

of every bale, or those bales which did not by outward visible indications cause suspicion as to their being in sound shipping condition. It would appear that the officials of the Harbour Boards and shipping companies worked harmoniously with the inspectors, and brought to their notice such instances of apparent damage as came under their notice, and many instances have been cited of the inspectors ascertaining that wool so indicated was unfit for shipment, and the invariable practice was to return such wool for reconditioning or scouring, as the circumstances demanded. It would appear that up to the month of June, 1905, no serious consequences had resulted of any moment in wool cargoes, owing probably to the quality of the inspection.

In June, 1905, apparently through the inability of the Underwriters' Association of New Zealand to come to an amicable arrangement with Lloyd's as to the allocation of the cost of the inspection heretofore carried out, and which involved an expenditure of some £2,000 per annum by the Underwriters' Association of New Zealand, the services of the inspectors were dispensed with at all centres.

The value of wool of all descriptions was exceedingly high throughout last season, and there is no doubt the tendency has been to hasten the delivery of every available pound of wool in order to take advantage of the high prices ruling. It would appear, therefore, that sufficient care has not been taken to ascertain that wool for shipment was in such a state of dryness as would be desired not only to prevent any risk of damage to the wool itself, but to prevent the possibility of spontaneous combustion being brought about by the presence of moisture in the wool. The degree of moisture necessary to become a danger, or likely to cause spontaneous combustion, has not been definitely ascertained, but, so far as your Commissioners are able at this stage to express an opinion, they find that the fires on wool-ships were due to spontaneous combustion in the wool due to the presence of moisture therein.

In so far as your Commissioners have been able to investigate the causes of fires in cargoes of wool, flax, tow, or other combustible material, they have not arrived at a final decision, but in a later report your Commissioners will submit their findings as to the causes.

As to the necessity or expediency of amending the existing law with respect to the shipment of wool, flax, tow, or skins in such condition from dampness or otherwise as to be liable to spontaneous combustion, your Commissioners have considered the existing law, and have taken it into consideration in relation to the weight and character of the evidence which has been adduced.

Section 221 of "The Shipping and Seamen Act, 1903," reads—

"(1.) No person shall ship wool, flax, tow, or skins on board any ship for the purpose of being conveyed by such ship out of New Zealand in such a condition from dampness or otherwise as to be liable to spontaneous combustion.

"Every person who commits a breach of this section commits a crime, unless he proves that he took all reasonable means before shipping any wool, flax, tow, or skins to ascertain whether they were in such a condition as not to be liable to spontaneous combustion."

Your Commissioners are clearly of the opinion that the law as it exists is not sufficiently workable, and is defective, in so far as no one is appointed to carry out a prosecution for a breach of the law; and that it is necessary and expedient to amend the existing law.

RECOMMENDATIONS.

The recommendations of your Commissioners, then, are,—

1. That section 221 of "The Shipping and Seamen Act, 1903," be amended by the elimination of the words "out of New Zealand" appearing in the second and third lines of subsection (1).
2. That provision be made for the appointment of Inspectors whose duty it shall be to inspect wool before shipment.
3. That such Inspectors shall withhold from shipment all such wool as in their absolute discretion may be in such a condition as to be unfit for shipment.
4. That such Inspectors shall be empowered to decide how such wool shall be dealt with by way of reconditioning or otherwise.
5. That such Inspectors shall be empowered and directed to institute proceedings under the Act for breaches of the law.
6. That it be *prima facie* evidence of negligence in packing, or of false packing, if at any time wool is found in the possession of an owner—and the shipper for the time being shall be deemed to be the owner—in such a condition that it is not, in the opinion of such Inspector, in a fit condition for shipment when offered for shipment.
7. That where negligence in packing is proved, such offence shall be punishable by fine; and that where false packing is proved, such offence shall be punishable by imprisonment without the option of a fine.
8. That the cost of the inspection shall be borne and paid by the owners of the material, in the nature of a charge upon every bale of wool shipped from the colony.

We have, &c.,

A. McARTHUR, Chairman.
WALTER G. FOSTER, Commissioner.
H. S. BLACKBURNE, Commissioner.

Wellington, New Zealand, 12th October, 1906.

Approximate Cost of Paper.—Preparation, not given; printing (1,500 copies), £1 8s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1906.

Price 3d.]