

10th Day.]

TRADE AND POSTAL COMMUNICATIONS AND
SHIPPING CONFERENCES.

[16 June, 1911.]

Sir D. DE VILLIERS GRAAFF—*cont.*

the ring. For a brief period shippers have enjoyed the benefit of reduced rates, but no sooner has the defeat or absorption of the competitor been accomplished, than the rates have been restored to their previous level, if indeed they have not been raised a point higher.

As a general statement of fact, the freight rates on the South African trade routes are much higher than the charges for similar services on other routes. So great is the disproportion in some cases that any one not conversant with the gradual building up of this shipping monopoly might well express surprise that shippers have not been able before now to protect themselves from such charges. Take, for instance, the case of wool, which forms one of South Africa's staple articles of export. From South Africa to the United Kingdom the freight rate is $\frac{3}{4}$ d. per lb. (plus 10 per cent.), while from Australasia, that is to say, for double the distance, the rate is the same. I am given to understand that my friends who represent the Australasian Dominions hold that the freights they have to pay on wool are too high. What, then, will they think when they hear that the shippers in South Africa, the halfway house between their country and the United Kingdom, are charged a similar rate. In the case of sheep-skins, another substantial export item of Australasia and South Africa, precisely the same thing is found. And I might add that, in the case of scoured wool, particulars submitted to me by prominent merchants of this city show that the rates from South Africa are actually higher than those from Australasia by some 5 per cent. Comment would be superfluous.

Now let us look at some of the rates of freight which obtain from the Argentine to the United Kingdom and compare them with the South African rates. I may explain that the Argentine rates are given to me by a prominent firm of London merchants engaged in the trade.

The PRESIDENT: What was the distance?

Sir D. DE VILLIERS GRAAFF: The same; the Argentine is the same distance from the United Kingdom as South Africa is, and this is a comparison between the Argentine trade and the South African trade carrying the same distance. For wool from the River Plate recent freight rates have ruled about 19s. to 20s. per ton weight; compare this with the South African rate of $\frac{3}{4}$ d. per lb. plus 10 per cent., which works out at 77s. per ton of 2,240 lb.

The PRESIDENT: Is that wool in both cases?

Sir D. DE VILLIERS GRAAFF: In both cases. When it is remembered that the distance between the River Plate and the United Kingdom is much the same as from the Cape, it will be perceived what a tremendous disadvantage our shippers labour under as compared with Argentine shippers. Let me also mention to you the case of wet hides. From the Argentine goods of this description have recently been shipped to England at rates running between 10s. and 20s. per ton weight; from South Africa the freight charged by the Conference Lines is considerably higher.

The principal reason for the lower rates from the Argentine is that in so far as concerns homeward shipments, there is no Ring, although for outward freights a powerful combination controls the freight market. Another instance that occurs to me in this connection is the rate on maize from South Africa, and the Argentine, respectively, to the United Kingdom. From South Africa the rate is 11s. 6d. (and the Conference Lines are not satisfied with this rate, while from the Argentine as low a rate as 6s. is sometimes accepted; the average rate for last year was 8s. 9d., it came to something between 8s. and 9s. against our 11s. 6d., which is not satisfactory. It was 17s. first, and we got a reduction from them to 11s. 6d., in order to encourage the