

13. You were head of the Department for many years. The Dominions Commission some five or six years ago rather disparaged the capacity of the Parapara deposits. From your experience do you think there are valuable and extensive beds of mineral at Parapara?—Oh, yes.

14. The conditions of the lease have been complied with so far?—Yes. The present protection was granted under special Act passed in 1914 in consequence of the war.

15. *Mr. Hudson.*] How long is that protection to remain in force?—Until peace is declared.

16. *Mr. Sidey.*] Not until six months after?—No.

17. *Mr. Hudson.*] Is Parapara the only lease that is renewable?—Yes, I think so.

18. *Mr. Sidey.*] Was a formal application made to the Court for protection, or are they simply relying upon our moratorium?—An application was made to the Court and protection was granted by the Warden. The Act requires that.

19. You expressed the opinion that the leases should be forfeitable otherwise?—I think it is clear that if the conditions are not complied with the ordinary legal provisions would apply.

20. You are satisfied that they have not been complied with?—I think the conditions were fairly complied with up to the time protection was taken.

21. Before the war?—Considerably before the war.

22. It was not a war protection at all?—Protection was granted some time before the war began, but when the war started the law was amended to give wider powers as regards granting protection, and under that protection has been granted until peace has been declared.

23. Was there any opposition to that?—No.

24. The Crown has never opposed the application for protection?—No.

25. But had protection not been granted there can be no question that non-observance of the conditions would have rendered the leases liable to forfeiture?—Yes.

26. *The Chairman.*] Perhaps you could give the Committee your opinion as to the value of the deposits from a manufacturing and development point of view?—In a report made by Mr. Binns, F.G.S., in November, 1878, he estimated the quantity of iron-ore at 53,000,000 tons. Dr. Bell, in Geological Bulletin No. 3, in 1907, estimated the Washbourn block at 23,000,000 tons. He gave no precise figures as regards Parapara or Onakaka, but said he thought the total ore in sight in the three blocks was probably 64,000,000 tons. As regards the quality of the ore, Dr. Bell, on analysis of samples from the different outcrops, came to the conclusion that the ore will yield about 45 per cent. of metallic iron. Other sampling has been done since—since the drives have been put in—with very similar results. The ore is not free from phosphorus and sulphur. In fact, for some purposes the percentage of phosphorus is rather high. Dr. Bell made it 0.15 per cent. Samples from the drives taken since make it 0.13 per cent. As regards sulphur, the percentages are respectively 0.08 and 0.075. For the purposes of comparison the members of the Committee might desire to know what the percentages are in the ore from Iron Knob, which is at present being worked by the Broken Hill Company at Newcastle. Their ore yields 68.7 per cent. of metallic iron, and the percentage of phosphorus is 0.02, as against our 0.13. Ours, therefore, has six times as much phosphorus as the ore from Iron Knob.

27. *Mr. Hudson.*] And as to sulphur?—The amount of sulphur is not large either in ours or in the Australian ore. The iron used at Messrs. Hoskins's works at Lithgow has a metallic-iron content of 55.8 per cent., and in phosphorus is quite as high as ours—0.17.

28. *Mr. Sidey.*] You gave evidence in regard to this question some time ago?—Yes, in 1912.

29. Did you not express the opinion that the State ought to undertake the working of these deposits?—I am a bit of a State socialist. I think we have made a fair success of the State coal-mines, and I think we can make a success of this if anybody can.

30. Do you think the quality of the ore, as disclosed by the reports you have read, would justify the State undertaking the work at the present time—as likely to be a successful undertaking?—The quality of the ore is rather low. It is lower than the Lithgow ore, and considerably lower than the Iron Knob ore; and in other respects the New Zealand conditions are less favourable than the Australian. The Broken Hill people have located their works at Newcastle, and right by one of the finest coalfields in the world. Our Parapara ore is a long way from any coal that would be of any use. We would have to bring our coal from Westport.

31. The works in New South Wales are thoroughly successful?—I believe they are highly successful at present prices, but they are getting £18 a ton for rails. The pre-war price was £6 f.o.b., London, and they are getting more than that for flat sheets.

32. This Committee is anxious to know whether it can recommend the Government to undertake the work itself or grant privileges to others to undertake the working of these deposits as soon as possible as a local industry?—The first thing would be to get rid of these leases. If the leases were got rid of and the deposits once more reverted to the State I should think the wiser policy would be for the State to retain them. As to whether they should be worked immediately or not, I think that requires very careful consideration. Personally I would be inclined to advise that the State should wait and see how the Newcastle works fare for at least a year after conditions have been restored to normal.

33. Have there been any reports furnished subsequent to the date of that report in the 1912 paper?—No public report.

34. Any confidential reports?—Yes, there was a confidential report.

35. Can this Committee get access to that report, or are you in a position to state whether that report throws any further light on the subject?—Not a great deal. The only witnesses before that Committee were officers of the Crown, and the same gentlemen are available to you—Mr. Morgan, Mr. Reed, myself, and Mr. Parry.

36. To whom was the confidential report furnished?—To the Minister of Mines.

37. *Mr. Craigie.*] The Committee went into the Parapara business and the Ethelburga Syndicate?—Yes; the report I refer to is on that subject.