

world. The effect of it is that they can deliver us pig and bar iron at the same cost as we can get it by manufacturing here, and therefore I and the association feel it would be a great thing if we could establish the iron industry here. Then, basic slag will appeal to the farmers, and can be produced at a very low cost; New Zealand imported 16,000 tons last year, for which the farmer paid £5 per ton, and Customs value of same is given at £53,000-odd. I understand that this by-product can be produced and sold to the farmer at something like £2 a ton. Then, going into the question of cost, we would have to take the £126 per annum for the labourer, and multiply that by the trade values of New Zealand; so the Ethelburga Syndicate's offer is a very good one. My executive has considered it a very fair and reasonable one—it is quite an open offer. If the company can produce cheaper than the present cost the Government will buy, but if not then there is no obligation to take one ton.

4. Is your company one of some standing?—Well, we pay our way; we pay probably between £3,000 and £4,000 a year in wages, and the number of employees runs from twenty to thirty or forty.

5. How long has your company been working?—We have been in existence since 1870. I bought in about six years ago.

6. Have you any knowledge of their operations at an earlier date—how many men were they employing then?—No, I cannot say; probably seventy or eighty.

7. How many men were they employing six years ago?—They were employing more men six years ago than we are to-day, and I have no doubt the man who established the business was employing more men then. He had two lines of business, one of which he has had to drop—he was in the galvanizing trade, and the importers wiped him out.

8. How many other companies were there in existence, say, thirty years ago, besides your company?—There are more companies in existence now than there were thirty years ago, but they are not doing as much business now as the smaller number of companies did then.

9. There was not as much total business?—It is very spread now.

10. You stated that the Ethelburga Syndicate could probably produce at the same price as England could. Have you any guarantee that they would sell at the same price?—The Government has authority in the Bill to see what their costs are.

11. Do you understand that the Ethelburga Syndicate has made the Government an offer in the terms of the Bill, and that this is the effect: they wish legislation to be introduced, but there is nothing in that offer to compel them to sell at any price?—No.

12. If this scheme were agreed to it would practically set up a monopoly in New Zealand—so far as New Zealand is concerned—so that no other company could compete?—It depends upon other syndicates in the Old Country having security or capital to establish other works. I understand there are other iron-deposits they might develop.

13. Do you think there is any likelihood of their coming into opposition with a company receiving £32,500 per annum subsidy?—I hardly think so.

14. Do you think there is any possibility of their reducing prices to you when they get higher?—If they are to be based on Home prices. The present report of the freight on pig iron is £1 1s. 3d. per ton. They could not increase their cost more than that, so we would be equal to what they are at Home.

15. Would they be likely to sell at a reduced cost if the price of the imported article was reduced?—It depends on what their outside markets are.

16. Would you not be at their mercy?—Only so far as the difference obtains in cost as between England, Australia, and here.

17. Therefore there would be no advantage to you in selling at a much lower price than the imported article?—Except that they would get what they sold at their own door and be able to supervise the customers they sold to.

18. Would they not be sharing your custom if their price was lower?—Yes.

19. Can you give us any idea of the cost of raw material as against the cost of the manufactured article?—Take the cost of pig iron: the proportion for the representation of labour in the manufactured article is 70 per cent.

20. *Mr. G. M. Thomson.* Will you tell us the difference in cost between iron shipped in London and the cost landed in New Zealand?—£2 per ton.

21. What is the pig iron used for here?—For making castings of all kinds, cast-iron columns, castings for ships' engines, and the castings you see along the streets.

22. Only 10,000 tons of pig iron are imported into New Zealand?—Yes.

23. Would there be any more used if you put up a blast furnace here?—If we could reduce the cost by £2 per ton, the manufacturers would manufacture nearly 27,000 tons of cast-iron pipes and fittings that are imported into New Zealand. In 1911 we imported 27,967 tons; in 1910, 19,889 tons; in 1909, 15,824 tons; in 1908, 16,875 tons; in 1907, 17,743 tons; during the five years we imported nearly 100,000 tons.

24. Which you think would be made here if the cost of freight was done away with?—Yes.

25. Would it be an advantage to the country to put up a blast furnace for pig iron, seeing that one furnace would produce at least 60,000 tons per annum?—Not unless you have a larger market than New Zealand.

26. Then, you ought to have converters and rolling-mills?—Yes; and also mills for the making of steel blooms and billets, which I understand they use very large quantities of in Sheffield and other places, and for which I understand they get a very good price. It does not cost much to refine it from the ordinary pig iron to the steel.

27. Do you consider that this country could make iron or steel sufficiently cheap to export it?—Not as a nationalized thing.