37. I suppose that if such a company started and found that it could not work at a profit it would cease working?—It would.

38. You have read the terms of this Bill, have you not?—I have scanned them.

39. As a business man can you not see that under the terms of this Bill it is the company which would be establishing the works which would really be taking the whole risk and responsibility?—Absolutely.

40. If it did not produce the iron it would not receive its subsidy?—No.

41. And it could only produce the iron if the business could remain as a paying concern?—There is another aspect of the question: at times you get slack, and have to keep the works going in order to save putting your hands off—there would be increasing stocks and out-of-pocket expenditure; and in order to make it a success you want a good open market, otherwise it would be a failure.

42. You mean that foreign markets are essential to the success of a business of the kind?—Yes, the world's markets.

43. Do you think that the establishment of the industry in New Zealand upon such terms as are set out would be an advantage to this country or any section of the people in this country?—I do not see how it could help being a benefit to the whole Dominion. I think that generally, taking the volume of our trade and the inhabitants and dividing that at so-much per inhabitant, it would be worth £3 per head; and certainly the establishment of the new industry would be bound to attract some population. Then, importers often have to pay cash for forward stocks as landed from Home. Sometimes the market may fall, and in that case they are bought at a loss; a lot of money is expended a long time before you see the goods. If works were established the importers need not carry those stocks, and could invest that money in other lines, and an importer would be in a better way than at present. Then again, there is no need to mention the attendant benefits to commerce that would necessarily spring up if works of such a magnitude were established. I suppose it would mean anything from five thousand to ten thousand men being employed, and there would be their dependants, and that alone would be a big feature for the Dominion.

44. When you say five thousand or ten thousand men, do you mean that in the neighbourhood of the works: are you including the coalmen?—Yes.

45. Then do you know anything of the question of comparative costs of production as between this country and England. If you do not, say so?—I only know what I have read.

46. As a mere matter of opinion, do you think that the iron could be produced in this country as cheaply as it is produced in Great Britain?—Certainly, we pay higher wages here than at Home; but then again there is the question of sea-borne freights, and that is a set-off against low wages.

47. There are facilities here, you mean, especially good facilities that do not exist in Great Britain?—Yes.

48. Speaking as an ironmaster, do you think the establishment of works here by a company in some such terms as are provided for in the Bill would be of advantage to people in your own trade or profession?—It would be a decided advantage.

49. Would you mind adding anything that you might wish to add as to the advantages that you think would accrue to the people of this Dominion from the establishment of ironworks under the terms of the Bill?—Looking at it from a business point of view, I suppose that is really the whole question that affects the matter—is the Dominion going to make a good deal? Looking at it in its widest range, I have found the benefits accruing to the Dominion are many. For every ton of iron smelted 2 tons of ore are required and 2 tons of coal. This carries a royalty of equal to 1s. 6d. If 100,000 tons of iron are produced, this means £7,500 in a year. This, together with raw material supplied at 5 per cent. on cost, would mean a sum equal to the subsidy asked by the syndicate. Assuming at the end of forty years the works revert to the Government, the £650,000 originally spent will have had an equal amount added to it to keep the plant abreast of modern discoveries. This is equal to £1,300,000, and this whole amount spent is given free to the Government. Assuming the subsidy of £32,500, equal to 10s. per ton, is paid, in forty years' time this would amount to £1,300,000. In other words, the Dominion gets every penny of its own back again, plus royalties, which during forty years will have amounted to a quarter of a million pounds, to say nothing of any saving accruing owing to cheaper production. Another aspect should not be lost sight of—that is, that vast sums will be spent to equip the works before any return is possible, and then each succeeding year close on half a million pounds will be distributed, creating new wealth among the workers. Other States are waking up to the value of their mineral resources, and it appears to me the Dominion could not do better than by throwing the door open and bidding Opportunity come in. As the poet says, "There is a tide in the affairs of men which, taken at the flood, leads on to fortune." The Dominion should catch the present tide before the ebb comes.

50. You have dealt with the saving in cost in Government orders?—Yes.

51. Have you any knowledge of the present expenditure per annum—in tonnage?—On the authority of the Year-book I think Mr. Laurenson mentioned an estimate of between 20,000 and 30,000.

52. I suppose you know, Mr. Dunbar, that in any agreement under this Bill the Government could provide that it need only purchase from this company so long as the quality and the price were right?—Yes.

53. Assuming that the Government need only purchase if it can purchase on satisfactory terms as to price and quality, apparently there is a distinct saving in connection with the purchase of Government requirements. Assuming that the Government can purchase more cheaply than, or as cheaply as, it can purchase in the London market, do you not see there is also a