98. Is it not a fact that the local market in Australia would be four times as great as that of New Zealand, and that would counterbalance any other conditions?—I do not think that is quite so important as having to bring the ore fifteen hundred miles by sea and forty-one miles by rail.

99. You said that coal and coke can be got cheaper than in New Zealand: where were you referring to?—To Newcastle.

100. Are you aware that coke is being made within three miles of Parapara, and made there for many years?—I am not aware of it, but do not think there would be sufficient coal available to keep the works going on a large scale.

101. You said that the £650,000 can easily be got rid of without rolling-mills at all?—I made that statement to emphasize the fact that the syndicate has left the Committee entirely in the dark as to what they propose to do. I was told there was no information available.

102. Is it not your opinion that the Bill submitted by the Government is for negotiation?—I understood that the Bill was to be passed on the lines of this draft.

103. That is, providing the Government will accept it?—It cannot be passed without the consent of the Government.

104. In the first part of your statement you say that this company can be carried on profitably without State aid, and then in another part of your statement you doubt whether we could compete with outside markets. Would it not be to the interests of the people of this country to compete in any part of the Southern Hemisphere?—But the circumstances are against you; the labour conditions would not compare with the labour conditions in Sweden and Belgium.

105. The conditions you say are more favourable here than in Australia, taking them as a whole?—Yes, taking them as a whole.

106. To compete in outside markets do you think that this company would require State aid?—To enable it to compete successfully in outside markets in the matter of manufactured steel I think it would require State aid.

107. You place emphasis on the suggestion that it should be started as a State enterprise. Do you think State-controlled enterprises can compete with private enterprises of this nature?—I think the State coal-mines are holding their own.

108. Do you pay any dividends like the Westport Coal Company?—Does the Westport-Stockton pay a dividend?

109. Do you think it has been their (the Government's) experience that a commercial enterprise of this kind can be run as cheaply by the State as under private control?—I believe there is a popular impression against the State control of industries, but it usually depends upon the people in charge of them. I think if I had control I could run it as cheaply as a commercial man could.

110. You mean, if you had complete control, without pressure being brought to bear by members of Parliament?—That does not count so much as some people think.

111. In reply to Mr. Myers you expressed the opinion that the lease is a lease in perpetuity?—I said the lease was renewable.

112. That provision does not apply to Onakaka: does it apply to Parapara?—It clearly states the Parapara lease is renewable.

113. That would be subject to the lease being continuously worked?—Yes.

114. Will you explain whether instructions have been sent to the Parapara Company that if they do not take the necessary steps to have their lease in proper working-order the term will be cancelled?—Yes.

115. They apply to the Warden once a year for protection?—Those appeals were made to the Warden without the knowledge of the Department. It is not fair to the Department. The Warden has certain powers without the consent of the Minister.

116. Do you know how long the Parapara lease has been in existence?—It bears date the 15th August, 1905.

117. When was the lease granted to Sir Alfred Cadman?—In 1905. It was granted to the Public Trustee as his executor.

118. Do you know how long they have held that ground?—No.

119. I should say, approximately, about fourteen years. Do you think, as a matter of public policy, they should either work or abandon the lease?—I do.

120. In calculating the amount that the company would be paid by way of subsidy and compound interest you did not take into consideration any collateral advantages, did you?—I think there are considerable collateral advantages.

121. Have you ever gone into the question of the number of men it would take to produce 150,000 tons annually?—No; I can tell you how many it takes at Lithgow, and their output. At the furnaces the number of men employed is 108, in addition to which they have men many miles away, who mine their ore and limestone.

122. You said that the iron-ore can be produced at Parapara at 3s. per ton?—Delivered at the furnace at about that price.

123. What kind of coal would they use—Westport?—Westport or Seddonville small. It would cost 9s. or 10s. f.o.b.

124. What class of coal could be produced at 9s.? It requires 2 tons of coal to produce a ton of iron; it would cost three times as much to produce the coal as to produce the iron?—Yes.

125. You give us 108 men at the furnace. I say that would probably represent one-tenth of the total employment?—I think the proportion would not be nearly so large. I should say one-third.

126. Assuming that coal costs 9s. and this ore costs 3s. to mine—one-third of the expense?—What about the furnace, the puddling of the iron, and the supervision of the mills?