

Messrs. Dalgety and Co.'s letter confirms the establishment of the reduction in freight to ½d. per pound, and the information I have from Australia regarding the position is quite different to that reported by Mr. Ritchie. However, as I have mentioned before, I do not wish to enter into a controversy regarding the matter, but to arrange, if possible, that the same freight-conditions are available to the producers of this colony as obtain with the neighbouring colonies.

I have, &c.,

J. G. WARD,

Minister of Industries and Commerce.

Messrs. Levin and Co. (Limited),
Agents, Shaw, Savill, and Albion Company (Limited), Wellington.

The New Zealand Shipping Company (Limited),
Christchurch, 22nd October, 1903.

SIR,—

I have the honour to acknowledge receipt of your letter of the 16th instant, with reference to a reduction in the freight on butter from New Zealand to London.

We agree with you that a continuance of the correspondence on the subject would lead to no useful result, and I am directed to ask if it would be convenient for you to receive representatives of Shaw, Savill, and Albion Company, and this company, to discuss your proposal to place New Zealand shippers of butter on the same footing as shippers from Victoria. If Wednesday next would suit you, I could leave Lyttelton by Tuesday night's steamer. May I ask you to kindly telegraph a reply?

I have, &c.,

ISAAC GIBBS,

General Manager.

The Hon. the Minister of Industries and Commerce, Wellington

(Telegram.)

IN reply to your letter twenty-second instant, I shall be pleased to see you at my office on Wednesday next at twelve noon.

Isaac Gibbs, Esquire,

New Zealand Shipping Company (Limited), Christchurch.

The New Zealand Shipping Company (Limited),
Christchurch, 27th October, 1903.

SIR,—

Referring to your letter of the 16th instant, on the subject of freight on dairy-produce, I am instructed by the directors of this company to place on record the present position.

The butter-producers in Australia pay ½d. per pound net freight on butter, whereas the New Zealand producers only pay ½d. per pound less 2½ per cent.; and, further, the Australian producers have to put their butter alongside the steamer at their own expense, whereas the New Zealand producers get the coastal freight paid for them by the shipping companies.

It is therefore clear that the New Zealand producers are already getting their butter carried at a lower rate of freight, and with further considerable allowances, than are obtained by their Australian competitors.

The special rate quoted for the parcel of stored butter from Victoria is, we are informed, no longer obtainable, and this is confirmed by the recent Press Association telegram published in the New Zealand papers, as follows: "The agents of the White Star Line have received advice that the offer to carry butter at ½d. per pound has been withdrawn."

As arranged by telegraph, I am leaving Lyttelton to-night to interview you at noon to-morrow, in accordance with your appointment.

I have, &c.,

ISAAC GIBBS,

General Manager.

The Hon. the Minister of Industries and Commerce, Wellington.

(Memorandum.)

Wellington, 28th October, 1903.

THE interview referred to took place, at which it was shown to me that no reduction in butter-freights from Australia, as reported, had taken place.

J. G. WARD.

Now, I want to ask you whether that correspondence is on record in the Commerce Department?—Yes, it is.

182. In the letter from Mr. Isaac Gibbs of the 5th October it is stated that the National Dairy Association have a contract with the direct shipping lines for a period of years?—Yes.

183. Was that contract running when we advertised for a service to run to the west-coast ports of the United Kingdom?—Yes.

184. As the result of the contract for the west-coast service is it or is it not the fact that any one who is free to ship by the New Zealand and African steamers can ship to the west-coast ports of England at a lower rate of freight than the National Dairy Association?—At the same rate of freight as to London, but they get delivery at the west-coast ports, which saves the cost of rail-gage and transhipment and the handling in London.

185. The National Dairy Association have a contract with the direct lines?—Yes.

186. That is for London?—Yes.

187. Under the steam service between the colony and the west-coast ports of England shippers can escape London and avail themselves of the ports of Liverpool, Bristol, Cardiff, and Glasgow?—Yes.

188. Now, do the New Zealand and African line of steamers touch at ports in the colony where the dairy people can ship direct, generally speaking?—They do, and they do not. They touch at Wellington and Lyttelton as a rule, but there is a great quantity of butter sent from such places as Wanganui and Patea.

189. Do this company pay the coastal freight?—Yes; they are under the same obligation to do so as the other companies.

190. So that it is available to shippers to save the shipping charges and double handling at the other end?—Yes.

191. Was that ever available to shippers before?—No.

192. Now, with regard to the statement made that these west-coast steamers have been going to London, do you know that as soon as it came under my notice I cabled to the Agent-General protesting against it?—Yes.

193. That is the case?—Yes.

194. That is quite recently, I suppose?—Yes.