

115. What are the disadvantages of establishing works in New Zealand as compared with places where they have labour cheaper and a bigger consumption?—The only disadvantage in New Zealand as far as I know is the increased wage. Against that are all the natural facilities for getting ore and limestone and everything at hand.

116. You think it is a favourable consideration having the water and other things close to the works in New Zealand as against a high rate of wages?—Yes.

117. What does it cost you to get a ton of pig iron from the Clyde and to lay it down at your works?—£5 3s. is the present price, f.o.b. main ports.

118. What is it there?—£3 to £3 10s.

119. How much would that cost to bring it out?—£1 10s. to £1 15s.

120. That is direct from the Clyde put into your factory?—No, at the Wellington wharf or the Lyttelton wharf.

121. That means an expenditure in bringing it out of approximately £2?—Yes.

122. Supposing the works were established at Parapara, you would still have transit charges?—12s. 6d.

123. Is there any duty just now on pig iron?—No duty.

124. Would these works get worked out?—It would depend on the kind of ore you had to work. Ironworks at Home have been going for one hundred and fifty years.

125. As a practical man you think by the establishment of these works there you would employ a lot of labour directly and indirectly right throughout, and it would be for the benefit of New Zealand?—There is not a better proposal put before the Government. You would have a new town springing into existence there, and all its attendant benefits.

126. You think, then, by putting their money into it they would keep it going?—They would have to hustle it along. There is another point: it would open up another field of research in chemistry, and instead of our young men going away it would be a splendid opening for them to begin there.

127. *Mr. Sidey.* At whose instance are you giving evidence here this morning?—I was asked by Mr. Hepworth, the secretary of the Parapara Company. I have already put up experimental works at Parapara, and they thought I would be able to speak on first-hand information. I put up the works in April of this year in Taranaki.

128. What was your object in putting up these works?—It was part of the Parapara Company's obligation to the Harbour Board to spend a certain amount of money in a certain time towards testing the ironsand.

129. That is the Parapara Company's obligation?—Yes; the Parapara Company had the lease of the Taranaki ironsand.

130. It was experimental work at Taranaki?—Yes.

131. Did you take your ores from Parapara?—No, we had the ironsand to work upon. We had an exhibit made from the ironsand.

132. The exhibit you submit here to-day marked "Egmont Exhibit" was not made by you?—No.

133. Have you any exhibit made by you: is there any exhibit in existence?—The late Mr. E. M. Smith had a splendid collection.

134. How long were your works in existence?—They were started in April; they were burnt down, and we re-erected them in May; some parts of the engines were destroyed, and we have only just got a start again.

135. What are the terms of your arrangement with the Parapara Company?—Just simply to erect that plant and hand it over in running-order to them, and my responsibility ceases.

136. What consideration do you receive?—So-much money for so-much work.

137. When you speak of the Parapara ore being a satisfactory ore from which iron can be manufactured, do you speak of your own personal knowledge?—I have got a lot of reports; I have read the reports of those who have analysed it. I have also the Government report of Mr. Park.

138. Where does that exhibit submitted from Parapara this morning come from?—That is from the ore. I did not see it smelted; it was smelted electrically.

139. You cannot say from your own knowledge?—I have it on absolute authority and from the person who saw it smelted.

140. The other information you have is derived from reports published by other people?—Yes, you have to be guided by experts' reports such as those.

141. I suppose you are relying upon other evidence when you say the cost of production of iron from those ores is likely to be as cheap as the cost of production at Home?—Yes; of course, you have your own personal knowledge and experience relating to the business we follow.

142. You speak of it being a good thing for the country. How about the standpoint of the company? I understand that you consider that there is an increasing wide-world demand for iron, which is likely to become accentuated as time goes on?—Yes.

143. In view of that fact is it not likely that foreign companies would be very glad to exploit that industry here without any subsidy at all?—I do not think so. No financiers would guarantee a company without some guarantee from the Government.

144. In view of the special conditions with which nature has endowed us, and in view of the increasing wide-world demand, you think that the inducements would not be sufficient for a company to come in and exploit it unless the large subsidy which is being asked for from the Government is given?—I do not think it is large. I understand no financier would finance large sums of money without some sort of small guarantee that the Government had faith in it.

145. You do not think we are being asked for too much?—There is an option at expiry of twenty years.