

bonus is offered, science will get over that difficulty, and the gum, instead of being disadvantageous, may be the reverse. It may form part of the sizing material, and as such be very valuable.

101. *Mr. Murray.*] Do you think that flax would be cheaper and better than the snow grass?—No, I think the snow grass would be the cheapest and quite as good, although I don't think it would make as tough fibre.

102. How would you propose to give the bonus of £5000?—I would propose to give it to whoever produced a given quantity of paper first.

103. But in the event of two paper mills starting?—That would be a matter of detail, but I imagine it would be given to the one who first produced the quantity stated.

104. Do you not think that would lead to a scramble?—So much the better. I think there is plenty of room for two or more paper mills in the Colony, irrespective of the markets of the world.

105. And the man who won the race by a day would get the bonus?—Clearly so. It is the same in the case of a woollen manufactory in Otago. A wool factory has started there; and, of course, if it is the first to produce the stated quantity, it will receive the bonus, which is £1,500.

106. *Captain McPherson.*] You stated that paper of a superior kind could be manufactured from New Zealand flax. Have you any idea what price the manufacturer would be able to give for flax tow?—I should think that that would depend entirely upon the price obtained for the paper.

107. You have an idea of the price of first-class paper in New Zealand. Printing paper, for instance, ought to be sold for fivepence per pound, and on that calculation what do you think could be given for tow?—I think the manufacturer could afford to give a penny a pound for the raw flax, green; although he would not require to give that price, still I believe it would pay. That would be £9 a ton delivered at the mill. The manufacturer could give more for tow. I imagine it would not be necessary to make it into tow first. Before leaving home I had a considerable knowledge of the mercantile cost of paper making material, and rags from Germany ranged from £14 up to £22 a ton. These were used for the finest writing paper.

108. *Mr. Holmes.*] Do you not think this tow would make paper of excellent quality?—I have no doubt it would, but I can see no necessity for any such intermediate process in respect of flax.

109. *Mr. E. Richardson.*] If the Government offered a bonus would you not recommend that it should be so much per ream on the paper manufactured in a lump sum. In that case it would not be a question of one man finishing the manufacture one day before another, but it would be a question of who produced the largest practical results?—I am inclined to think that a lump sum would be better than a price per ream, although it almost amounts to the same thing. Of course if there is a given weight to be produced, that is the same thing as giving so much per ream, the exact weight of which must be defined. There must, of course be so many reams to make up the weight. You might give a bonus to whoever started a mill first, and let the question of quantity to be produced be the subject of a future bonus.

110. *Mr. Chamberlain.*] Do you not think that a bonus being offered would have the effect of confining the experiment to one or two parties, and that a protective duty would be more beneficial, as it would encourage the people in the different parts of the country to try the manufacture?—There is no doubt that nobody could start the manufacture without capital, and the possessors of capital are the few and not the many.

111. Do you not think that a protective duty would encourage the expenditure of capital on the manufacture in different parts of the country?—Practically, I don't think any mode would have the desired effect except a bonus. The great thing is to induce parties to make a start. The moment that is done the manufacture will be found so profitable that capital is sure to be invested in it without any stimulus.

112. *Mr. Steward.*] Is the snow grass that you speak of what is commonly termed the tussock grass of the plains, or is it a different variety?—I can't speak as to the variety, as I have not seen it growing. I have only seen the article itself.

113. Are you not aware that what is called tussock grass and which grows in large quantities on the plains, has also been tried for this purpose, and has been found to answer exceedingly well?—I am not aware. I have only seen a specimen, which Mr. McGlashan will bring up with him.

114. *Mr. Acland.*] What is known as snow grass is quite different from the ordinary tussock grass of the plains.

115. *Mr. Holmes.*] Are you not of opinion that giving a bonus, say of £5,000, to whoever would produce say 1,000 reams of newspaper paper, of the one size, would be a fair plan?—I think the fairest way would be to give the bonus to whoever would produce a given weight. You might say 1,000 reams of newspaper paper say, for instance, 20 by 30 of a given weight per ream.

116. The great object is to establish a manufacture of such an extent that by the time the manufacturers would entitle themselves to the bonus their operations would be in such a forward state that they would not abandon them?—I think it would be unwise to tie down the manufacturer to any size or any weight of paper, because he would be guided by the state of the market and the demand as to the class of paper he would make. I think it would be better to give the bonus on the production of so many tons, and let the manufacturer make what class he liked of printing paper.

117. The class of paper should be specified, because a quantity of bag paper or grocers' paper might be produced, and that would not accomplish the purpose we have in view. The object of the Committee is to encourage the production of an article that is very much required, and in constant and increasing demand in the Colonies?—I should confine the bonus to the manufacture of printing paper; that is to say, I would make it the lowest quality in respect of which the bonus would be paid.

118. *Mr. Steward.*] Do you not think it would be better to offer the bonus on the production of a quantity of paper of a certain amount in value?—No. I would give it on the weight, as it is something definite, and about which there can be no dispute.

119. *The Chairman.*] Have you any information as to the quantity of snow grass that would be available?—I am told that the supply is practically unlimited.