H.—22.

finished or fitted cost. We grant there are many parts of locomotives and other work that would have to be imported; but a judicious specification would force contractors to have their work done here, instead of ignoring existing industries and, for a small extra profit, resorting to importation, even to bolts and nuts. Were Government contracts to be let locally, or New-Zealand-manufactured, we should at once derive a benefit.

We have, &c.,

A. AND G. PRICE (per Matson).

No. 128.

Messrs. Kincaid, McQueen, and Co. to the Chairman of the Commission on Local Industries Timaru.

Dunedin, 14th April, 1880. SIR.— In answering your circular, in which you request information re local industries in Dunedin, we shall have to confine our remarks to our own particular branch of industry as engineers, iron-ship builders, boiler-makers, iron and brass founders, millwrights, and manufacturers of agricultural machinery. The principal class of work carried on by us for some time past comprises iron-ship building, land and marine engines and boilers of every description, quartz-crushing machinery, pumping and winding machinery for coal and gold mines, machinery for flour and oatmeal mills, saw-mills, paper-mills, wool-washing &c. We may mention that about 90 per cent. of the work done by our firm during the last eighteen years has been to the order of private individuals or public companies, and only about from 5 to 10 per cent. for the Government, both General and Provincial; and we believe that during the same time these Governments must have imported about 90 per cent. of the machinery and ironwork used by them. We are of opinion that, as private individuals and public companies have found it to their advantage to have their work done in the colony, the Government should at least give every encouragement to local industries, and try if their work cannot be supplied in the colony. We have often been surprised to hear the question asked, Can locomotive engines be made As a proof that they can, we have only to refer to the larger and more difficult mechanical undertakings which have been successfully executed by some of the firms in the chief towns of the colony. As we presume that others in similar lines of business to ourselves have been required to furnish you with what information they can in connection with their own experience, we will confine our remarks principally to works which have been successfully undertaken by our firm during the last few years. As an instance of the capacity of our local industries for the accomplishment of works of some magnitude, we may mention the 40-ton travelling crane at Oamaru, constructed by our firm to the order of the Oamaru Harbour Board. This crane is self-acting in all the motions of travelling, slewing, hoisting; and is all under the control of one man. The crane is constantly and successfully employed laying ponderous concrete blocks for the formation of the Oamaru breakwater. The success employed laying ponderous concrete blocks for the formation of the Oamaru breakwater. of this, one of our early achievements—it was made some few years ago—has induced the Board to favour us since with many large orders for cranes and other machinery, and manifest their appreciation of the quality and suitability of the work supplied. When the Otago Harbour works were commenced, the Board called for plans and tenders for a large dredge. Our offer was accepted, and the dredge "Vulcan," was built, and supplied with compound engines of 70-horse power nominal, at a cost which will favourably compare with Home prices. We have since supplied the Board with a cost which will favourably compare with Home prices. We have since supplied the Board with work of more or less magnitude, amounting to the value of some thousands of pounds sterling per annum. The patriotic example of these Boards has been followed by others, with advantage to themselves and great benefit to the country. The resources for and experience in iron-ship building are extensive. We have ourselves built steamers of various sizes up to 120 tons register, fitted with high-pressure or compound engines, up to 250-horse power, and for finish and for economy of fuel the engines and boilers of these steamers will compare favourably with those constructed anywhere. As to the facilities for making engines, boilers, mill-works, machinery in general, iron structures of any kind, bridges, &c., our resources are only limited by the country's requirements. All the machinery manufactured in the colony has the special recommendation of being strictly adapted for local and special requirements—advantages which the imported machinery cannot possess, being made in most instances by those who are quite ignorant of the country and its special requirements. Consequently, in many instances, alterations and modifications of various kinds have to be made before the imported article is suitable for its intended work: thus the ultimate cost is, in some cases, raised to more than the local manufacturers' price. We think that the experience of the late Government, particularly with their rollingstock, will amply bear out the above statement. We wish to state as our candid opinion that the whole of the colony's requirements, with very few exceptions, in machinery, rolling-stock, &c., can be produced in the colony, and in most instances as cheaply as the imported article—that is, when all commissions, forwarding, freight and local charges are added to the invoice-cost. This, of course, applies more especially to large quantities, such as the Government are accustomed to import. It would also be necessary, in cases where suitable materials cannot be obtained in the colonies, to give the contractor sufficient time to import the same We would suggest that, as a safe and satisfactory (said cost to include all commissions and Home-charges, as well as shipping expenses); also say, Cost of unpacking, erecting, inland carriage, re-erection, altering furnace to adapt for native coal, spark-catchers, &c., £-Total cost, delivered where required, £for tenders to deliver ten or twenty locomotives, the first to be delivered in — months (allowing time to get the necessary material), and one or two every month after. If it is then stated that the Government will go on with the contract if the cost does not exceed — per cent. over the cost of the imported engine, we are confident that a number of firms would be found willing to tender. thing applies to railway-carriages, wagons, signal-posts, cranes, and also bolts and spikes for railway purposes—in fact, this rule would apply generally to all the requirements of the Government. We may mention that when the public works scheme was first introduced, and a large number of skilled