

45. Do you know whether the Onakaka people tried to form a company?—No.
46. Or whether they have succeeded in their efforts?—I do not know.
47. Do you think, knowing something, as you must do, of New Zealand conditions, that it would be possible to raise in this country, say, a couple of hundred thousand pounds for the development of the iron industry?—On terms such as you propose I think there would be a fair chance.
48. Without some form of subsidy or bounty do you think the investors in this country would put down £200,000 in cash to form a company to develop the iron industry in New Zealand?—I cannot answer that question.
49. The New Zealand demand for iron and steel is not comparable with the Australian demand?—No, the Australian demand is much larger.
50. So that works in Australia have necessarily a much bigger market within their own boundaries?—Oh, yes; that is one great advantage they have over the New-Zealanders.
51. You make the suggestion that a State bounty should be given to New Zealand?—Yes, I think a bounty of some kind would probably be necessary.
52. Would you suggest that in the event of the State giving a bounty the State should also require, after a certain time, that the undertaking should be handed over to the State without compensation?—Personally I do not attach great importance to that. I thought it would be much better to avoid the subsidy even at the cost of not having the enterprise handed over.
53. You attach very little importance to handing over all the enterprise to the State?—I attach considerable importance to it, but would like to avoid the spending of that three millions of money.
54. You are not paying three millions of money: it is £32,500 per annum?—That money is worth it, with the interest.
55. Is it not your suggestion that nearly three millions of money would be paid during forty years without the State getting any collateral advantages?—No, I did not say that.
56. You will admit that there are some collateral advantages which ought to be taken into consideration?—There are collateral advantages.
57. Is it, then, a fair thing to say that nearly three millions would be paid for this concern?—I have given the computation, which is self-evident.
58. You say that the Ethelburga Syndicate would take no risks. Do you not see the debenture-holders would be taking considerable risks?—They take some risk.
59. Supposing the works were a failure and had to be abandoned, and the £32,500 per annum ceased to become payable, would not the debenture-holders run the risk of losing the whole money?—If I were a financier in London I might possibly think so, but not as a New-Zealander knowing all the conditions.
60. There is the possibility?—Yes.
61. You said the only product exportable at a profit is pig iron?—I said I had grave doubts as to whether they could export manufactured steel.
62. Have you any idea as to the comparative proportions of profit on (a) pig iron and (b) manufactured steel?—I think the profit on pig iron should be large.
63. Would you say the profit on pig iron is greater than the profit on manufactured steel?—Yes.
64. Would you be surprised to know that the profit on manufactured steel is three times as great as it is on pig iron—I am speaking of pig iron and manufactured steel?—We are talking of two totally different things.
65. Do you know—leaving Parapara out of the question—that the profit to the manufacturer of steel is probably three times as great as the profit on pig iron?—That is probably correct in England.
66. Why should that not be so at Parapara if the works are large enough?—Because at Parapara you can produce pig iron at a much less cost than in England, but I am doubtful if you can produce manufactured steel at any cost under the imported article.
67. Is your opinion on that question of any real value: you have no expert knowledge?—I have had forty years' experience of the Public Works Department, and I have been over twenty-one years at the head of it, and I think my opinion is of some value.
68. If an English company, acting upon the advice of people whom it believes to be competent experts, is prepared to put its money into New Zealand and run the risk?—I think the enterprise ought to be started.
69. You limit your experience to pig iron: you say the enterprise should consist of the manufacture of pig iron and not steel, irrespective of whether the markets can be secured or not?—Even if the Government ran the works I think an effort would be made to cultivate an export trade, but I am afraid the profit would be rather small.
70. You said in your statement that it would be necessary for the quality of the manufactured article to be maintained?—Yes.
71. Do you know that the Ethelburga Syndicate is quite prepared, and has always been, to give by the proposed contract to the Government the right to appoint a Resident Engineer to supervise manufactured products which have been manufactured by the company?—Yes; but the Lithgow contract contained that provision, and yet the Commissioner reported that the quality of some of the steel was thoroughly bad.
72. Is there any provision there which binds the Government to take their steel?—I do not think they were bound.
73. Was the Government bound by contract?—They were not bound to take the whole output of the works or any stated quantity, but as a matter of fact they take practically the whole of the output of the works.