

rate of freight than the service is legitimately worth. Even if the excess were only small, say, 1s. per ton, this would mean an annual contribution of at least £40,000 that the users of coal would pay into the coffers of the shipping monopoly.

Whether the remedy suggested by Mr. Munro—viz., to insist on f.o.b. quotations at the port of loading—would be effective, and what effect such a provision would have on the output of our mines and the regularity of employment therein, we are not prepared on the evidence before us to say.

Mr. Joachim (page 6, question 27) says, "We cannot keep the mines going on casual steamers. It is essential in the interests of the workmen and also to keep the cost of production down to keep the mines regularly going. We have had very few idle days in the year. I do not think there is a mine in Australasia in which the employment is so regular as in ours, and that is so because of our freight arrangements."

10. A phase of the working of the shipping monopoly on freights was also emphasized by Messrs. Munro and Gunson (Auckland)—viz., the power it possesses to discriminate in freights between the various ports of New Zealand as compared with the freights between Australia and New Zealand to the disadvantage of the latter's internal trade. Mr. Munro (page 390, question 15) instanced the case of a cargo of coal being carried from Newcastle to Napier half a crown cheaper than the quotation of a similar cargo from Westport to Napier, and Mr. Gunson (Auckland, page 327, questions 18 and 19) drew attention to the fact of the high coastal rates due to monopoly, the freight, for instance, on chaff from Australia to Auckland being 15s. per ton as against 22s. 6d. per ton from Lyttelton to Auckland. "There is only the Union Company to carry it from Lyttelton, all opposition that comes along being squashed."

11. Freight rates on imports from the United Kingdom: The system of freight rebates practised by certain shipping companies for the greater portion of the carrying trade from the United Kingdom to New Zealand amounts practically to a complete monopoly in that trade. For the year ending 30th September, 1911, the importation from abroad (not including Australia) to the port of Wellington amounted to 239,715 tons. This indicates the increased cost to the public which followed the recent increase of inward freights from 2s. 6d. to 5s. per ton on measurement goods.

This monopoly enables shipping companies to discriminate between Continental and British goods, and to charge a higher rate on the latter. Through Continental freight charges from Hamburg and Antwerp to New Zealand main ports are, in many instances, much lower than from London to New Zealand. From private inquiries made by the Commission, and verified by the inspection of documents, the differential rates between the British and Continental classifications are as follows, viz. :—

	British Classification.		Continental Classification.	
	s.	d.	s.	d.
Bottles	30	0	23	6
Chinaware	37	6	29	6
Glassware	37	6	29	6
Chairs	42	6	29	6
Guns	62	6	39	0
Mirror plate glass	57	6	42	6
Cutlery, spoons, and forks	62	6	39	0
Electroplated ware	62	6	39	0
Rough measurement	45	0	39s. and 40s.	
Fine measurement	62s. 6d. and 65s.		39s. and 47s. 6d.	

"British classification" is the scale of freight charges fixed by the New Zealand Shipping Company and the Shaw-Savill Company, and are now ruling. Within the last twelve months freights were advanced 2s. 6d. per ton on glassware, earthenware, chinaware, and hollow-ware, and 5s. per ton on both fine and rough measurement. Yet they carry goods from foreign ports at the Continental classification rates, which included the cost of transit from Hamburg and Antwerp to London. The explanation given to the Commission in Christchurch was that the New Zealand Shipping Company and the Shaw-Savill Company had to meet the competition of