

shipment of frozen meat, which would involve transshipment charges and double handling at that end, and considerable loss to the shippers, before they could get the meat into the thickly populated places that the west-coast service serves?—Yes; because it also saves railage from London to these central districts.

160. But if these steamers did not go direct to the west-coast ports, would it not mean a double handling of produce sent from here?—Yes; quite so. It would mean two freights—one by sea and one by rail in England—and double handling.

161. It would entail additional charges as well as double handling if the steamers went, as formerly, to London?—Yes.

162. Now, with reference to the question of insurance: There is a reduction of 25 per cent. in freight for direct shipment to the west-coast ports of England?—Yes.

163. I do not know whether the insurance rates are higher, as suggested by Mr. Buchanan, but, supposing they were, would the whole of the insurance rates not be an infinitesimal amount compared with the saving of freight of 25 per cent.?—There would be no comparison. I do not think there would be more than 2s. 6d. per cent. increase in the rate of insurance charged. It might be as much as 4s., but that is not worth considering when compared with the saving in the cost of freight.

THURSDAY, 22ND SEPTEMBER, 1904.

Examination of GEORGE S. MUNRO continued.

1. *Mr. Duthie.*] According to the file of papers before the Committee, this contract was entered upon at the suggestion of your Department?—Yes, it is suggested and advocated in the two annual reports of 1902 and 1903.

2. There is a special recommendation this year, upon which the contract was entered upon?—The extracts from the two reports mentioned start the business. Then it is brought on again by the Agent-General, enclosing a letter from the Union Cold-storage Company (Limited), of Cannon Street, London, to the Department, and it was upon that that the Department made some inquiries and reported.

3. Does the Minister in charge of the Department act upon this recommendation, or were these suggestions made in compliance with his request?—It lies with the Department to make recommendations. The Minister need not act upon such recommendations. These suggestions were not made in compliance with his request.

4. Seeing that this responsibility is put upon you, what is your personal experience of shipping to warrant your making any such reports?—I have been in the shipping business all my life. I have never been at anything else.

5. Where have you been engaged in the shipping business?—I was engaged for twelve years in Dunedin as shipping manager for a large firm, and was brought up in a shipping office.

6. Are you familiar with English shipping and the English management of shipping?—Yes, I have had considerable experience in shipping to England.

7. Mr. Donne is the head of your Department, but I assume you were acting in unison in connection with this matter, and together you made recommendations to the Government?—Yes.

8. Then, with your experience, is the form in which the contract was put forward the best in the interests of the colony?—It was the best that was offered.

9. In the form in which you invited tenders, the advertisement, I understand, contained the only conditions of tender?—That is so.

10. The advertisement you issued on the 24th December asked tenderers to say, “(1) class of steamers offered for employment in the service; (2) period of contract; (3) ports at which steamers are prepared to call on the west coast of the United Kingdom; (4) intervals of sailing; (5) rates of freight from New Zealand ports to a port or ports of discharge on the west coast of the United Kingdom—(a) refrigerating cargo, (b) general cargo; (6) the amount of subsidy required.” Do you think that met the public requirements, or was it a sufficient advertisement to insert to guide tenderers?—It left it open for the tenderers to offer the best conditions they could in the way of ports and steamers. It did not restrict the possibilities of business in any way—it gave them the opportunity of offering the best service.

11. Did it not occur to you that to bring a comparison upon such general terms between tenderers—upon such vague terms—was an impossibility?—I do not think so. I think a comparison could very easily be made on general terms.

12. Did you not think it was necessary, for instance, to specify the speed you wanted?—I think that was covered in the class of steamers to be offered. Class includes speed.

13. Did you not think it necessary to ask them to indicate the route they intended to take, whether it was to be direct from New Zealand or whether the steamers were to call at Australian ports and go round by the Cape?—No; we wanted to get what had not been found to be previously possible—a service by any route to the west-coast ports of England.

14. Did you not think that in initiating a service such as this there ought to have been conditions laid down with regard to outward cargo or outward trade?—No, because the desire was to secure a service from New Zealand to the west-coast ports for the benefit of the producers.

15. Did it not occur to you that steamers could not run one way empty, and that a steam service was to be a very serious disturbance of trade and ought to be regular?—I hardly think that view was necessary to consider, because, taking the other contract, the vessels could return from South Africa or go on elsewhere as they liked. It was only a one-way service.

16. Is it not within your knowledge that the colony imports very largely goods from the west of England?—Yes, from Glasgow and Liverpool.