

18. You have already said that it would have to be made general in its application: the Legislature would hardly pass a clause in the Arbitration Bill applying only to flax-milling?—As I have said, it is an industry covering the production of a very large area of land in the Dominion, and you cannot fix the cost of that production in accordance with the selling-value.

19. If you ask that flax-millers should be exempt from the Act I can understand you, but if you ask that the industry shall have its position reviewed periodically I want you to tell me whether it should be done on the application of either party?—I do not suggest that it should be reviewed periodically. I suggest that it should be removed from the Act altogether.

20. Your request is that the flax-milling industry shall be exempt from the operations of the Act—that is your whole point in a nutshell?—Yes.

21. *Mr. EU.*] You say that although the workers have not given direct instructions it would be in their interests?—I think so.

22. They have not intimated to you that is their opinion?—No.

23. And you are not speaking directly on their behalf?—No.

24. Can you give me an idea of the cost of production since the award was made?—Roughly, we go back about £1 3s. in the cost of production per ton of fibre.

25. That is the difference in the wages formerly paid and now?—That is in wages, but I should say that the season of the industry is about nine or ten months, and until the operation of the award we were able to keep men on at overtime by paying time and a quarter, so that the worker was able to get a larger return for his labour than he is now, and the miller was also able to get twelve months' revenue in the nine or ten months that were worked. That also affects the cost of production somewhat.

26. How long is it that you have felt the falling-off?—The price has been falling during the last eight or nine months—that is, the closing-down of the mills commenced about six months ago, and is still going on. It is now a critical time, because millers have to decide whether they shall start during the current season or not.

27. How much has the price of the fibre gone down?—It has gone down from a maximum of £36 to a minimum of £19. £19 to-day is the price for fair, and £22 10s. is the price for good fair.

28. Roughly, about £15 a ton?—Yes.

29. If it had gone down £2 or £3 a ton from £36 it would not have made much difference?—No. I claim that the average cost of production is fully £25 a ton—that is, the growing of the green leaf and the cost of milling it. I maintain that no industry gives the same return as flax land.

30. *Hon. Mr. Millar.*] What was the cost of production in 1904 per ton of flax?—I was not milling in 1904.

31. Can you tell me what it cost in 1905?—No, I cannot give you figures earlier than 1906.

32. It is not much use asking you questions if you have only been a couple of years in the business: you do not know what royalties were paid in 1904?—No.

33. What are the royalties paid to-day?—The royalties asked by one of the large estates is 9s., whereas I claim it is costing 12s. 6d. to produce it.

34. Are you aware that a higher price than 9s. a ton for royalty has been asked?—Yes.

35. Three or four times 9s. a ton: I can show you a case where £3 was asked?—My knowledge is simply confined to the Wellington Province.

36. Your own knowledge is that it costs 12s. 6d. a ton?—Yes.

37. Now, do you think it is right that the worker should be asked to accept a reduction in the award of the Court, which has simply fixed a living-wage for him, while the owner of the flax is deliberately putting up the royalty?—It has been brought down.

38. Are you aware that five years ago it was only 5s. a ton in the green leaf in the Rangitikei district?—No. But I think Mr. Bell can tell you he started with flax yesterday at 6s. a ton, and his cost of production landed in Wellington is £25.

39. It is usual to dispense with the hands in winter time, is it not?—Yes, a large number of them. A lot of our men are Australians and Tasmanians, and like to have a spell.

40. And even if a higher price had ruled you would have had a difficulty in working your mills during the winter?—Yes.

41. Now, the cause of the fall in price was the financial tightness in America?—We reckoned that was one of the contributing causes.

42. And in every industry they had to "dump" in order to get over the crisis?—Yes.

43. Was there a steady fall in the price of manila year after year, or did it not come down with a jump?—It fluctuates very considerably.

44. It has been ruling above flax and you have not had a steady fall, but there was a big and very rapid fall which brought the price of flax down from £36 to £19?—Yes.

45. That was largely caused by the sudden fall in manila?—Yes, the fibres are somewhat in sympathy.

46. They are always used for the same purpose and will rule at about the same price?—Yes.

47. You ask to be exempted from the operation of this Act?—Yes.

48. Can you suggest any other means than that? Have you ever heard of a sliding scale in connection with certain industries?—No.

49. Are you aware that in Newcastle the wages in coal-mining are regulated by the selling-price of coal?—No.

50. Could not that system be adopted in connection with flax? When flax got up to £36 a ton the worker would be able to get a share of the profit as well as the owner, and if it came down to