

doing is wrong. In the report issued by the Kauri-gum Commissioner statements are made in regard to the working of another company for oil. The other company is working on different lines; they are extracting oil from peat. The other company, however, has not made good, as far as I know, and that fact reflects upon us. Another point: I asked a friend from England about the value of the process invented by Dr. Maclaurin, looking at it from a commercial point of view, and he laughed and said, "They are doing just what they don't want to do. They are cleaning the gum, and all the stuff they are rejecting is as valuable as the gum, because the linoleum-maker wants the whole of the stuff." Under Dr. Maclaurin's process I hold that the small stuff is rejected, which is oil, and the linoleum-maker wants the oil. By my process we convert the whole body of stuff into oil and get the greatest value out of it. Under the process adopted by the Government they are not doing that, but because the Government have adopted that process they say they are doing the right thing and that we are not. That is why the Government have treated us so coldly in the matter, and I claim that in a big thing of national importance like this they should give us a fair deal. An independent body of experts ought to be appointed to inquire into the whole thing with a view to proving to the public that the project is genuine, so that we or others may float a company. The bonus I suggested to the Government would, of course, be open to any one who could comply with the conditions. In developing an industry you require capital, and when you have the Government against you it makes it all the harder to get the capital. If an independent Board will look into the matter we are prepared to prove that we are right.

*The Chairman:* What capital does it require to test this thing out?—We have put £20,000 into the property. The machinery is going up, and it will be working in two or three months' time.

In what way can the Government help you?—I was trying to get assistance from the Government, but time is going on, and it seems to me we will have to do without it. The Hon. Mr. Guthrie went into the thing very thoroughly with me, but I have not heard any more of it. He said he would lay it before the Industries Committee, and I was surprised the other day to learn he had not done so. We have had the assistance of Mr. Crow, engineer and chemist, who is running the Wanganui Restar Works, and whose reports are more than satisfactory. At the same time, seeing the opposition we have had, the only way to thresh the thing out is to appoint a Board of independent and reliable men to tell the Government whether it is right or wrong. Our company is the Parenga Gumfields (Limited), and our capital is £40,000, of which £30,000 has been called up.

*To Dr. A. K. Newman:* There seems to be a doubt in the public mind as to the *bona fides* of the thing, and that is the trouble, and we want the Government to properly look into it and set the doubt at rest. If we had a report issued by the Government of New Zealand stating that the matter had been examined and that there was an opening for the development of the oil, we could go to the English market and get plenty of capital. I do not think the case needs research before it could be said to be commercially successful. For the last two or three generations other people have been buying our gum and turning it into oil. It is not a new thing. The land is worth £37,500 per acre. Although I make that statement probably no one will believe it, and I want an independent authority to come in and say whether I am right or wrong.

*To Mr. Pearce:* We also get opposition from the gum-workers, who reckon that this will knock their business flat. It will not do that, but they think it will. The Kauri-gum Commissioner told us that our process was not the right one. He supports Dr. Maclaurin's process. The cost of manufacturing oil, refining it, and putting it into casks is 6d. per gallon. We have not extracted enough oil to test it in a motor-car. We are not aiming at motor-spirits, but paint-oils and varnishes. We value the oil at 2s. 6d. per gallon, and produce it for 6d. The cost of production is 20 per cent.

*To Mr. Sidey:* Our capital has been subscribed all over New Zealand. Our only object in wanting a report by an independent Board is to enable us to get additional capital. I would rather take a report from our own experts than from outside experts. It was not a great success to bring out experts to Taranaki. We have plenty of smart men in the country, and we ought to give them a chance.

*Mr. Veitch:* You say that Dr. Maclaurin has a patent: does he personally own it?—Yes, it is his patent. His process is for cleaning gum.

Did Dr. Maclaurin report on your process?—No.

Has the process patented by Dr. Maclaurin been adopted by the Mines Department?—Yes, by the Government Department. In their Department in Auckland they have erected his cleaning process.

Are they putting that into practical operation with any of the Government lands?—They have been working it recently, but I do not know to what extent. They have had the machine running for only three months.

On Government land?—I do not know whether it is Government land or material they buy.

Where is that machine?—In the Kauri-gum Department here.

Has Dr. Maclaurin been asked to report on your process?—I do not think so. I have been asked to meet Dr. Maclaurin, but I have declined to do it, because what is the use of going to a man who has a patent to deal with a certain thing and that process is being used by the Government? It is not in human nature to go to him and say, "Here is a thing that will knock yours out." I want an independent report from outsiders.

*Witness:* I leave with the Committee some information with regard to peat, of which we have large quantities in the Waikato and the North. It is possible to produce vast quantities of electricity from peat. All details are given in the report.