

16 June, 1911.]

TRADE AND POSTAL COMMUNICATIONS
AND SHIPPING CONFERENCES.

[10th Day.

Mr. PEARCE: I do not reply on it as your argument but as an argument quoted by you which I say our experience in Australia has shown to be fallacious, that you can destroy the rebate system and still have the Conferences regulating the despatch of vessels and other matters which are a benefit to trade. So much for our coastal trade, but we have been unable to deal with the rebate system in our oversea trade, because those rebates, as in the case of South Africa, may be determined in Great Britain. We have the evidence of Sir Thomas Sutherland which was given on pages 24 and 25 of the Report of the Royal Commission on Shipping Rings which sat in this country, in which he sets out the basis upon which they worked a similar system in connection with the oversea trade of Australia. That has been made illegal in Australia, but it still affects our oversea trade, and we say it affects it prejudicially. We say we can get all the advantages which flow from the Conference—of regularity of ships and the other advantages—if the Board of Trade were applying the same legislation we have applied, and that the United States have applied, to bring about competition and freedom of trade for the shipper so far as the freights are concerned. Furthermore, we contend that it is a distinct advantage to the United Kingdom itself, and I am very much surprised that Mr. Buxton, in his appeal to the manufacturers of the United Kingdom, has not met with more support. They certainly could never have directed their attention to the evidence given before that Royal Commission which sat in this country, because had they done so they would have found on page 65 that there is a preferential tariff in operation, due to those shipping rings, that is distinctly to the advantage of the manufacturers of the United States. That is operating in regard to the freights charged between the United States and Australia to this extent: By the direct lines evidence was given that the freight on saddlery from the United Kingdom to New Zealand was 55s. plus 10 per cent., and from the United States of America 37s. 6d.; castings and wood spokes in cases from the United Kingdom, 40s. plus 10 per cent., and from the United States of America, 37s. 6d.; bolts and nuts, castings and axles, in cases, 40s. from the United Kingdom and 37s. 6d. from the United States of America; duck, 40s. from the United Kingdom and 37s. 6d. from the United States of America. The same evidence practically is given as to the transshipment rates, at paragraph 218, on page 64: "The through rates by the White Star Line on goods carried *via* Liverpool were, some time ago, Mr. Tredwen stated, for a considerable period about 30 per cent. lower than the rates on English goods sent by the same boats from Liverpool." I believe they go from Liverpool and then on to Australia, and 30 per cent. lower is charged from Liverpool to Australia. There is a quantity of evidence given here to the same effect, which I will not quote as it is too long, but it is there and can be referred to. It bears out the point put forward by the South African delegates, that this is a question which can only be dealt with by the Government of the United Kingdom. If the Government of the United Kingdom does not take action upon it this will continue to the disadvantage of British manufacturers and to the disadvantage of Colonial producers, because what is operating here is also operating with regard to our export trade. So much was that the case that we in Australia had to take very drastic action in order to secure our producers in the export of perishable products, and I have here to-day a copy of the mail contract we entered into with the Orient Mail Steamship Company, and one has only to look through that contract to see that we have definitely laid down the rates of freight on perishable products. We have also prevented them entering into any Conference agreement for the purpose of interfering with those rates. We have gone so far as to put in a clause that if they infringe any of the provisions of the Australian Industries Preservation Act, the Act which Sir de Villiers Graaff quoted, that will constitute a reason why the contract should be cancelled. In various ways throughout this contract we have had, in the interest of our producers, to tie up this company in order to secure at least one company which would treat our producers on something like a fair basis. I may say that is not a total cure for the position as far as our producers are concerned; but there is at the present time, and has been for some years, a strong agitation going on for the Government itself to take a more drastic step, and that is, to own a line of steamers from Australia to Great Britain for the direct purpose