

IRON INDUSTRY.

WEDNESDAY, 27TH JULY, 1892. (Mr. O'CONOR, Chairman.)

Mr. W. T. HOLMES examined.

1. *The Chairman.*] What is your profession?—General Manager of the Bank of New Zealand.

2. We have asked you to come here to-day to give any information you can in regard to the Onehunga Ironworks, with which you have had some connection. We have a report, which you were kind enough to furnish, from Mr. B. Kent, with regard to Parapara iron-ore, and a memorandum in connection with the same. We have also a memorandum from you in regard to the duty which you think it would be necessary to impose in order to give that industry a fair start. We would be very glad if you can give us any further information with regard to these matters?—The Onehunga Ironworks have been a source of loss ever since they were established. I am not prepared to state all the causes of that loss, but I think one was their inability to compete with the English manufacturers. No doubt the ironworks were disadvantageously placed for the work they were intended to perform, and it is under consideration now to remove the plant gradually to another site, where all the material required—ore and fuel—are on the spot. The great reduction in freights between England and the colony seems likely to be permanent. This is a thing that adds additional risk to the undertaking, and the sinking of capital in it, because now, practically, the principal English manufacturer is next door to his New Zealand customer. Within the last fortnight I have been informed that freights from London to the colony for iron can be got at 5s. a ton.

3. *Sir J. Hall.*] Practically as ballast? Yes, practically as ballast. That, added to the dear labour in the colony as compared with English labour, would very speedily handicap the industry in the colony. It is an industry which, if it had a moderate amount of protection, would develop, and might assume considerable proportions, and employ a large amount of labour. There are descriptions of iron on which, I think, a protective duty ought to be imposed, viz., rod-, bar-, hoop-, pig-, and bolt-iron, boiler-plates, plain black sheet-iron, cast-iron, and castings of all sorts, steel hoops, plain galvanised sheet- and hoop-iron, corrugated black- and galvanised-iron sheets, iron and steel rails for railways and tramways. I think the duty on these should not be less than £1 per ton on such as now come in free, and that there should be an additional duty of like amount on such of them as already pay duty. The proprietors of the Onehunga Ironworks are the possessors of very valuable iron beds in the Collingwood district, at a place called Parapara. A test of that ore has recently been made, on a large scale, with the most satisfactory results. It is doubtful whether anywhere in the world better iron can be produced. The puddled iron, without any admixture of scrap-iron to help it, was put to a very severe test, and worked up in a way that very few irons will admit of without special preparation. It only requires such a duty as I have referred to to establish an industry at Parapara on a very firm basis. It would be equal to supplying nearly all the iron goods required in the colony of the description referred to—in fact, it would supply all, and also supply the Government with all its railway-iron. If that duty was also extended as a bounty on exports from this colony we would be able to supply Australia with their enormous requirements in iron for railway and other purposes.

4. *The Chairman.*] In competition with the Home market?—Yes, in competition with the Home market. I think, with such assistance from the Legislature, the iron industry might be made the largest industry in the colony, and one of the greatest importance.

5. This report you have handed in of the Parapara iron-ore and the memoranda contain all the information with regard to the tests that have been made up to date?—Yes. It was a very thorough test, and made under the supervision of an expert.

6. *Hon. Mr. Mitchelson.*] Have you any information to lay before the Committee respecting the recent test of the ironsand at Onehunga?—The test of the ironsand has been made since the test of the Parapara iron-ore was made. It was tested at the Onehunga Ironworks. I am informed that the iron must be classed as good, but it will not stand the same test as the Parapara iron-ore.

7. That is, the iron after it is manufactured?—Yes. It is, however, a good iron.

8. It is all good iron?—Yes, it is all good iron.

9. You have stated that a very large amount of money was expended in the erection of works at Onehunga, and that the works were not erected at a suitable place: were not they erected to treat ironsand procurable at Manukau Heads in the belief it could be satisfactorily worked?—That is so, but that was the only material available anywhere near where the ironworks were erected.

10. The test proved that the iron could not be manufactured at anything like a price that would leave a profit to the company?—It has always resulted in a dead loss hitherto. The losses at Onehunga have been enormous.

11. From the recent test made, do you still believe that it would be more advantageous to the Onehunga Ironworks Company and to the colony to work the ore at Parapara than to experimentalise with the ironsand?—Well, as far as my information goes, I think the ore could be worked much more advantageously at Parapara than ironsand can be worked anywhere. Mr. Smith, who is present, can inform you more satisfactorily than I can as to the cost of working the ironsand. As far as my information goes I think the Parapara ore can be worked at about one-half the price.

12. *Mr. Tanner.*] Do I understand you to say that when the ironworks were first constructed at Onehunga it was with the idea of smelting the ironsand?—That is what I understand; I was not in the colony at the time.

13. Then, failing in that, they would fall back on the Parapara ore?—For a long time they have worked with scrap-iron bought in the colony and imported pig-iron. It is only within the last few months that attention has been turned to Parapara iron-ore.

14. I suppose it would handicap the industry very much having to get the ore from the South Island to Onehunga?—The industry could not be worked at such a cost.