

to lose, they have nothing at stake, and they are unlike the sheep-farmers in that respect. On the other hand, every bale of wool is sampled.

238. *Mr. Wilson.*] Or exposed for sale?—It is really sampled. You have an opportunity of sampling the bales as they are presented in the London wool-sales.

239. *Hon. Captain Russell.*] Would not individual interest compel a man to produce a good article more than Government interference?—I hardly think so; at all events, not until some permanent injury is done to the trade. I think our duty should be to avert destruction. We should anticipate it; and that is what is being done. We have come at last to the end of the tether, for the present prices mean absolute loss not only to the people who have invested their capital, but to the country also. Their loss is twofold—they lose not only the cash out of pocket for labour and incidental expenses of production, but they are absolutely losing the fibre—literally throwing it away. That is the present state of things.

240. Do you know any one experimenting with a view to improving the present machines?—Yes, there are many.

241. What has induced them to go in for it?—Their own idea. They would attach various royalties to the introduction of the machine. There are several people in the district of Blenheim alone, and each one thinks he has the best machine, and as soon as he has it perfected will say, "My price is so much per ton for every ton you put through this flax-machine." There would be so much royalty for the use of it, but that would be done away with if the Government came in and said, "We will give you something more," because, after all, it is problematical, and they have no inducement in the shape of a bonus to look forward to now.

242. Do you think a bonus would stimulate the inventiveness of men? Do you think that at present it is the hope of getting the royalty, or the love of engineering?—I think the pounds shillings and pence are the questions of to-day. There are enthusiasts in the flax industry no doubt, but the engineers who have the time and the ability to make improvements in flax-dressing machinery will not trouble themselves if they have only a royalty in view; but they would be able to say that they had something definite before them if £5,000 or £10,000 were offered as a bonus.

243. But when once they have earned their bonus they have nothing else to look forward to, because their most successful rival would immediately be trying to improve on their machine, and would get the royalty from the remainder of the flax-dressers?—That would apply to any invention.

244. I only want to find out whether a royalty is not a better form even than a lump sum; whether, in fact, a lump sum would not terminate the desire for invention when that sum were earned, whereas a royalty is a current stimulus. I only want to get to the point as to how best to aid the industry?—I confess to you that I do not see how you could compel people to use the machine. If you offered a bonus of 1s. per ton on all the fibre produced in the Wellington Province it would be necessarily compelling all the flax producers in the district to use that machine; whereas, if the Government said, "If we get a good machine that will produce this article at a less cost than it has been produced before, and turn out better fibre, we will give the man, for the time and trouble he has devoted to it, £10,000," you might get engineers and others engaged in the various large centres of manufacture to go in for it. If you took up a royalty it might collapse in twelve months.

245. Assuming that an invention were not perpetual, but only had its season, and there were other improvements in machinery from time to time, the Government might pay their bonus of one, two, three, four, or even ten thousand pounds, and, within a month of the payment of the bonus down, the very implement for which it were paid may have gone out of use?—Well, then, the implement for which a bonus of £10,000 were paid might put an increased value of £50,000 on the fibre of the country.

246. I am supposing that if another man made a better invention he would get no bonus?—No; but the first man makes the beginning with a machine which another man might further improve upon.

247. I do not mean the improvement on the machine, but in the system of dressing?—At all events, whatever happened, the Government would put it to the test. It does not matter how much more you are going to improve if you have secured an improvement sufficient to make a difference of £2 per ton on the average output of the whole of New Zealand, because then you have saved your £10,000 well. Whatever happens as to further improvements the Government of the country would lose no money, but would really improve the position. If it were possible to reduce the cost of manufacture to-morrow, and raise at the same time the quality of the article produced, I think they would have well spent the money, although, as you suggest, there might be still further improvements a month later.

248. Have you formed any idea as to what would be a suitable bonus?—I have no idea of the amount, but I should imagine that if it were calculated on the basis of the value of the fibre to the country that would form some index of the line you would go upon, and the larger the amount the greater would be the inducement to outside people to compete. I have been in communication with Crosbie and Co., the great manufacturers of Chicago, on the subject of flax-dressing, and I have written to Belfast to people interested in the manufacture of flax, and also with persons in London, and I had specifications and plans sent out by Mr. Bell from London.

249. *Mr. Wilson.*] Supposing there were no bonus at all, would it not be more difficult for a man to bring out his process? He would have to advertise it to the people who might be sceptical?—Necessarily so.

250. The mere fact of the Government giving him a bonus would alone be sufficient to show the process was a satisfactory one, and that would be the best possible advertisement he could get for it?—Yes.

251. Do you think it would pay the Government to buy his process and charge a small royalty upon it?—That is a point in connection with which something might be done that would make it compulsory.