

G. J. ANDERSON, M.P., examined.

I wish to point out to the Committee that there are a number of valuable minerals and deposits of various kinds in the Waikaia Valley, the Charlton district, and the Waikaka district. There are, to my knowledge, two deposits of shale—one at Waikaia Valley and the other at Brydone. That in the Waikaia Valley is the more important. Some of the witnesses who would have given evidence in Gore would like to put their evidence in writing and forward it to you.

*The Chairman:* We are willing to accept any suggestions that the people of Gore may make, and will give them every consideration.

C. MORGAN WILLIAMS, Farmer and Produce-merchant, examined.

This year the acreage in potatoes is less than it has been in the past. The tariff is no great assistance to the potato-growing industry. We have a tariff of £1 per ton against Australian potatoes, and in Australia there is a tariff of £1 against New Zealand potatoes. I suggest that by offering to remove our duty we might establish reciprocity with Australia. It would be of advantage to the grower and to the public. The potato-grower during many seasons has had to face unremunerative prices. The price went extremely high at the end of last season, but the growers did not get much benefit, because they had few potatoes to sell. The North Island was almost entirely supplied by Australia, and the only party to gain by the duty against Australia was the Treasury. This year the Government has put an embargo on the export of potatoes, and that is about the worst form of protecting the consumer that could be imagined. My remedy is this: If we want to protect the consumer we should have a system of State purchase and distribution, like the wheat purchase, under which the grower would be guaranteed a fair remunerative price before he planted his crop. If the State is going to interfere at all, that is what should be done. During the war many new processes of utilizing potatoes have been discovered. In England steps have been taken by the Government to help people in the potato-growing districts to obtain machinery to make potato-flour. Glucose can also be manufactured out of potatoes.

*To Mr. Sidey:* I advocate the removal of tariffs on all the necessities of life. The New Zealand tariff on potatoes should be taken off although Australia leaves her tariff on.

*To the Chairman:* Among the necessities of life I include clothing and boots. The importation of those lines without tariff would not ruin local industries. In the case of large industries I suggest State control, with free trade as a simultaneous policy. I advocate that natural industries in New Zealand, such as the woollen industry, should be put under a system of State ownership, and that other industries, such as the making of lead-headed nails, which employs ten persons, and other industries which have only been brought into existence by reason of a protective tariff, should be allowed to fall into decay if they cannot stand on their own footing.

JOSEPH SMYTHE, Director of the Parapara Iron-ore Company (Limited), further examined.

Mr. Reed, in his evidence in Wellington, said that Parapara would not be a profitable undertaking at the present time. In reply I wish to quote the evidence of Mr. Blow, given on the 4th November, 1912, before a parliamentary Committee. Mr. Blow said, "Iron-ore can be delivered into the furnace at 3s. per ton. The New Zealand market is more limited than the Australian one, but is sufficient to keep a small plant going. I personally mentioned the matter to Mr. Hoskins when in New South Wales about two years ago, and Mr. Hoskins stated in reply that the importations of iron into New Zealand are sufficient to justify the establishment of smelting-works in the Dominion. Moreover, the local demand in New Zealand would be greater than the output of Mr. Hoskins's own furnaces at Lithgow, which only put out about 800 tons per week, or about 40,000 tons per annum, whereas the New Zealand demand runs into about 140,000 tons a year, and will largely increase in the future. To enable the company to deal with the whole of the New Zealand trade and to make the venture of much practical use to the Government it will be necessary for them to put down a converter plant for the production of steel and to establish rolling-mills. The Government is not a large user of pig iron, so that if the venture did not go further than the manufacture of pig it would be of no great benefit to the Government; but if the iron is converted into steel, and if steel rails and fish-plates are rolled, and also rods, bars, angles, plates, joists, and girders for use in bridge-building, the Government would be fairly large purchasers, providing the price and quality are both satisfactory. . . . As regards pig iron, I think the company could ship as cheaply as most of the makers of the Old World," &c. In answer to Mr. Roderick McKenzie, Mr. Blow said the iron-ore can be delivered at the furnace at Parapara at about 3s. per ton. Westport coal or Seddonville small would be used. It would cost 9s. or 10s. f.o.b. Then Mr. G. H. Allan, manager, Parapara Company, reported, "There are altogether nearly 2,000 ft. of underground levels, ranging from 100 ft. to 200 ft. vertical, below the surface, practically all solid ore, every foot of which had to be extracted by explosives. On the Cadman lease, in addition to the tunnels, open faces of ore have been exposed more than 250 ft. below the top surface indications, thus showing that here also the quantity of ore is most considerable. The removal of overburden between these two points—which are about half a mile apart—shows the continuity of the iron. It is safe to assert that development-work of the past two years has increased the ascertained extent of ore-body in much greater proportions than hitherto known." Mr. Allan estimates the ore on Washbourn's Block at 80,000,000 tons, and on the Cadman area at 165,000,000 tons, and is prepared to substantially demonstrate the fact. Mr. Harley E. Hooper, metallurgical chemist at Broken Hill, states, "About a mile to the west of the western end of Washbourn Block, on a portion of the property known as Riley's, are some immense detached blocks of practically