally as to the condition of the flax which is sent for shipment: is it generally in a fit condition for putting on shipboard?—I think the bulk of the flax is.

208. My reason for putting the question is that there are complaints that flax has been sent Home in a very unfit condition to be placed on the market?—Possibly; but they are only exceptional. You are referring more particularly to the flax being wet or damp?

209. Containing too large a proportion of inferior matter, roughly got up, and so on?—There is a good deal of very inferior-dressed fibre done up the country.

210. The effect of that has been to depreciate the character generally in the London market?—That must necessarily follow. Large proportions of the shipments go Home on consignment, and when it reaches its destination New Zealand flax, or hemp, is taken in the bulk, as it were—Jones offers us £15, the Loan and Mercantile £18, Holmes and Bell £20, and so on; and thus it has the effect of reducing the value.

211. What would be the difference in value between such a sample as you have seen here to-day and a very inferior sample? Is there a very wide range?—Yes; the quotations show that good flax sells at £27 10s., while common is selling at £15 10s. or £17 10s.

212. There is a range of £12 as between these qualities in the London market?—Well, more than £10, I should think.

213. If all the flax were prepared in the best way it would command larger prices, which would more nearly pay than at present?—Certainly; but that is not the whole point either, the mere fact of getting a better price, but it insures a more regular sale.

214. That leads up to the suggestion you approve, that flax should be inspected before shipment?—Yes.

215. You heard a witness this morning who expressed an opinion that the inspection should take place at the mills?—Yes.

216. If the inspection took place at the mills we should want such a large number of Inspectors that it would be impossible to carry it out?—Certainly.

217. Then, if not at the mills, I presume you would say the Inspector should be located at the port of shipment?—Certainly.

218. What are the principal ports of shipment for flax?—Wellington, Auckland, Lyttelton, and Dunedin.

219. As a matter of fact, the inspection at these four ports would cover the whole trade and be sufficient?—Quite sufficient.

220. Next, as to the nature of the inspection: is your idea that an Inspector located at a port be required, supposing he were called upon to pass any particular shipment of flax, that it would be his duty to open every bale or simply to take hap-hazard what appeared to be a fair sample of the bales and see what they were like?—I think that would be sufficient. In my opinion, the mere fact of appointing an Inspector would have a sufficient deterring effect on the people who are now alleged to be careless in the manufacture, and would reduce the necessity for the close examination to which you refer.