

Mr. W. A. KENNEDY, Local Manager in Wellington of the Union Steam Ship Company, examined. (No. 4.)

80. *The Chairman.*] Would you kindly give the Committee some information as to the freights charged by the Union Company to the different ports in the colony for coal?—I can give you the principal. From Westport and Greymouth to Wellington it is 5s. 3d. per ton; to Lyttelton, 6s. 3d.; to Dunedin, 7s. 3d.; to Auckland, 10s.; to Napier, 10s. These are the principal destinations of the coal.

81. Have you any understanding or any stipulation with any of the coal companies?—In what direction?

82. Have you any understanding with the Westport Coal Company whereby the Union Company has the exclusive right to carry coal?—Not so far as I am personally aware. That is a matter of policy which the head office deals with. No doubt there is some reciprocal arrangement by which we provide tonnage for their output and they give us the carriage to certain ports.

83. You carry also for the Westport-Cardiff Company, the Blackball Company, the Greymouth-Point Elizabeth Company, do you not?—Yes.

84. Have you any competitors in the West Coast trade?—The Blackball Company and the Wellington Steam Packet Company, the Anchor line, and others, all carry coal.

85. *Mr. Morrison.*] Does the Union Company hold a large interest in some West Coast mines?—None at all.

86. You do not hold any?—No; we do not own any mines.

87. I was under the impression that your company held a very large interest in some—that, in fact, you were coal-merchants.—No; we are neither more nor less than carriers.

88. The Union Company imports large quantities of Newcastle coal into this colony?—Yes, at various ports, but principally at Lyttelton.

89. Can you give us any idea of what that coal costs when you receive it?—Yes; the cost at Newcastle for screened coal is 8s. per ton.

90. Is that for a superior class of Newcastle coal?—Yes, for screened coal.

91. What do you sell that coal at?—The net price charged by us to the dealers is 17s. 6d. to 19s., exclusive of wharfage and other incidental expenses. It varies according to the freight which has to be paid. The Wellington trade in Newcastle coal is principally supplied by sailing vessels and the rates of freight fluctuate, but you may take the cost to the dealer alongside ship into carts, at from 18s. 6d. to £1, according to the quantity purchased by them.

92. Then the Union Company sells Newcastle coal from 18s. 6d. to £1? Can you give us any idea of the quantity of Newcastle coal you import into this colony?—I cannot give you the amount for the whole colony, but I can give you the amount imported into Wellington for a year. It was 13,670 tons for the year ending 30th June last, of which a very large proportion is consumed by the Manawatu Railway Company.

93. I suppose we may take that quantity as a guide to the quantities imported into the other centres?—No; a very much larger proportion is used in the southern districts than in Wellington.

94. And I am safe in saying that the bulk of the coal is used by the public. Taking the Wellington import as a fair guide, the Union Company must import about forty or fifty thousand tons into this colony every year?—The Union Company is not the sole importer from Newcastle, as many vessels come to New Zealand with coal from Newcastle under charter to other firms. The French steamer "Maroc," which recently arrived at Lyttelton, is an example.

95. You are quite sure the Union Company has no interest in any mine on the West Coast?—I am absolutely certain that it has no proprietary interest.

96. *Mr. Dulhie.*] I understand you to say the rate of freight from Westport to Wellington is 5s. 3d. How long has it been that rate?—Speaking from memory, I should say for the last three years.

97. What was it before?—Very little more than that. My memory carries me a long time back to when it was about 7s.

98. Has it ever been less than 5s. 3d.?—Not to my knowledge.

99. What is the cost of the Westport-Cardiff coal on the staiths at Westport?—Something like 13s. The Westport Coal Company deliver the best screened coal in Wellington at £1 5s. per ton from alongside ship, against a cost of 18s. 3d.

100. You stated there was competition. What competition have you got?—I did not mean to imply that, but that we have not the sole monopoly of the loading arrangements on the West Coast.

101. There is an impression that it is impossible for outside boats to get any loading, and you say you have no control over the mines; there must be some arrangement existing?—No doubt there is a reciprocal arrangement, by which, in consideration of our providing tonnage for their requirements and of the large quantity of their coal consumed by us, they give us the carriage of their coal to certain ports.

102. So that practically there is to a great extent a large monopoly created?—It does not exist. The Anchor line run coal to Nelson, and Levin and Co. run to Picton, and various other firms' vessels also load at Westport.

103. Is it not a fact that you do not carry to Nelson—and do not seek to carry?—Yes.

104. That is part of the arrangement between you and the Anchor line?—Possibly.

105. Similarly, so far as this competition is concerned, there is an arrangement in regard to the Foxton trade?—No; we have never run to Foxton.

106. Picton and Wanganui then?—We have retired from the Wanganui trade; and we have been ousted from the Picton trade recently through an arrangement between Levin and Co. and the Westport Coal Company, by which the former act as the latter's agent at Blenheim and carry their coal.

107. A family arrangement?—I am not prepared to say that.