

85. Who produced this?—The son of the late Mr. E. M. Smith, from the Taranaki ironsand.
86. Would you be surprised to know that the whole of this stuff, with the exception of a small trace of iron, which may be either put in the materials or gets in, is taken to Taranaki and partly used? This company is advancing this material as a product of iron-smelting in Taranaki and it has no iron in it?—I do not know how it is made; that is a secret.
87. Is this not a material produced from the flux used?—Yes, it is mostly zinc.
88. And the material that you have shown us, Egmont metal, is really the product of a flux?—Yes.
89. It is not a product of the Taranaki ironsand?—Not purely; you could not bring Taranaki ironsand in a boat to the works and bring that out.
90. Do you know the composition of Taranaki ironsand?—I know there is 50 per cent. of iron and titanitic acid; I know that it is difficult to handle.
91. I merely bring that out, as it is absolutely of no value in the connection for what the promoters claim?—I have been told they have used it in motor-cars, &c.
92. Have you studied the production of pig iron?—Just from reading.
93. You know that a blast furnace once started must be carried on, so that if this syndicate were to put up blast furnaces, say, capable of producing 70,000 tons of iron per annum, they must keep them going; if they stop them the furnace is destroyed?—Yes.
94. You mentioned the possibility of exporting to India?—Yes.
95. Could we, with the cost of our labour, export to a country containing enormous deposits of iron and coal with labour at a tenth of our cost?—I do not mean India specially; I said, the world's markets.
96. You do not think we could?—I would not say. All that India uses is not made there, and it would be a chance for us to get in if we manufactured here.
97. Would it not be more likely that a syndicate like this would establish works in India to supply the Indian markets?—I should not think so, because you would have the upkeep of two works, whereas we would have one large works and, therefore, the reduced cost.
98. Take another point: coal for these works would require to be carried by sea?—Yes.
99. Can you give me an idea of the price of coal delivered to Parapara?—I could not speak with authority about that, but the coal-deposits are near, and I understand that if the company goes on a huge wharf will be put out so that vessels drawing a good draught of water could get alongside, discharge coal, and take away the finished products.
100. What coke do you use in your works?—P.C. coke.
101. What does it cost you per ton?—We are dependent upon New South Wales at present. We use soft gas coke; we prefer the hard coke.
102. Can you give me an idea of the cost?—At Parapara, about £1.
103. Are you aware that in England for blast furnaces the coal and the iron are got from the same shafts?—Yes; I know they are alongside.
104. Are coal, iron, limestone, &c., so at Parapara?—Yes.
105. Do you consider as a business man it is a good proposition that the company should have during these forty years the gilt-edged security of practically getting the whole of its capital back again, and 5 per cent. on all the Government materials, and anything they can make from the public?—They get it back, to give it back to you again.
106. In what way?—As far as I understand, the Canadian Government gives larger bonuses than what is handed back in this case. Here, after the bonuses are paid and after a certain while, you get the whole thing handed back plus goodwill. There is no reason why, if it were a good proposition, the Ethelburga Syndicate should not continue to mine and pay the Government for the privilege to carry it on. To buy right out it would probably pay a million and a half for the works.
107. It was proposed by the Onakaka Syndicate that they were prepared to work their deposits without bonuses: do you think that is feasible?—I do not think that is possible. I know what some of the estimates are. You have to estimate your cost, and I doubt if this £650,000 will see these works started; it may take a million; but that would be the business of the Ethelburga Syndicate. If the Government take it up they will have to see it through.
108. *Mr. Craigie.*] Mr. Dunbar, you think that large works to compete with the outside world are necessary?—The bigger the better.
109. What are the conditions at Parapara to establish works there: are the conditions more in favour there than in other centres?—Supposing you establish works in Wellington, everything would have to be carried here. You can see you would have the better advantage if you had a proper wharf and works at Parapara—instead of taking coals to Newcastle you set the works up at Newcastle.
110. And a plant only for the consumption of iron made in New Zealand would not be profitable because it could not compete with the markets of the world?—No, it could not.
111. Supposing the Government took on the work and put down a plant sufficient for the requirements of New Zealand?—It could not compete with outside markets.
112. It would pay the Government to put a tariff or duty on and protect themselves, and keep the money in the country?—We want a tariff on other things first.
113. It would not be successful for the Government to establish the works except they had a tariff?—The Dominion would be up in arms, as cheap reapers-and-binders come in and other iron manufactures.
114. You think the farmer would be up in arms?—Exactly. If you are going to keep a high cost for material, nationalizing the industry would be no good to anybody. If the works are to be established you must be able to compete on a large scale and with a large plant. You would have to have a million pounds for working capital, which would be locked up, and at times return no interest.