

16 June, 1911.]

TRADE AND POSTAL COMMUNICATIONS
AND SHIPPING CONFERENCES.

[10th Day.

Sir D. DE VILLIERS GRAAFF: I would like to say a very few words with your permission. I think I made it clear at the outset that we have not taken this step in consequence of what has occurred in the Conference or before the Royal Commission. We based our facts and we have taken our action in consequence of the experience which we have actually had in South Africa. Only yesterday, I think, we all agreed that the cable companies should not be left to themselves to charge whatever they thought proper, and a Board of Control was suggested, but it appears that when we come to shipowners we must leave them to charge whatever freights they think proper. I do not agree with that.

On the question of steady freights, which both Mr. Buxton and Sir Joseph Ward alluded to, I may give a little experience of what steady freights have proved to us. I have had practical experience of it; there are the very highest class of freight, the middle freight, and the low freight. As soon as you establish the steady freights with the deferred rebate system it means that you always pay the highest freights, and you never participate in the middle or lower freights. That has been our experience. On the question of the freights not being steady and varying very much, what the producer will have to pay, if there was no such thing as a rebate, as Sir Joseph has said——

Sir JOSEPH WARD: That was not the point of my argument at all.

Sir D. DE VILLIERS GRAAFF: I understood you to say that if the rebate system did not obtain only tramp steamers would come in, and I have heard that argument from shipowners often.

Sir JOSEPH WARD: What I said as far as New Zealand is concerned was, that our steamers are practically all refrigerated steamers, and require to carry a portion of ordinary general cargo as well as frozen produce, and if tramp steamers took the general cargo then the refrigerated steamers would be compelled to raise freights on frozen produce, and our producers, our frozen meat men and our dairy produce men, would suffer, because no tramp steamer could take away their class of trade. There is no fluctuation in the frozen rate of freight with us; the rate is fixed for a whole season, for winter and summer, by our refrigerating companies.

Sir D. DE VILLIERS GRAAFF: Your experience has not been the experience in Australia or in America, where the steamers are also refrigerating steamers. The 10 per cent. rebate in our Colony has had the effect of keeping a steady rate, which means simply the top rate, never the middle or the lower class rate, and I think our people would prefer also to participate sometimes in the middle rate and the lower rate as well as in the highest rate. As for regular sailings, I quoted the case of the United States of America, and although there is no rebate system there, regular sailings are not affected.

As to the question of the postal contract, which Mr. Buxton has referred to, we hold that the system which the shipowners indulge in is detrimental to the best interests of South Africa and should not be continued. Therefore our Government were not prepared to support them by giving them a mail subsidy, thereby helping to keep them in the position which they command to-day. It may not be to the interests of the United Kingdom to look at it from that point of view; if the United Kingdom was as much concerned about the export of their products as we are, possibly they would see that was the right way to look at it. Until we get satisfactory transportation for our produce we cannot rest, and we hope to continue in this movement until we have secured satisfactory arrangements for the producers of our country at any rate, and, in addition to that, reasonable rates from the Mother Country to South Africa.

My friend Mr. Pearce has referred to the matter of iron, which was to have been shipped by the Conference Lines. I can give many cases of various