

Sir D. DE VILLIERS GRAAFF—*cont.*

farmers to develop that part of the industry, which is a very great industry in the United States of America, as we know. Last year's output of mealies to the United States of America was ten times as big as the output of gold from the whole of South Africa put together. Whilst we were importing into South Africa some few years ago mealies for our consumption, last year we exported close on 2,000,000 bags, and of course if the freight is raised so that agriculturists cannot compete with the world's market, although our mealies have a very good reputation over here, the industry, instead of being developed, will decline.

So much for our export rates. I would now ask the indulgence of the Conference while I cite a few comparisons of outward freight rates between the United Kingdom and South Africa and Australia. Take, for instance, the case of bicycles. These useful articles are conveyed from the United Kingdom to Africa at 42s. 6d., but if they are taken on to Australia they are only charged 37s., actually less for 12,000 miles than for half that distance. Similarly, in the case of motor cars, it is cheaper by some 5s. 6d. to ship them to Melbourne than to Cape Town. Pianos, too, could be conveyed to Melbourne some 8s. cheaper than to Cape Town. To take goods of a more general description, we find that agricultural implements are rated at 30s. to Cape Town, but for the double distance to Australia only 7s. is added to the freight. Passenger fares also offer material for reflection. The average third-class fare to South Africa is 16 guineas, on the other hand the fare to Melbourne works out at about 17l., or only 4s. more for double the distance.

Sir JOSEPH WARD: What class is that?

Sir D. DE VILLIERS GRAAFF: Third class; these are the charges by mail steamers. It is interesting to note that third-class passengers represent two thirds of the travelling public on these routes (that is by South Africa).

I could multiply instances of similar anomalies—all to the disadvantage of South Africa—but perhaps these will suffice. They will serve to show that the Conference Lines have used to the full their monopolistic powers, and have raised rates and maintained them at a level that not alone retards development but effectually prevents the establishment of new industries in South Africa. By the arbitrary action of this shipping ring, manufacturers and producers in South Africa are prevented from reaping to the full the advantages of their own local markets, and deprived of the benefits which they are entitled to claim by reason of geographical proximity. We in South Africa have no inland waterways along which our goods can be carried, and we are therefore thrown back upon the ocean and our railways as the principal agencies of transportation, and while the freights for our coastwise trade are maintained at an unreasonable level, it will readily be perceived what a restriction is placed upon our development.

So much for the disadvantages under which we suffer by reason of excessive sea freights. By no means, however, does this exhaust the list of disabilities which are imposed upon shippers by the Conference Lines. Take the case of our maize shipments. Last season some thousands of tons of maize were detained for varying periods at South African ports for want of sufficient accommodation in the Conference vessels. The companies knew that their combine possessed effectual means of preventing outside shipowners from loading such cargo at anything like reasonable rates—they knew also that there was, in South African wool exports (at that season very active) a much more profitable business; they therefore gave permission to the shippers to load their maize by any outside ships that might be available, without being subjected to forfeiture of any rebates due to them by the Conference Lines.

It should be noted that, in the case of certain lines belonging to the combine, the shipowners are not permitted under the terms of the agreement to accept any shipments from South Africa: that they may carry cargo to South Africa but not from our Union ports, and that after discharging their South African consignments they are obliged to proceed elsewhere if they want to pick up return freights.