to giving large employment to labour in our own country, we would be utilizing our own raw products.

17. You had no control over the cost of production?—In any proposed agreement full provision was to be made for State examination of all the books of the company.

Hon. Mr. McKenzie: It would be controlled by the English market.

18. *The Chairman.*] Have you seen this Bill, Sir Joseph?—I have only seen it this minute.

19. Paragraph (*h*) in last year's Bill reads: "An undertaking by the Minister that if the lessees will supply rails, girders, iron or steel bars, or other articles of good quality made from iron-ores in New Zealand which may be required by the Government it will purchase such from the lessees at wholesale London prices, plus the charges for freight from London to the Dominion." Are you aware that the latter part of that covenant has been left out now?—No, I am not aware of it. I have only seen this Bill for the first time just now.

James B. Laurenson examined. (No. 4.)

1. *The Chairman.*] What is your name?—James B. Laurenson.

2. What is your occupation?—I am a partner in the firm of Le Cren and Laurenson (Limited), Crown Ironworks, Christchurch.

3. Will you please make your statement with regard to your position in this matter before the Committee?—I am not interested in the Parapara or Ethelburga Syndicates in any form. I have been in the iron trade practically all my life, and I am president of the Christchurch Branch of the Ironmasters' Association, and I am on the executive of the Employers' Association, and I take a keen interest in the Industrial Corporation of New Zealand. For a long time we have been handicapped in various ways. For quite a while we have been endeavouring to get some protection. When this proposal of the Ethelburga Syndicate came up the matter was taken up very heartily by the Industrial Corporation and Employers' Association. The whole thing was gone into very carefully, and resolutions in favour of the proposal were carried, and in order to enable deductions to be made I went into the question of the result to the Dominion if the iron industry was established here. I, unfortunately, took a return presented to the House as being a correct return of the amount of iron and steel used in New Zealand. I think Mr. Luke asked for the return in 1910; and they gave the quantity as used in New Zealand at over half a million tons, a mistake of over 400,000 tons. Hundredweights were put down as tons. The correct total for the five years 1907–11 was at the rate of 117,587 tons per annum: that is what we used in hoop iron, cast iron, plates, pipes, or what we called in the trade "raw material." The Ethelburga people say they are able to produce pig iron, bar iron, steel, and sheets at the same price at Parapara with the proposed plant as they can produce it in England. New Zealand would therefore be in the same position as England is in to-day—the Government and the manufacturers would get iron just as they get it in England. I claim that if we could get pig iron in New Zealand at £2 10s. per ton the iron industry in New Zealand would be in a very flourishing condition. The position the Government would be in, if they paid a bonus of £32,500, is that the Government is very much the largest consumer of this raw material in the way of rails, and they are large users of pig iron, bars, and sheets and plates. I have had long experience in supplying their contracts, and I know. Supposing they used a quarter of our average output for the five years mentioned, it means they would use something like 25,000 to 30,000 tons of raw material per annum. If the Ethelburga people are able to manufacture pig iron at the price listed at Home they are saving at the very least £2 per ton, taking pig iron as a basis; so it is a very good offer the syndicate has made from an ordinary commercial point of view. The Government would pay a maximum subsidy of £32,500, and have a return of £50,000. That is not taking into consideration what the Government would get in royalties from the coal and ore, and it is not taking into consideration the great assistance it would give to us in the Dominion. If the ironworks were established and we were placed in the same position as the Home manufacturers are, instead of importing thirteen millions odd in five years—1903–7—we would probably manufacture half of that in New Zealand. Seeing that the average wage to-day in the iron and steel industry is about £126 per annum, you would find what an enormous number of men New Zealand would employ, simply because we would be able to get our raw material at the same price the manufacturer is getting it at at Home. The manufacturer would have a great amount of assurance and security in progressing in his business, from the fact that he would have his raw material at a low price and a non-fluctuating price. The Parapara people could not put up their price of raw material unless some tremendous upheaval with regard to labour took place. At the present time we are entirely at the mercy of the market in the Old World. We are at the mercy of the speculator and any ring or combination which might corner pig iron, as they have done and will do again. My firm imported some pig iron, and it cost us £4 7s. per ton c.i.f.e. main ports New Zealand. Before it landed here we got an intimation to the effect that future orders could only be accepted at £5 3s. per ton. That was a very serious handicap for manufacturers to put up with in New Zealand: it means that we are practically debarred from entering into anything like a large contract. The public-works contract for 1912–15 shows that iron is being sold to the Government at £11 per ton; at the present time it is quoted on the London market at £8 10s. per ton; the cost of landing it in a main port of New Zealand, say Lyttelton, with railage to Christchurch, is £10 10s. per ton. The contractor who holds that contract therefore finds it is costing him £10 10s. per ton, and he is selling to the Public Works Department for the next three years at £11 per ton. We never know from day to day in New Zealand what we have to pay for the raw material. I have some information with regard to the cost of production of iron and steel from different parts of the