

REPORT OF PROCEEDINGS OF THE CONFERENCE.

vessels not registered in the Colony. Well, of course, we do not know which of those two quite different courses the Australian Government will eventually adopt; but if our vessels which wish to engage in the coasting trade are required to take out a three years' license, whereas the vessels registered in Australia are not so obliged, that, on the face of it, is a differentiation between the two classes of vessels. I do not know that practically we wish to raise any difficulty about it if it is a question of machinery—if it is clearly understood that if our vessels are obliged to take out a license that should be merely a certificate that the vessel complies with Australian conditions, and that there should be no fees charged which would have the effect of a tax on British vessels.

HON. W. M. HUGHES: Oh, no, no.

MR. LLEWELLYN SMITH: And that there should be no discretion of any kind to refuse.

HON. W. M. HUGHES: If I might say so, what the Royal Commission had in its mind, was simply that a shipowner by taking out a license, as it were, attorned to the jurisdiction and said, "Oh, well, we are willing to comply with your requirements; we wish to trade." Then, perhaps, there might be a nominal fee to pay office expenses. That was our idea—there was certainly no intention to impose anything in the nature of a tax.

MR. NORMAN HILL: We trust there will be no license required in respect of British vessels. We have endeavoured, so far as we can, to be reasonable in these discussions, and if we have to submit British vessels trading within the defined limits to the jurisdiction of the Commonwealth, we think we should be treated like Australian vessels. Your inspectors and surveyors will be there to see that we are complying with the conditions, and we venture to hope that when British vessels have submitted themselves in that way, you will not superadd the condition that they must have licenses.

HON. W. M. HUGHES: As far as the Commission is concerned, what I did in following out the evidence was to amend Clause 298, Part VII of the original Bill which deals with the issue of licenses. The original Bill said, "No foreign ship shall engage in the coasting trade unless licensed so to do."

SIR WILLIAM LYNE: So does the new one.

HON. W. M. HUGHES: I do not know what the new one does—I have not seen the new one—but what I proposed to do was to strike out the word "foreign" and it then would apply to all ships, including Colonial ships. No ship, Colonial or other, can trade without a license. The license is issued to all vessels conforming to local conditions, just as clearance papers are issued at present.

THE CHAIRMAN: There would be no discrimination at all against the British ships.

HON. W. M. HUGHES: That is what we proposed, and I think it is the safer and better way.

THE CHAIRMAN: What does Sir William Lyne say about that?

HON. DUGALD THOMSON: I do not see any such recommendation.

MR. HUGHES: I do not say that.

HON. DUGALD THOMSON: But it was stated so. I do not see any recommendation that it should apply to British ships only, and not to Australian vessels.

HON. W. M. HUGHES: It is in 298. We omitted the word "foreign." I think it was Mr. Trelawney (I will not be quite sure), of the P. & O. who suggested it. He said he thought all ships should be treated alike, and on his evidence we thought it was a very proper thing to issue a license to all ships, because there might be Colonial ships which were not complying with the conditions.

SIR WILLIAM LYNE: Is there any objection to this licensing question?

THE CHAIRMAN: No; so long as there is no discrimination against British ships.

HON. W. M. HUGHES: Strike out the word "foreign," and then it will apply to all ships.

SIR WILLIAM LYNE: I quite agree, it should apply to all.

THE CHAIRMAN: Very well. Now we have to deal with wages.

SIR WILLIAM LYNE: I wanted to say one thing before we get past this. We have not yet dealt in any way with the trade that takes place between the Pacific Islands and Australia, as coming under all these resolutions, and I think it would be the proper thing for this Conference to give an expression of opinion in some way or other. It was suggested by Sir Joseph Ward, some little time ago, to take the degrees of longitude or latitude to which this shall apply, and I think we should do so; otherwise, we shall get into conflict with our ships trading, and foreign ships trading, between Australia and the Islands—that is Fiji, New Hebrides, and several other islands, the Solomon Islands, and New Guinea.

SIR JOSEPH WARD: Perhaps, in order to put the matter right, I had better read the motion standing in my name. It is the bottom part in No. 1 of the Agenda.

THE CHAIRMAN: Oh, this had not been disposed of? I beg your pardon.

SIR JOSEPH WARD: To a very large extent it has. My motion was, "That coastal trade should comprise the carriage of cargo or passengers from one port to another on the coast of the Commonwealth or New Zealand, or between the Commonwealth, New Zealand, and the Islands of the Pacific." Now I want to explain why I desire to amend the words after "New Zealand." With others who are here, I am anxious to see the trade conserved for those who have invested large capital in steamships of Australia and New Zealand, and in the interests of officers and crews, to prevent them from the unfair competition of ships that are paying less wages, or that are, perhaps, inferior to the ones locally owned. And I moved that motion with the hope that I might be able to get it through this Conference. Since I gave notice of motion I have been looking into the matter very anxiously. I do not want to submit a proposal here which I feel sure if not negatived, would meet with a very great deal of opposition probably from people outside Australia and New Zealand, and may not be feasible or legal.

SIR WILLIAM LYNE: Why not legal?

SIR JOSEPH WARD: I am just going to explain why. New Zealand would not agree to have forced upon them by any Government (I am not referring specially to the Government of Australia or any other Government) conditions that might apply to Australian ships. Under this proposal, if carried, it would mean that if at any time proposals were brought forward in Australia for a lower rate of wages for officers and seamen, they might be forced upon New Zealand also, and on the other hand I do not think the Australian Commonwealth would agree to New Zealand having power to send ships into Australia with New Zealand conditions which might be different to theirs. We have made the conditions now in New Zealand, but the time might arise when the New Zealand Government might impose different conditions from those of Australia and *vice versa*. I understand that Australia and New Zealand would work together very largely as brothers, and would not do anything inimical to the interests of each other. But it goes a great deal further than that. It would imply a power of the British Government, for instance, to control the sea between Great Britain and Gibraltar, I have satisfied myself, and I do not like urging the suggestion, of course, but I can foresee tremendous difficulties arising; and though I should be delighted to see something of the kind given effect to, I fear that it would immediately bring into (and one could not object to it) active hostility of other countries who regard themselves as having the right to use the sea between Australia and New Zealand as well as ships which are under the British flag. We have made full provision now for direct traders that come out to our country to act under our laws when there, and if we attempt to get beyond the three-miles limit, and to go thousands of miles beyond the ocean to the Pacific Islands, we should immediately interfere with those vessels that