

is a most important item in our favour, and would be alone sufficient to counterbalance the greater cost of labour, for by the patents under which this company will work the same result is obtained from ironsand as is obtained from pig-iron, thus saving the expense of making the pig; the difference in cost between pig-iron in England suitable for making good bar-iron, and ironsand at Onehunga being fully £1 15s. per ton in our favour. If, then, we take the amount of saving which we have by our process and situation to counterbalance the greater cost of wages in this colony, we have—

					£	s.	d.
10 per cent. on the Home cost, say £7	...	...	...	...	0	14	0
Saving in freight	...	...	...	...	1	0	0
„ of fettling	...	...	...	...	0	3	0
„ „ cost of making the pig	...	...	...	...	1	15	0
„ „ manufacturers' profits	...	...	...	...	0	7	0
					£4	4	0

The total cost of labour in manufacturing pig-iron into finished bars in England is under £1 15s. per ton, so that if the cost of labour here is even as high as £3, there remains a large margin for profit. It is estimated that the total cost of the best finished bar-iron at Onehunga will be under £6 per ton.

The Market.—The production of cheap iron opens so large a field of industry that it is impossible to estimate the future of this trade. It is an undoubted fact that bar-iron can be made from ironsand more cheaply than from any other ore. The supply of raw material is unlimited, and New Zealand should become one of the largest iron-producing countries in the world. The many branches of manufacture of which cheap iron is the prime essential will no doubt spring into life now that both cheap iron and coal may be obtained in New Zealand, and with the supply so will the demand increase. The amount of iron imported into Australasia in 1882 was as follows:—

	Australia.	New Zealand.
	Tons.	Tons.
Bar-iron	44,500	9,250
Fencing-wire	40,000	9,500
Galvanized iron	37,080	8,000
Pig-iron	24,500	4,000
Plate-iron	9,250	1,000
Wire nails	6,750	2,750
Hoop-iron	3,750	850
Sheet-iron	3,500	600

These figures do not include Tasmania or West Australia.

The present cost of South Staffordshire iron, which is universally used in these colonies, is £7 10s., f.o.b. London, costing delivery in New Zealand about £9 5s., which is one of the lowest prices for many years, owing to the depression of the iron industries in England. Auckland iron at £8, f.o.b., would thus keep out the imported iron, and leave a large profit to the manufacturers.

It is also proposed to manufacture the iron into a few articles which are largely used, such as fencing-standards, fishplates, railway spikes, &c., &c., on which a larger profit can be made. Fencing-standards cost in the South Island about £11 per ton, and are used to the extent of over 3,000 tons per annum; and in other lines large quantities can be sold at better profits than can be made on bar-iron. Fencing-wire, being protected by a duty of £1 per ton and by a large cost of importing, offers a profitable field of industry; and it is proposed to add this line to the products of the company as soon as the above operations are at work. The slag from the puddling furnaces, if it contains a sufficiently high percentage of iron, will be smelted in an ordinary blast-furnace and run into pig-iron, thus utilizing all the waste products. Sydney and Melbourne will take a large quantity of iron from us, as low freights are easily obtained to those colonies.

It is expected that New Zealand iron can be sent to England and the United States at very profitable prices, as the iron made from sand in the United States by this process is found to be of so superior a quality for making high-priced steel that the whole of it is consumed by that branch of industry, and the price paid would yield us a large profit. India, China, Japan, and San Francisco open fields for exportation which we may shortly hope to compete for, as our location is most favourable for them as a base of supplies, and at certain seasons of the year freight can be had at a merely nominal rate; and a speedy enlargement of the works, as the requirements of the trade may demand, is provided for in the 20,000 unallotted shares. These shares, when allotted, will be offered to the stockholders at par in proportion to the shares held.

This company will take over the concessions obtained by Messrs. Chambers and Gardner, consisting of 1,000 acres of land, and four miles of foreshore on the North Head and two miles of foreshore on the South Head of Manukau Harbour, and three miles of foreshore at Taranaki, which will supply all the ironsand necessary for many years to come. No other place on the West Coast offers such facilities for cheap coal and ready transportation of the finished product as Onehunga; as, from its location, we can ship from either the East or West Coasts, and from the North Head the sand can be put into barges at any state of the tide or weather without going outside the Heads, and brought to our own wharf. These considerations make these concessions particularly valuable, while the lease at Taranaki will be available for the manufacture of charcoal iron, as a good quality of charcoal can be obtained in that district at a reasonable price.

The New Zealand Government has offered a bonus of £1,000 for the first 200 tons of wrought-iron blooms, and an additional £1,000 for the first 200 tons of pig-iron, manufactured from ironsand, which this company will secure.

The patents owned by Messrs. Chambers and Gardner are so essential to the manufacture of iron by the direct process that it is impossible to manufacture iron from ironsand in payable quantities without them, thus securing to the company a virtual monopoly.