

the expense of opening the bales, but if you wanted to be critical you could take a hank without much trouble out of each bale?—Yes.

684. If a Government Inspector were appointed you would impose some small charge per bale to recoup the cost of inspection?—Yes; that is what we are doing now.

685. Would it be necessary that an Inspector should be assisted by a staff of men for the purpose of rebaling—putting up in proper form such bales as it would be necessary to open?—That is already done on the wharf by the Harbour Board. They have all the facilities for that.

686. Have you any idea of what amount per bale would recoup the cost of inspection at the port?—Well, that would depend on the volume of the business.

687. The number of Inspectors?—Yes. I should say an Inspector for each port would be sufficient; and the remuneration for an Inspector would greatly depend on the volume of the trade.

688. Exactly; but, at the present rate of export, would it not appear that an Inspector at anything like a reasonable salary would be recouped by a very small charge per bale? For instance, how many thousand bales go from Wellington?—I have not the figures with me. I intended to bring them had you allowed me to come to-morrow morning.

689. *The Chairman.* We have that in the Chamber of Commerce report, I think?—I do not think you have, from Wellington. I should say, if the business does not increase on its present ratio, about 6d. a ton.

690. *Major Steward.* That is, a mere nominal charge per bale?—Yes, 1d. per bale. I am basing my calculation on the assumption that the Inspector might receive £300 a year.

691. There is no doubt whatever that a charge of 1s. per bale would more than cover the cost. The reason I put the question is because a witness named 2s.?—When you consider that is 12s. per ton, I should say yes; but I think 1s. a ton might do it.

692. *Mr. Walker.* I suppose it is quite true, as has been stated frequently, that a great deal of inferior flax has been shipped Home?—Oh yes. There are the rejections; they must find a market. If we are buying for America, and we reject fifty or a hundred bales, what is to become of that? It must go to London.

693. *The Chairman.* What percentage would that fifty or one hundred bales be of the amount you ship?—I could not answer that question.

694. *Mr. Walker.* Do you think the proportion of inferior fibre is decreasing in consequence of greater care on the part of the shippers?—Yes. Our rejections during the last three months—the worst time in the year for the production of flax—have not been nearly so large in proportion as last year.

695. And therefore you hope that with a Government inspection that difficulty would entirely disappear?—Yes.

696. You do not agree with some of the witnesses that the bad condition of flax arriving at Home has materially affected the price in London? I mean bad quality, badly prepared?—No; I cannot see that the bad quality of our flax would reduce the price of manila and sisal.

697. *The Chairman.* You consider that the present low prices come of the fact of there being low prices for fibre generally?—Yes.

698. We understand you to say that, in your opinion, all flax should be inspected before leaving the port?—Yes.

699. I asked you the question because it has been stated by a witness that the flax purchased here need not be inspected, but only that which is consigned to England for sale?—I think, as to the flax purchased, that it would materially strengthen the hands of buyers if they had the certificate of a Government Inspector that the flax, in his opinion, was of a certain quality.

JOHN DUNCAN, of the Firm of Levin and Co., Wellington, examined.

700. *The Chairman.* Your firm has purchased a considerable quantity of flax, Mr. Duncan, during the last few years?—Yes.

701. You have heard what Mr. Gale has said?—I have heard in a great measure what he has said.

702. Do you substantially agree with him on the points he has mentioned?—On a good many points, but in some minor details I disagree with his view. For instance, he would propose to grade the flax into three classes, but I think it is necessary to have four. I think you ought to have fine flax, fair average, ordinary, and coarse. The ordinary is average flax; but I think it is necessary to have the fine quality distinguished from the others, because it has a market by itself in London. I also disagree with him on the point as to the price being affected in London by the badness of the quality. I think it has been affected.

703. What reason have you for thinking so?—My reason is quite apart from the fact that a bad quality of flax will always sell much lower in the market than fine of the same make—that is to say, you find the more ordinary flax is selling just now at £15 and the fine at £22. It is not in regard to that point that I differ from Mr. Gale, but the difficulty we have had has been in our selling flax supposed to be of one quality—fair average, or fine, as the case may be. It is sent directly into consumption without further examination at port of delivery until it reaches the rope-maker, and he discovers that instead of getting fair average he may be getting coarse. He can in no way depend, as things have been going on here, that he is getting what he supposes he has bought. In that way, I think, rope-makers have been afraid of what they may get; and consequently they are not willing to pay the full price. That, I think, is the only reasonable inference to draw from what has happened in the past.

704. Does not that indicate, Mr. Duncan, that there has been a certain amount of carelessness on the part of merchants purchasing here—that they have not classified sufficiently?—I would not like to call it carelessness. It is just in this way: A good many of the buyers, I think, were ignorant of what was required in London; and many of the buyers in London were ignorant of what