

especially in time of war, to an isolated country. The Government should therefore view this matter from a broad standpoint, and offer bonuses of sufficient magnitude to induce capitalists from abroad to establish works within the Dominion, not only for smelting, but also for the manufacturing of iron and steel of various kinds. To this end and purpose I beg to suggest that the following bonuses be offered:—

For the first 30,000 tons pig iron or ingot steel, 15s. per ton = £22,500;

For the first 20,000 tons bar, rod, angle, or other manufactured iron or steel, £1 5s. per ton = £25,000;

For the first 10,000 tons sheet or plate iron or steel, £1 5s. per ton = £12,500;

making a total of £60,000. This would ensure the manufacturing of all kinds of iron and steel within the Dominion, the imports of which for the five years 1906–10 were—Pig iron, 51,504 tons; bar, rod, &c., 109,532 tons; sheets and plates, 42,074 tons.

I believe that bonuses such as these would have the desired effect of inducing outside capital to take this important industry up and turn to marketable account the immense quantities of ore now lying dormant, awaiting only capital, enterprise, and experience to develop it into one of the staple industries of the Dominion of a national character, the Government themselves being the largest users of these articles upon which I have asked that bonuses should be paid.

There were no figures kept by the Department of Labour prior to 1903 of the number of engineering workshops, but in 1903 it gave 151, and in 1911 328, thus showing an increase of over 112 per cent. in nine years. This increase, however, in the number of workshops as shown by the Labour Department must not be taken literally, because what is now considered by the Department a workshop is a place where two or more employees are engaged, and the increase consequently does not necessarily mean a proportionate increase in the aggregate of the number of hands employed; as a matter of fact I find from statistics that there has been no increase in the number of hands employed in the engineering industry during the past five years, as the returns hereunder, for seven years, go to show. These figures speak for themselves, and are not by any means encouraging considering the growth of the country as testified by the increase in population and by the general exports and imports. Engineers employed—1905, 3,632; 1906, 3,942; 1907, 4,116; 1908, 4,206; 1909, 4,392; 1910, 3,985; 1911, 4,105.

Judging from these figures, it would appear that the engineering industry is at a complete standstill, with an inclination to go backward rather than forward. This must be regretted by the Government and the country alike, for, as a rule, when the iron industry of a country is busy all else is in a prosperous condition. The iron-manufacturing industry therefore is one which should be placed in the position of keeping pace with the growth of a young and progressive country; but I fear it has been retarded by the enormous imports of machinery and implements, amounting in eleven years—1900–10—to £8,073,621, or equal to £770,329 annually, as shown by the returns herewith attached, each year invariably showing an increase on its predecessor, while the Dominion manufacturers are practically idle. This clearly goes to show that something is wrong and requires immediate remedy, especially when it is considered that most of the imported articles enumerated could be manufactured satisfactorily within the Dominion, which, if done, would necessitate the employment of about 20,000 engineers and general metal-workers' hands, instead of 11,540 as at present. When wives and families are added to this increased number, surely an extra duty should not be objected to in order to foster such a desirable state of affairs, especially as manufacturers, in many instances, have undertaken to guarantee no extra cost to the consumer. To the dairy and agricultural farmer alike such an increase in the population would mean an enormous advantage, as it would establish a cash market at their own doors, instead of having, as at present, to go abroad for it on terms.

Imports of General Machinery, and Agricultural Implements and Machinery, for Eleven Years, 1900 to 1910, inclusive.

	British. £	Foreign. £
Agricultural machinery	559,108	561,908
Ploughs and harrows	71,455	37,083
Dairying machines	231,435	206,739
" engines for	10,557	510
" boilers for	13,090	2,745
Dredging machinery	198,431	17,964
Electric machinery (10 per cent.)	1,038,080	295,769
Electric machinery (20 per cent.), (three years only —1908–10—no record kept prior)	135,124	82,059
Electric machinery (free), (three years only—no record kept prior)	203,914	33,206
Steam-engines	132,796	10,174
Gas and oil engines	459,665	265,762
Gas and oil engines for motors (five years, 1906–10)	25,172	10,100
Boilers for steam-engines	86,117	3,502
Flax-milling machinery	32,169	3,381
Gas-making machinery and plant	230,363	18,429
Locomotives	52,640	142,304
Mining machinery	336,722	74,678
" engines for	79,579	3,917
" boilers for	29,052	