

bales may become damp in transit on the railway. I do not think it is done, as has been alleged, with the view of making it weigh heavier, and of cheating in that way. My opinion is that flax-millers, as a body, are honest men, but they want more experience in dressing it.

276. Do you know if flax is liable to spontaneous combustion?—I should doubt very much that it is.

277. You have never found it heat?—No, and we have some large quantities from time to time. I think that is borne out by the fact that many millers in the winter time stack their fibre in a field, and it is never found to heat so far as my own knowledge is concerned. The rain comes down in continual showers upon it, but it goes on until it is redried. It is built up in a cock, but it is not so safe as it would be in my warehouse. If there were any probability of fire I think it would show itself in the stacks in the field.

TUESDAY, 29TH JULY, 1890. (Mr. G. BEETHAM, Chairman.)

Mr. ROBERT GARDNER examined.

279. *The Chairman.*] You are chairman of the Flax-millers' Association?—Yes; I have been engaged in the industry from the commencement of the recent boom.

280. How many years?—Two years and a half.

281. Will you give the reasons why you think a bonus should be given?—In the first place the industry itself is so important that it has special demands on the attention of Parliament, and if it dies out altogether there will be a very clear loss to the whole colony; it can be maintained by help from the Government, and I think the Government is called upon to do it. I may state that if it dies out the land now occupied by the flax will have to be cleared at a cost of from £1 10s. to £1 15s. an acre to make way for more profitable industries, such as sheep-farming and grain-growing, &c. The value to the colony of the flax industry at the present time is something like half a million. I think that I am justified in taking it at that (judging from the figures that appeared last night in the *Evening Post*), from Mr. Spurling's report. He gives for the four weeks ending the 14th June the arrivals of New Zealand flax as 10,765 bales, and I think I am fairly justified in taking these at 3½ cwt. per bale. That represents 1,868 tons for the four weeks, or 24,284 tons for the year. That, taken at what I reckon as the fair cost of flax produced here—namely, £16 a ton (to that I add £2 a ton profit to the producer, and there is no profit under that; and there is no good in going on producing under that)—that represents, taking Mr. Spurling's data, £437,112 for the year. I have before me the cost of my own production, the cost of one of the largest producers in the Wairarapa, and the cost of one of the best producers in Marlborough. My own cost of the green leaf landed at the mill is equal to £4 11s. per ton on the dry fibre, and that is low. The milling alone costs £10 3s. per ton. The cartage of dry flax by railway, and steamer charges, I put down at £1 per ton (an especially low estimate) to Wellington. That is £15 14s.—£16 in round figures—as the cost. These are my own charges. Well, now I take the Wairarapa charges—one of the best mills—and the proprietor gives me, roughly, £17 1s. 6d. as his cost to Wellington. I give you the figures of Mr. Thompson, one of the best dressers and one of the oldest in Marlborough—£19 13s. The difference between the lowest figures and this now given as the highest is to be found in the additional cost on the green fibre delivered at the mill. In Marlborough the green fibre has cost £1 per ton delivered at Blenheim—that is, the green flax. To these figures you may fairly add £7 10s. per ton for expenses between leaving Wellington and sale in London; so that my own flax could not be sold at London, allowing £2 per ton profit, under £25 10s.; and the Wairarapa flax could not be sold, allowing £2 profit, under £26 10s. Mr. Thompson's flax, in the Marlborough district, could not be sold in London under £29 3s. I have allowed wear-and-tear, insurance, and other charges.

282. And you believe the other gentlemen whose names you have mentioned here have done the same?—I have taken their figures.

283. They have taken the same basis?—Yes. The present price of flax in London—the average price—is £18 10s. That is borne out by Mr. Spurling's and others reports published. Taking £18 10s. as the average will show that the industry is in a very precarious and unprofitable condition; that, in fact, it is threatened with annihilation unless there is some change. So much has the low price affected the output already, that there seems to be a rapid shrinkage in the number of machines at work. I will just give you roughly the number of machines in the Manawatu and Rangitikei districts, and I will show how the number is reducing. We have in these two districts alone 110 machines altogether in existence which have been at work. Shortly after the collapse of the price, in the month of February, the number actually working was reduced to fifty. In the month of March—the 24th—the number came down to thirty-two, and on the 12th May it came down to twenty-one. At the present, however, the number has increased, through accidental circumstances. There is now a buyer, and only one buyer, in Wellington buying for the American market, who is giving £16 a ton. Millers seize on that in the hope that they will keep going, and hope that by the time the order is executed the price will advance, and they will be able to go on—that is, £16 at Wellington, and there are at present forty-five machines at work, altogether producing equal to 3 tons a week, or 7,020 tons per annum. That can only be a matter of a little time, as the order is on execution up to the 10th September. If they have to go back to the London market with no advance in price the millers must shut up shop and go through the Bankruptcy Court, unless we can move in some other direction, and that direction I have to submit to you. At this stage, sir, I wish to state that I heard remarks made last night with regard to the cause of the depreciation in the price at Home. I think, for the satisfaction of those assembled here, it would be well to draw attention to that. Great stress was laid on the inferior quality of the flax, and I think too much has been made of that—of the uneven quality. I think, in studying the figures of the exports, we shall find the true reason of the low prices, because, in the first place, it cannot be