duty. This enables them just to hold their own; but they complain very much about the inferior quality of the American engines, especially the cheaper class, which they are asked to compete against. To show that they have every confidence in their own manufactures, they ask, and declare it to be as important to them as an increased tariff, that an oil-engine expert should be appointed by the Government to thoroughly examine *all* oil-engines before being installed into any boat, either fishing or pleasure. If this is complied with, they are satisfied that very few of the cheaper quality they are asked to compete against will be accepted.

This is an industry I strongly advise the Government to encourage to the fullest extent, not only because it is a coming motive power, but because it is already fairly well established against adverse circumstances, which leaves little, if any, profit to the manufacturer, while it employs a very large number of hands. The following statistics will show its growing importance: For the five years 1906–10, £426,632 worth of gas and oil engines were imported; equal to £85,326 annually. This shows an increase of nearly 65 per cent. on the previous five years (1901–5), which amounted to £260,196; and these figures may be augmented by oil-engines for motor-cars, the imports being, for the five years 1906–10, £35,272, making a grand total of all oil-engines and gas-engines for the last five years of £461,904, equal to £92,381 annually. It may be as well to state that of this amount £329,232 worth were British (including gas-engines), consequently free from duty, and £132,672 worth were foreign and subject to 20 per cent. preferential duty.

Having personally examined the engines now being manufactured by the Dominion engineers, I confidently express the opinion that if a fair measure of protection was given—say, to the extent of 30 per cent. on British and 15 per cent. preferential on foreign—very soon the £92,381 annually sent out of the Dominion would (less the materials) be all expended amongst New Zealand workmen, and without extra cost to the consumer, as local competition and specialization would both assist to keep the prices low. Further, to prove the manufacturers earnest in this regard, I have been supplied with their price-lists, and their evidence states that they are prepared to sign any document necessary that these prices will not be increased if further protection is granted sufficient to block the imported article. They rely upon the extra output and specialization to enable them to do this. This is an industry which would take the place of the steam engine and boiler, which, as I have already stated, are fast passing out as a motive power, as the following figures go to show: Imports of steam-engines prove a falling-off for the five years 1901–5 as compared with 1906–10 of £22,629:—

	1901–5.	1906–10.
	£	£
British	72,437	50,088
Foreign	5,086	4,806
	£77,523	£54,894

while the evidence of the Dominion engineers for the same period goes to show that the manufacturing of them locally has almost ceased.

Another contributing cause, and one complained of bitterly, is the fact that so many Harbour Boards, City Councils, Road Boards, and public bodies generally send abroad for all their requirements, even though New Zealand prices are about equal to the imported. Two particular examples cited exemplify this: Tenders for a certain iron bridge, costing about £22,000, were called for, but the contract was given to an importing agent, though the local tender was only £200 higher. The result was that the bridge has cost nearly £1,000 over the contract price, and litigation may yet follow; whereas had a local tender been accepted no such trouble would have arisen, as they tendered to erect and hand over the bridge complete for a stated amount. The other case is where a public company ordered from Home sixteen tube mills at £197 each, equalling £3,152, while the local tenderer was only £3 each higher. Had there been a 20-per-cent. duty instead of being free under the present tariff, the order, they argue, would never have gone out of New Zealand, and the cost would have been actually lower to the company than they could land them for.

I would suggest, where the Government provides advances to local bodies or companies for bridges or similar work, that, all things being equal, a clause giving preference to Dominion manufactures should be insisted upon. In such work as bridge and structural ironwork engineers ask for a higher tariff than 20 per cent. They contend that most of the cost goes in labour, as all the sections of wrought iron are imported, and no casting or work of that nature is now required, while the workmen get 1s. 4½d. per hour, as against 7¾d. in England and less on the Continent. On such work, therefore, they ask a 30-per-cent. duty, and a 15-per-cent. preferential duty on foreign. The introduction of wrought-iron work and ferro-concrete buildings has also considerably affected the ironmoulding shops, for whereas previously heavy cast-iron columns and bases were regularly used, now wrought-iron and concrete work takes its place.

The blacksmithing trade and boilermakers are all complaining of the want of trade. Many of the foundries have only one or two blacksmiths' fires going, out of from four to seven. Their steam and electric hammers are only occasionally used, instead of constantly, as was the case a few years ago. A short time back a great deal of work was done for the Home steamers, especially in Wellington; now this has practically ceased, and only what is actually essential for the carrying of the steamers Home is done out here. In Wellington, and elsewhere too, public companies—such as the Gear Company, Wellington Meat Export Company, Gas Company, Harbour Board, and Union Steamship Company; and also, farther north, the United Engineering Company, owned by the Union Steamship Company and the Northern Shipping Company, the Waihi Company, the Waihi Grand Junction Gold-mining Company, the Talisman Gold-mining Company, and many others—all have their own workshops now, and all the work now done by