

the Thames, put down a very large plant for making locomotives; if Scott Bros. and Andersons put down the same plant, there would be a serious economic loss, from the fact that only one plant could be in use profitably.

80. Could you not let manufacturers find that out for themselves?—No.

81. The present proposal is to grant to this company, and this company only, a bounty of £32,500 a year for forty years on the production of pig iron. The effect of that is to create a monopoly. Unless that bounty is granted to other companies starting, this company will have such an advantage as to secure a monopoly of the trade?—A beneficent monopoly.

82. Do you appreciate this fact: that the capital provided in the Bill should be expended by the Ethelburga Company—viz., £650,000—and that they are guaranteed 5 per cent. for forty years—assuming that they produce one furnace, an output of 65,000 tons a year: is not that a guarantee of interest and capital?—Yes; but the guarantee is only on the production of not less than 65,000 tons steel rails, &c.

83. Well, do you want to go to the Ethelburga Syndicate to get terms of that kind?—I say the payment of £32,500 a year bounty to the iron and steel industry would be the best thing that New Zealand could do under the restrictions outlined in the Bill.

84. Is it possible to convert pig iron in New Zealand into steel bars?—Yes. I am not speaking from actual knowledge.

85. I think you said that the expense of the plant would not be very great?—No, I have given no estimate of the cost: but a large and modern plant is expensive, but would cheapen the cost of production.

86. The conversion of pig iron into steel blocks would enormously increase the demand for iron in New Zealand?—Oh, no. There is a large market for steel blooms and billets in Sheffield.

87. You do not suggest that they could be converted into steel blooms and exported?—Yes.

88. *Hon. Mr. McKenzie.* Mr. Skerrett asked you whether this bounty should be general or whether it should be confined to one company: what do you conceive to be the idea of this bounty at all?—The only object the Government has in granting a bounty would be to get the industry established, and cheapen the cost of raw materials to themselves and New Zealand users.

89. Have you ever known of any country granting a bounty before the industry was established?—No.

90. Do you know whether the Government in this country has given a bounty for the development of the oil industry in Taranaki?—I could not say.

91. Assuming they had given £10,000 for the development of the oil industry in Taranaki, do you think they should give it to more than one company?—I think they should give it to more than one company.

92. Why?—Supposing the other company had a better proposal.

93. Supposing it was based on a fair quantity in reference to this company and any other company: the Government in this country offers rewards with regard to gold?—I understand they give it to the first people who discover a new goldfield.

94. This is a new development. The only object the Government would have in giving a bonus would be to get the industry established?—Yes.

95. Do you think it is a fair proposition to give it to the first people who do establish it?—Yes.

MONDAY, 28TH OCTOBER, 1912.

The Committee met at 10.30 a.m.

*Mr. Myers*, solicitor, intimated to the Committee that he had received cabled instructions from England which enabled him to lead for *Mr. Witheford*, the representative of the Ethelburga Syndicate.

JAMES DUNBAR examined. (No. 5.)

1. *The Chairman.* What is your name?—James Dunbar.

2. What is your occupation?—I am general manager of Cooper and Duncan (Limited), Christchurch.

3. That is a company of ironmasters and ironfounders?—We are all branches—engineering and ironwork.

4. Have you had considerable experience in New Zealand in the iron trade?—I have had twenty-five years altogether, and a little more, practically.

5. Your company employs a substantial number of men?—At present, about a hundred; I have had charge of as many as three hundred at times.

6. And is it a fact that you use in your busiest times a considerable quantity of iron and steel?—Yes. It depends on the business we are doing. We use a considerable quantity at times—a few hundred tons.

7. At the present time whence do you obtain that iron?—We obtain everything from Great Britain.

8. How many tons?—It fluctuates. At present we have £2,000 or £3,000 worth in stock, and £2,000 or £3,000 oversea coming.

9. Could you put that into tons?—I should say it would go anything from 500 to 1,000 tons.

10. *Mr. Myers.* Is that all pig iron or all various kinds of iron?—It is pig iron of two kinds. We are manufacturers of malleable iron; we import that particular class of malleable iron, and with that use bar iron—usually steel rails, pipes, and all.