

bought off the opposition by Huddart, Parker, and Co., by agreeing to confine their trips to eastern ports; but the farmers should endeavour to get this altered, and have direct trade with this colony. The goods sent by New Zealand have the first bid on the goldfields; but there is far too little of them. We could easily take all the wheat, oats, barley, oatmeal, butter, cheese, bacon, ham, preserved meats, and preserved vegetables Otago could send us. And, mind you, we have scarcely started yet. We get good butter from Taranaki, and preserves from Irvine and Stevenson, of Dunedin; but business in the latter is, for some reason, not pushed on the field. You have plenty good business men who, if they were here, with fair prospects of steady, direct supplies, could dispose of the whole of your produce very much to your advantage."

Industries and Commerce Department,

Wellington, 16th January, 1897.

GENTLEMEN,—

I am desired by the Minister of this department to acknowledge the receipt of your letter of the 3rd September, 1896, addressed to the Hon. the Premier, relative to the subsidising by the Government of a line of steamers to West Australia.

In reply, I am to inform you that the Government some months ago made inquiries on this subject, and ascertained that the difficulty of obtaining freight direct was the great distance to be run—nearly three thousand miles—and the fact of there being no return cargo. I am, however, to ask you to inform the Minister what subsidy would be required to initiate for six months the service you have in contemplation.

As regards the export of oats, I am to point out that from information received from a firm at Fremantle, West Australia, the current price there for oats is 3s. 1d., while the Customs duties are 4d.; and, if freight is added, there would be little, if any, margin of profit.

I have, &c.,

Messrs. J. H. Stanley and Co., P.O. Box 35, Dunedin.

AMELIUS M. SMITH.

DEAR SIR,—

Dunedin, 20th January, 1897.

We are duly in receipt of your letter of the 16th instant, in reference to a direct service to Western Australia. Our idea of a subsidy would be £500 per round voyage. In consideration of this, we would guarantee to reduce the present rate of freight by 25 per cent.

The principal article of export would be oats, and this reduction would represent 2d. per bushel, a substantial benefit to those who grow them.

We are only one of the many exporting firms here, and we are shipping about 4,000 sacks oats per month to Fremantle, which we are selling at present at 2s. 7d. and 2s. 8d. c.i.f.; and if it was not for this outlet oats would to-day be selling here at 1s. 8d. instead of 1s. 11d. This outlet should be fostered by the Government, as the same remarks apply to bran, pollard, flour, potatoes, cheese, butter, hams and bacon, wheat, chaff. All these lines we are continually shipping to Western Australia, but we find ourselves handicapped by the excessive freights now ruling, and the delay occasioned by transshipment in Melbourne.

This is a most important matter, and demands the attention of your Government, because the freight business of this colony is so much monopolized that it is becoming a serious drawback to the progress of the colony. One cannot blame the companies, as their object is to make profits for their shareholders; but where the welfare of the colony is at stake, and the colonists are helpless, then it is the duty of the Government to step in and assist with bonuses to develop remedies.

If we are not taxing your time too much, might we draw your attention to the iniquitous freights that are being charged on wool from New Zealand to London. The present rate by sailing-vessel from any of the main ports of New Zealand is $\frac{1}{2}$ d. per pound, while the corresponding rate from Sydney to London is $\frac{5}{16}$ d., just 60 per cent. less. As a matter of fact, we have been shipping all our wool to London *via* Sydney, and, after paying the cost of freight by steamer from New Zealand to Sydney, and the cost of transshipping, we are still saving 20 per cent. We are also shipping large quantities of sheepskins and rabbitskins, and saving from 50 to 80 per cent. of freight. To assist the present shipping companies to maintain their monopoly, and to balk any attempt on the part of New Zealand traders taking advantage of the freight obtainable *via* Sydney, the Union Steamship Company and Huddart Parker charge the monstrous freight of 6s. per bale on wool from New Zealand to Sydney, just about the same amount as the Sydney vessel charges to carry the wool from Sydney to London.

As a *quid pro quo* for this good turn, the New Zealand Shipping Company and Shaw-Savill Company place large orders for coal with the Union Steamship Company, or with mines whose coal the Union Company freight; also give both companies cargoes of transshipments and passengers for way-ports out of their Direct steamers and sailers; and to maintain this amicable and profitable arrangement the producer is sweated in the most outrageous manner. The attached letter, signed "Exporter," which appeared in the *Otago Daily Times*, corroborates all the above contentions.

If your Government are prepared to take this matter up, we will be only too glad to advise as to the proper manner to go to work to remedy what is at present eating the vitals out of the colony.

It is useless consulting any of the leading merchants of New Zealand on this subject, as either one or the other of these companies have them all in their toils, some as sub-agents, some as local directors, or getting some concession by way of rebates, the cost of the whole