

97. And, as a matter of fact, in the shipping world, am I right in saying that that experience is not at all an unusual one?—An established service often gets attacked by irregular opportunities. The Union Company, in the Calcutta trade, in the matter of freight on woolpacks and cornsacks, has recently been forced down from £1 10s. to 12s. 6d. per ton by such an attack.

98. Has it not been shown in evidence that the rates in freights by the contract steamers upon grain have been reduced to 15s. a ton from New Zealand to the west-coast ports of England?—Yes, that is so.

99. Mr. Duthie stated that the Department proffered the New Zealand and African Company half the Government cargo from the west-coast ports. Is that statement correct?—That is not so. If you refer to the New Zealand and African Steamship Company's tender you will find that they asked the Government, if their tender was accepted, to be appointed contractors for the carriage of all Government cargo from the United Kingdom to New Zealand. This was refused, and it was afterwards agreed to give them a share of the Government cargo.

100. So, as a matter of fact, that statement that the Department proffered the New Zealand and African Company half the Government cargo from the west-coast ports of the United Kingdom is not correct?—No. The New Zealand and African Company asked for the whole of it, which request was refused.

101. Now, I want to clear up a point referred to by Mr. Buchanan in connection with freights from Australia and England as against New Zealand and England. He asked you whether the freight on produce from Australia to the United Kingdom was lower than from New Zealand?—Yes.

102. Is it not the case that wool from New Zealand is the only product from this colony with a lower rate of freight than Australia?—That is so.

103. What is the rate of freight on wool by the steamers from New Zealand in comparison with Australia?—The rate of freight on wool from New Zealand has stood on the basis of  $\frac{3}{4}$ d. per pound for greasy and  $\frac{1}{4}$ d. per pound for washed for the past five years, while in Australia it has frequently touched  $\frac{1}{2}$ d. to  $\frac{3}{4}$ d., and occasionally  $\frac{5}{8}$ d. and  $\frac{3}{4}$ d.

104. Regarding the correspondence relative to butter freights which I put in on the last sitting-day, and which was printed and laid on the table of the House, was that correspondence sent also to the Agent-General?—Yes.

105. Would you refer to the report of the National Dairy Association quoted and read from by Mr. Duthie?—Yes.

106. Can you say what these dairy associations are?—The National Dairy Association appears to be an executive of all the different dairy factories in the two Islands. There is an executive committee which calls itself the National Dairy Association in Dunedin, and a similar one in Wellington, and they appear to act for all the dairy factories in both Islands.

107. And they manage the business for the dairy associations?—Yes.

108. Amongst other duties they perform they arrange freights for the associated dairies?—Yes. They enter into contracts and arrange the freights for the outputs of all the dairy factories in the colony.

109. Who pays those freights that are arranged for by the executive?—Well, the butter and the cheese pay the freights.

110. Is it the case that a five-years' contract is current at the present time between the dairy associations and two lines of direct steamers?—Yes.

111. How long has it to run, and what is the rate of freight under the agreement?—It has about three years to run, and the rate of freight is from £7 to £7 11s. 8d. per ton.

112. What is the annual amount of freight paid to the shipping companies under that contract?—About £135,000 per annum.

113.—What rebates are made to the Dairy Association?—Only one is disclosed, and it is  $2\frac{1}{2}$  per cent. on the first three years and 5 per cent. on the balance of the term.

114. What does that amount to per annum?—At present it amounts to £3,375 on the  $2\frac{1}{2}$ -per-cent. basis, but it will be increased to 5 per cent. shortly, and also further by the increase of the trade.

115. As disclosed in the correspondence, if I had succeeded in my attempt to bring about a reduction in the freights on butter to  $\frac{1}{4}$ d. per pound, as I tried to do, and a corresponding reduction on cheese, to what extent would the producers of this colony have benefited?—They would have saved one-third of the total amount paid, which would be equal to £45,000 per annum.

116. Have the executive of the Dairy Association, or any dairy association which they represent, ever asked the Government to help them to get a reduction in the butter freights as far as you know?—No.

117. Has any Chamber of Commerce asked the Government to help it get a reduction in the butter freights so far as you know?—No.

118. Now, I want you to refer to the portion of the National Dairy Association's report which was read by Mr. Duthie about the Government's service to the west-coast ports of the United Kingdom?—Yes; I have it here.

119. It says that the steamers call at several ports in Australia and load there. Is that true?—No. Since the inception of the service no steamer has called at more than one port in Australia for the purpose of loading.

120. It further says that the steamers call at several ports in South Africa, discharging and loading there. Is that true?—No; they do not load in any of the South African ports.

121. It further says that the saving in railage between London and Liverpool and Manchester is a small matter compared with the voyage of eighty to ninety days, as against the forty-five days by the direct fortnightly service of steamers. Is that true?—No. The voyages do not take from eighty to ninety days. The shortest voyage has been sixty-six days and the longest seventy-seven days, and if you take out that inaccurate statement the application of their argument is gone.