the Proprietary Company have to buy their fuel, there would be a handicap in favour of the State; but we are satisfied that the policy of the Proprietary Company directors of engaging the highest talent available and paying good salaries to experts would always tell in its favour, because their officials would not be hampered by any 'man-on-the-job' conditions such as would be sure to impede the management of any State-owned works or mine. Still, it is not very encouraging to private enterprise to feel that it may have to face the loose expenditure characteristic of State enterprise."

206. What are you reading from?—*The Australasian* of the 12th October, 1912.

207. From that you learn the Broken Hill Proprietary Company proposes to establish works at a cost of a million of money?—Yes.

208. Do you know whether they are getting any subsidy?—I could not say.

209. They are not getting a penny?—The industry has already been launched by the Lithgow people, who were the first people to break the ice: that is the position the Ethelburga people are in—these people will profit by the Lithgow mistakes.

210. In the case of the Australian venture the ore is got from South Australia, forty-one miles from Port Augusta. There is forty-one miles from Port Augusta to Iron Knob, fifteen hundred miles of sea freight to Newcastle, and probably wharfage to pay at both places. It is quite clear, Mr. Dunbar, the conditions in New South Wales are much less favourable than in New Zealand?—The Government is having a good proposal put before it; all those things you mention are in favour of the Parapara proposal.

211. You know that the Broken Hill Proprietary Company is a very large concern, and that it is run on commercial lines, and they see their way to enter into this contract?—Yes, they will probably profit by the Lithgow mistakes.

212. Do you know what it will cost to mine the ore at Parapara?—Estimates from London are 2s. per ton, or something like that.

213. Landed at the furnace at 2s. per ton?—Yes. Mr. Poynton, a practical miner, undertook to deliver for 1s. 6d. per ton.

214. Do you know what is the Lithgow cost?—I could not say.

215. Seven shillings per ton. Are you quite clear that it could not be landed there at 3s. or three times 3s. a ton?—I would have to have the figures before me.

216. *Mr. G. M. Thomson.*] Can you handle ore at 2s. per ton with the price of labour in New Zealand now?—Yes. Payable contracts have been let for it.

217. *Mr. Blow.*] You have also heard the Onakaka Syndicate is willing to undertake construction-works without any subsidy?—I believe so.

218. In view of the fact that in New South Wales, under much less favourable conditions, a commercial company can see its way to establish works without a subsidy, and that a syndicate in New Zealand is also willing to establish works without a subsidy, is there any necessity for a subsidy being given? What is the comparison of the rate of wages between here and Australia—I believe they are higher?—You yourself would often pay a man £1 a day not to lose him—that is not to say that is the value of him. I have heard Mr. Cooper, our association secretary, say wages are lower for labourers in Australia than they are here.

219. Would they be lower at Onakaka, considering the two properties are adjoining?—You pay less for your ore and more for your wages here.

220. You still give evidence that you can put the ore down at 2s. per ton?—Yes.

221. You know the ore at the Broken Hill Proprietary Company, and labour is 7s. per day?—Wages there are 7s. and 7s. 6d. a day, whereas they are over 10s. here now.

222. Do you consider this industry cannot be run without a large subsidy?—I believe the subsidy should be paid, because you are going to get the works back as a national asset. On the other side, in Australia, there is nothing returned to the Government.

223. Parapara works are to be handed back?—Yes. I understand there is compensation payable at the end of twenty-eight years: compensation has to be paid on this particular lease whether you get any ironworks or not.

224. As an experienced manufacturer would you consider a plant put down to-day would be worth anything like its cost at the end of forty years?—I have allowed another £650,000 to be added during the next forty years to bring it up to modern requirements.

225. There is no contract submitted to provide for the upkeep?—It would not pay to work with a scrap-heap of a plant: they would have to get their returns somehow, and must keep the plant in good trim.

226. *Mr. Myers.*] I assume that that would be a proper provision to go into the contract. Can Mr. Dunbar inform the Committee as to what percentage of cost of the manufacture of iron in such works as are proposed would be payable in wages or labour?—I should say, as far as my experience goes, about 70 per cent.

227. *Hon. Mr. McKenzie.*] Do you know whether any of these works to be established for the manufacture of iron at Parapara would be on the lease at all, or on ground outside the lease?—I should judge it is intended to put them in the most favourable place on the lease.

228. The lease has not a favourable place?—That would have to be safeguarded in the Bill.

229. Do you know whether the trend of wages in New Zealand, Australia, and England is tending to become more alike than in former years: are they getting closer in the colonies to Home than they were formerly?—I think they are all going up here. Where they rise in one place they rise in others.

230. How do you make out they are rising here?—In the iron trade we have to pay a blacksmith 11s. now, instead of 8s. a few years ago.

231. You cannot say whether they are more or less than before?—I think we have got enough to face at present.

232. Do you know the locality at Parapara and New Plymouth?—Yes.