

83. You understand the scheme to involve the co-operation of the Onakaka and Parapara leases?—Yes.

84. Supposing the present scheme should fall through—the scheme outlined in the Bill—is it not desirable to consider some general scheme under which the output of pig iron can be assisted by the State?—Yes.

85. Personally, you would recommend the adoption of some generous scheme providing conditions for the output of pig iron and steel, and entitling those initiating same to a reasonable State subsidy?—Yes. Personally, I am in favour of reserving the deposits for our grandchildren, but this is impossible. The State should assist liberally, either the Ethelburga or any other syndicate.

86. *Mr. Blow.*] Could you manage without a subsidy?—I do not know what their prospects are. I know they have large interests in South America; I understand they have railway contracts there, and could make rails here and ship them across the Pacific.

87. I think you said the current cost of pig iron was about £5 per ton?—The price is high.

88. You think this syndicate could produce pig iron?—I could not say at what price without an estimate.

89. What is your estimate?—I have quite a number of reports on the matter; I know one is £1 7s. 6d., and some up to nearly £3.

90. Take £1 12s. 6d. If you can produce at £1 12s. 6d., and still pay £5 a ton, would not that be good business?—They would have a very small market; they would have to pay freights to other parts of the world, and that would have to be added on to the cost of production.

91. You think this company must have an export trade?—It must have an export trade if the industry is to be developed on a big scale; this is an absolute necessity.

92. You are aware that development-work has taken place in Australia?—Yes.

93. Are we in a better position than they are there?—In Australia there are several large railways being constructed, both north and south, and east and west, and altogether there is going to be a development there for her supplies. They have an assured market there locally for the next fifteen or twenty years.

94. What is the output of her furnace?—I do not know.

95. Five thousand tons a week?—I do not know.

96. Do you think the local market could absorb that?—I could not say; their works are going to be large.

97. *Hon. Mr. McKenzie.*] You said in reply to Mr. Skerrett you were in favour of the State producing pig iron. What would you do with the pig iron after it was produced: ship it Home to be manufactured and then bring it back?—I should like to see the whole of the iron products produced here.

98. What is the advantage of sending pig iron Home to be manufactured and brought back again?—The iron industry is languishing in New Zealand.

99. The total consumption is comparatively small?—Yes.

100. As a mercantile transaction, would it be worth while?—The total concern, if it is to be a large industry, must have a large export trade.

101. You said you know the Collingwood district?—Yes.

102. Do you know the Parapara and Onakaka outcrops there?—Yes.

103. Do you think the two propositions should be worked as one scheme?—Yes.

104. The large expenditure necessary for developing one would also be necessary for the other?—The Parapara is close to the shore—within a couple of miles. [Witness here described the situation of the properties to the Committee.]

105. To develop both or either of these properties it would be necessary to construct a harbour there?—A jetty.

106. What draught of water would you require? With regard to shipping you would require big tonnage there to cope with the development?—It would be on a small scale at first, and you would not want costly boats. If you had a large export trade you would have to develop it.

107. Supposing you went in for international trade, what draught would you require?—30 ft.

108. That would necessitate a very substantial outlay?—Yes.

109. Do you know the mouth of the Onakaka?—Yes.

110. Would that be a convenient place to bring a tram or a railway to?—Yes. There is deeper water down there.

111. In reply to Mr. Blow you understood the production in Australia to be 5,000 tons a week?—Mr. Blow said that.

112. Do you know anything of the cost of procuring the iron-ore for South Australia?—The cost is pretty considerable. The present scheme is to bring it from South Australia and from Iron Knob down to the sea-shore, and then ship it to Newcastle, and there smelt it.

113. From what you know of the facilities in Australia, can they compete?—No.

114. There are about 300 acres there?—Yes.

115. The iron-deposit in the Parapara reserve is 2,000 acres. You think New Zealand could more than hold its own in producing?—Yes.

116. *Mr. Craigie.*] With reference to the coal for smelting purposes, is there an unlimited supply there for smelting?—I do not think there is. We have got reports on the coal-measures; the quantity is not known. One report gives evidence of a seam of 9 ft.; there are two seams close together, only a few feet separating them.

117. You are not certain of the quantity?—No. In a moderate furnace the amount of coal to produce a ton of iron is about three-quarters of a ton, I think.

118. Is the coal the right quality for smelting purposes?—According to the reports we had it is.