

75. Do you think that such an increase is warranted?—If your oats were carried for £1 5s. in the old days it was at the tail end of the season, and when there was no other cargo about.

76. I never had to pay above from £1 10s. to £1 15s. ?—That was the average freight ; but oats came along at the latter part of the season, and there was no other cargo about. It was better to take that rate and get the cargo for trimming purposes, as some of the boats were empty aft and would require ballast. They might have forward insulation and general-cargo space aft, and they would have to be trimmed, and the oats would be put aft. Instead of buying stone or shingle—ballast—they would take oats at £1 5s. or £1 10s. a ton.

77. Do you think the increase from £1 15s. to £10 10s. is justified?—The rate of £10 10s. on oats represents £6 a ton measurement. When we can get other cargo, why should we take a very low rate for oats?

78. That is just the point. You can get a high freight, but is it warranted by the increased cost of running the ships?—I think so.

79. Has not the cost of living only gone up 60 per cent. ?—Yes ; but because one wanted oats for ballast purposes before the war and carried them at an absurdly low rate, surely it is no justification for an analogy being drawn between that absurdly low rate and the present current market rate for general cargo.

80. I am taking the previous current rate, and not a special low rate for ballast?—They were then, generally speaking, carried for ballast.

81. *Mr. Lysnar.* What was the pre-war rate on tallow : you gave us the present rate?—We asked £2.

82. Will you kindly give the other freights?—They are contained in the attached tables. [Tables put in.]

83. *Mr. Hawken.* What was your freight-weight basis before the war : now it is on a 60-lb.-freight carcase?—They did not go on the strictly mathematical principle before the war of calculating each class of general cargo to return £6 per ton measurement of freight, but took the previous schedule of rates and regarded it in the light of values and working-expenses, and fixed rates accordingly. The basis for meat was then, as now, a 60-lb.-freight carcase.

84. *Mr. Masters.* Possibly there was more competition then?—I do not know that there was. The greatest competition before the war was in connection with wool.

85. *Mr. J. R. Hamilton.* Can you give any idea as to the reason for the enormous increase in the freights?—I think I am being taken into questions of which I have had no notice, Mr. Chairman.

*The Chairman :* We could hardly inform you as to the exact nature of all the questions you were likely to be asked, and we can only ask you to answer according to your knowledge. We do not expect you to reply to questions you do not understand.

86. *Mr. J. R. Hamilton.* It is a very important point in our investigations, as to whether this enormous increase in freights is justified. Can you give the Committee any information on the subject, Mr. Findlay?—Yes, I can. Here is a cablegram from the London Tonnage Committee. I informed them as to the questions you proposed to ask, and they replied as follows :—

“Your 571 running-expenses—that is, stores, upkeep, insurance, wages—for year ended March last as compared with year ended March, 1914, show average increase of 258 per cent., which is three and a half times. For same period total voyage disbursements, excluding depreciation, interest, and establishment charges, increased 183 per cent. Loading and discharging increased 275 per cent., port charges 139 per cent., coal 113 per cent. Coal to-day, London—Hampton Roads—New Zealand, increased 280 per cent. A new insulated steamer for New Zealand trade is just being delivered, costing £590,000. Naval architects advise officially that similar steamer delivered 1914 would have cost £159,000. Interest and depreciation on increased cost of steamers has to be provided in addition to disbursements mentioned above, also increased establishment charges. Prices and wages are still rising ; each steamer as she arrives shows greater expenses over previous voyage, and voyages completed this year show increase of disbursements 60 per cent. over 1919, and we cannot see that we have reached the limit. For instance, there is an agitation for largely increased wages for engineers, seamen, and firemen, and if this is conceded in full it will result in additional expense to New Zealand lines of about £300,000 per annum. It is quite impossible to get any work done now on contract ; everything is on time, and material in anticipation of further rise.—WHITE.”

87. Do you think that the delay on the wharves in respect to loading and unloading has anything to do with the increasing cost?—It must have a lot to do with increased costs : that is to say, in addition to the enhanced cost of labour itself, the reduction in the earning-power of steamers seriously reduces their capabilities for the payment of the annual cost of depreciation and interest on capital. London's figures, unfortunately, do not include the cost of depreciation ; but you can see that in the case of one steamer alone referred to she has to wipe off in earnings an extra £43,000 per annum to be on a parity with a pre-war steamer. She is not the only steamer the delivery-cost of which is very much largely over pre-war times. Shaw, Savill, and Albion Company will get delivery this year of three steamers which will cost a shade over or under £500,000 apiece. These vessels are of a very plain type, and built before the war would have cost about £159,000. You have thus to provide for over £100,000 in extra depreciation and interest on those three steamers alone, quite apart from other steamers being built for other shipping companies.

88. Do you think there is a big loss on the wharves now as compared with the position before the war?—The work is very much slower, no doubt, and we are paying higher rates ; so that, of course, the wages-bill of the waterside workers has risen enormously.

89. You are satisfied they do not handle the stuff as quickly as they used to?—I am, unfortunately, quite satisfied as to that.

90. *Mr. Masters.* You have given us the pre-war charges, and the suggested charges for wools : can you give us the suggested charges for the other primary products?—I have given you the wool as fixed until further notice. The general-cargo rates are also fixed until further notice : they are not fixed over a season, but until further notice.

91. What about beef and butter?—Beef, butter, and cheese are fixed by the Imperial Government up to the 30th April next. They are included in the third table I put in. You will notice a blank there as to the rates on private cargo of butter and cheese. When the Imperial Government