

The necessary plant for a paper mill is, however, very costly. Mr. Routledge writes you could hardly put down a paper mill, with one machine, under £10,000. All, of course, would depend upon locality, and much on the cost of building materials, and in foundation wall, &c. Very few will risk the outlay of so much capital, more particularly as there is nothing in the shape of protective duties, printing paper being admitted duty free; and therefore, to give the start to this industry, it would well repay the Colony to offer a handsome bonus, the miserable amount of bonus now offered being totally inadequate to carry out the object in view. I would only quote what the South Australian Government in this direction have done: A Select Committee of the House of Assembly of South Australia reported in August last that thousands of tons of fibre, equal to any demand, and suitable to the manufacture of paper, &c., is growing extensively in various parts of the Colony, and a large proportion on the Crown lands. The Committee report their opinion that a new and valuable industry might be opened up, and therefore recommend that a bonus of £2,000 be offered for the first 500 tons produced in the Colony. The Provincial Government of Otago have also agreed to give a bonus of £1,500 to start a woollen manufactory, the machinery for which and ultimate cost is not nearly so heavy as that required for paper making. The Committee are no doubt aware also that the Indian Government offered, I think, the sum of £5,000 as a premium to any one who would produce machinery for the preparation and dressing of Rhea grass. The Government of New South Wales have also proposed placing a duty on paper of 1d. per lb. as a protection to the paper mill erected at Liverpool.

It is not for me to suggest what the amount of bonus should be. I may, however, be allowed to state my view of the shape in which it should be paid, and would recommend that one-half of it be payable on shipment of the machinery, and the other half on the production of so many cwt. or reams of paper. I believe a party is ready to proceed at once to Britain to procure machinery on some such terms, depending, of course, on the amount of bonus offered. Another mode has been suggested to me, and that is to give a bonus of £1000 for every 100 tons of paper manufactured up to 500 tons; and I really do not think this would be too large a bonus, seeing that at the first start there will be the home competition to contend with, and the prejudice towards a colonial manufacture to overcome. In concluding my remarks on this most important industry, I have only to say that I will gladly impart any further information I possess to any party who may be desirous to take up the manufacture of paper stock or pulp for exportation, as until the payable nature of the manufacture of paper is proved it would not be prudent or desirable to start more than one mill in the Colony.

Before closing I may as well submit the following facts as to the great and increasing demand in Great Britain for paper-making material:—According to the Board of Trade Returns the imports of Esparto grass alone amounted to the enormous quantity of 88,943 tons, valued at £597,656, for the eleven months of 1870 ending 30th November, and for the same period the value of paper imported from the Continent of Europe amounted to the sum of £526,569. The imports of printing paper, wrapping paper, paper hangings, and stationery into the Colony of New Zealand, in the year 1870, amounted to the sum of £94,198, the declared value.

From the foregoing statement of facts I do hope the Committee will see their way to strongly recommend a liberal bonus, as the starting of this manufacture must necessarily encourage others, such as the manufacture of the chemicals used in the trade; also that of paper-hangings, papier-maché, and many other articles of utility to which paper pulp can be applied. Our American cousins know well how to treat this industry in many forms, from the paper collar to the building of boats and houses. For the manufacture of paper we have in the Colony all that is needful in the raw material, and abundance of pure water for the preparation of it in all its forms, and for driving the necessary machinery.

I have, &c.,
ED. MCGILSHIAN.

RAILWAY CARRIAGES AND TRUCKS.

SOME time ago I directed the attention of His Excellency's Government to the importance of having the railway carriages and trucks to be used on Government railways constructed in the Colony. The Victorian Government has created a most extensive colonial industry by having their carriages and trucks made in Melbourne of colonial timber. I may state that there are carriage builders in Dunedin (and doubtless in other parts of New Zealand also) who are quite capable of producing as good an article as any that can be imported, and at a cost very little, if any, in excess. I therefore take the liberty of submitting the matter to your Committee, as one which is well worthy of attention.

Of course the iron work would require to be imported.

J. MACANDREW,
Superintendent of Otago.

Wellington, 9th October, 1871.

OAMARU BUILDING STONE.

MEMORANDUM on the Building Stone of the District of Oamaru, in the Province of Otago, known as "Oamaru Limestone."

I HAVE the honor to submit for the consideration of the Committee, the desirability of steps being taken to bring into better note, and consequently into more extensive use, the valuable building stone, of which such vast quantities exist in that portion of the Province of Otago, lying between the Otepopo (or Waianakarua) and Waitaki Rivers.

The stone in question is a true limestone, easily workable (is sawn as easily as wood, indeed it can be turned with a lathe), and is therefore admirably adapted for ornamental work, while, possessing, as it does, the quality of hardening on exposure to the atmosphere, it proves a durable and at the same time a very inexpensive building material.

It is beautifully white; in this as in other respects being fully equal if not superior to the freestone obtained near Box, in England, and used so largely at Bath, Cheltenham, and other towns