

*To Mr. Sidey:* I would not allow the merchant to have a share. I want to get rid of the middleman.

*To Mr. Luke:* I believe there was once a State kiln at Dunback, but it was a failure.

*To the Chairman:* I am paying 22s. for oxide of lime on the truck at the kilns. Carbonate of lime is cheaper—it is 15s., but it is still too high.

JOSEPH HENSLEY, Sawmiller, examined.

I desire to bring a few points before you regarding the wood-pulp and paper-manufacturing industry. Some years ago a prospectus was issued on the West Coast setting forth the points connected with the industry, but owing to the disabilities caused by the war and the high cost of production the whole matter was held up. The Southland League has gone into the question very fully, and with a view to getting finality has sent to the London Institute samples of our timbers. The Institute has acknowledged the receipt of our letter, and told us that as soon as the samples arrive they will be put under test and we will be acquainted with the result. We expect to get further word probably in the course of a few months. In a timber country like New Zealand every effort should be made to promote this industry. As a sawmiller I am as anxious as the Government to eliminate all waste, and the time has come for the establishment of a pulp industry to work toward that end. When a mill works out a section of bush a considerable quantity of material is left behind. It is estimated that there are from 15 to 20 cords of wood left over from an acre, and this should be utilized by the Government in the manufacture of wood-pulp. This residue would produce from 11 to 12 tons of paper. The consumption of printing-paper in New Zealand runs from 50 to 60 tons per day, and the current price is about four times what it was in pre-war times. The establishment of such a mill would cost approximately £80,000 or £100,000, and it would produce from 15 to 20 tons per day, or less than half the quantity of paper now imported. I think that a mill of this description, or even larger, could be very well built in Southland. It would have a sufficiency of timber to maintain its operations for a considerable period. I produce samples of paper made in New Zealand. New Zealand is a timber country, and in Southland we have thousands of acres that have been milled, while we have thousands of acres of timber in the interior which is virgin. In Seaward Bush there are vast quantities of timber that could be utilized for this purpose. One of the main difficulties is the want of water. A very large quantity of water is used. About 8,000 gallons of water are required for a ton of pulp. I think it is for the Committee to look into the matter carefully and get all particulars regarding it. It would be a pity to allow the waste timber to be burnt.

*To Mr. Sidey:* I think it was a birch timber that was used in the manufacture of the samples produced.

*To Mr. Hornsby:* The people in Westland and Christchurch have an opinion that there are 30,000 acres of timber on the West Coast, which would keep a mill going for sixty years. There are Government officials who think that the industry ought to be looked into, and we wish the Committee to analyse the matter thoroughly. We want a Canadian or a Swedish expert opinion to put us right and to advise the Government as to the possibilities of the industry. I do not know of the utilization of gorse and broom for the making of pulp.

*To Mr. Luke:* In the process of manufacture the water of a stream would become polluted, which would be a detriment to people using the stream lower down.

*To Mr. Veitch:* I do not think the price of paper will come down to pre-war prices. Hydro-electric energy will help to reduce the cost of manufacture. We are awaiting the report of the Institute, and if the Government does not undertake the industry we shall probably send an expert Home to give us definite evidence before we go into it. The best suggestion I can offer is that made by Mr. Hornsby, that the Government should go into the thing carefully and send to Canada or to Switzerland—Canada preferably—to get an expert to come out.

T. D. A. MOFFETT, Grain-merchant, examined.

As requested, I beg to embody in this report a few particulars in regard to my suggestion *re* Government Board or Committee of specially trained scientists and chemists to be associated with one or more sound business men, and one or more leaders of industrial workers, for the prosecution of research work in this Dominion. Firstly, I would emphasize that there is nothing novel in the suggestion. For years past nearly every journal and magazine of repute in the world has called attention to the importance of such work being conducted by the State. Moreover, the recent publication "Eclipse or Empire" deals with the subject very exhaustively, and I would commend its perusal to every one. That a combined organization for research does not at the present time exist in this Dominion is a matter for regret, as few virgin countries are so ripe for it. The field for research work is immense. From gasworks and coal-mines, saw and flax mills, lime and clay deposits, our forests and marshes, &c., right down to the products of the sea, there is surely work yet to be done. The constitution of the Board might first begin with our present University professors, associated with others chosen for their expert practical knowledge of industries and business methods; labour especially should be represented on the Board; practical ability—not necessarily literary attainment—should be a big desideratum. One has only to look at the average New-Zealander to know that all his life he has had enough and to spare both of food and raiment; that he eats and deals with the "pith" in most cases, casting away much of what is called waste matter, and for which he has no immediate use. I venture to say that more is lost in this country in this manner than in any other in the world. The lavishness of raw material is, of course, responsible, and therefore I suggest that no other country is