

146. Long before the twenty years is up the success or failure of this proposition would be established?—If it is a failure how would the State get on?

147. Why should we necessarily subsidize for the whole of that forty years?—Because you are going to get it all back again. Canada does not get anything back.

148. Can you speak from any knowledge of the Canadian conditions?—I have the report.

149. Do you consider their iron-ores are situated in as favourable a position by nature as our iron-ores?—I can only speak of the bonuses paid; they have paid larger bonuses for the industry than are being asked for now.

150. In your opinion this subsidy you think is about the minimum that you consider the company should ask from us?—It is reasonable. Supposing they are experimenting, and they have to spend £1,000,000, we are only subsidizing to the extent of £650,000.

151. Do you suggest that any especial arrangement should be made with the company so far as the local market is concerned?—I do not think you could bind them. We have competition now arising in Australia, and it is a small freight from there, and if they wish to dump their excess of production over there they would ship it over in order to catch this market.

152. How about the adjacent iron-deposit, Onakaka?—So far as I understand I think that can be amicably arranged.

153. Do you think if the Government is going to give a subsidy it should not give one that should apply to the whole of the deposits there, and insist upon some arrangement being made by the various lessees of the ground—both Onakaka and Parapara?—I think if a syndicate has sufficient confidence to sink a million of money into a concern before they can produce, it is the least a Government can do to assist them. If another company has another offer to make let them come along; you could not give a bonus to everybody.

154. You could hardly expect the Government to give another bonus to any company that came along to work Onakaka?—No.

155. It is not suggested that a bonus should be given to each one?—No.

156. Do you think the Government ought to do so?—Supposing the Government gave a bonus to Onakaka and the Parapara Company, others would be claiming bonuses all the time.

157. Do you think the Parapara Company should receive special treatment?—Yes; they were the first in the field, and have been pushing capitalists into New Zealand. New Zealand might be left lamenting, and I certainly think the Dominion should wake up and accept it.

158. What about the Taranaki ironsands: has the same company got a lease there?—Yes, the same company has it.

159. *Hon. Mr. McKenzie.*] Do you know of any other iron-deposits existing in New Zealand besides Parapara and the Taranaki ironsands?—No.

160. You do not know whether there is a deposit on the Coromandel Peninsula?—No, I could not say.

161. You say you have a number of reports. Some twelve years ago the Government sent 10 tons of ore from Parapara: have you seen the analysis of it?—I do not think I have seen that one.

162. Do you know anything about the timber resources in New Zealand?—There is still a quantity in Southland and Otago.

163. Do you know that the timber-supplies in New Zealand are getting exhausted?—There are sixty-odd mills in Southland and Catlin's, which are cutting out fairly fast, and a great deal is getting burnt down. Over the Waiau, Fiord County, now there are great tracts of bush, and at Catlin's they have a good deal of bush land, though hilly.

164. Do you know generally whether the timber resources for building purposes will practically be exhausted in twenty or twenty-five years?—They cannot last for ever.

165. Do you know whether reinforced concrete and steel buildings must necessarily take its place?—Yes.

166. Would not that increase the demand for iron and steel enormously?—Yes; steel joists have to come from England now.

167. Are you satisfied that reinforced concrete buildings and steel-frame buildings must necessarily take the place of wooden buildings in this country before many years are passed?—Yes.

168. You have seen this Bill, which has been submitted to this Committee. Do you know of any reason, if the Government undertakes this proposal, why it should not make a condition that this syndicate should supply the Government at London prices, f.o.b.?—You might be paying more than what the 5 per cent. would cost you.

169. Do you know of any reason why the company should not supply the Government at London prices, f.o.b.?—I have not thought of that.

170. Do you know of any reason why the Government should not insist on this being done?—It might be cheaper to give them 5 per cent. than pay f.o.b. A manufacturer might charge 15 or 20 per cent. on his cost.

171. The London prices must control the prices of the market?—The German prices are a good deal lower.

172. They have a preferential tariff here?—Yes.

173. You admit the London prices must be the controlling factor?—Yes.

174. Is there any reason why the Government should not put a condition in an Act of Parliament to say this company should supply them at London prices, f.o.b.?—Yes.

175. You would save freight and charges between London and here?—Yes.

176. Supposing the Government started this as a State industry, you would require to go in for a pretty substantial protection?—Yes.

177. And pass the tax on to the consumer?—Yes.

178. The consumer in every case pays the tax?—Yes.