

12. This Government exercises no control whatever as to freights to be fixed?—No, I do not think the New Zealand Government has any jurisdiction.

13. I think that the freights charged by all the overseas shipping companies are exactly alike?—Yes, they all charged the same.

14. Is that fixed by mutual arrangement?—Yes. There is an annual conference, and at that conference every year we fix the rates for the coming season.

15. Inferentially, then, there is a ring?—Well, to that extent there is; but there is keen competition between the companies for cargo. We may fix rates and agree to carry at the same rates, but in ordinary times there is occasionally a surplusage of tonnage, and I can assure you that we are all out to get cargo from one another.

16. Would you reduce freight to get it?—No, sir; certainly not.

17. Have any of your shipping companies supplied the freezing companies with finance?—That has been done in the past.

18. Are they doing it now?—No; at least, I am only speaking for my own company, and we want our money for building ships.

19. Do the shipping companies exercise any discrimination against meat shipped by American companies?—We do not know any American companies—we only know the freezing companies. We do not know the shippers. Our clients always are the freezing companies.

20. What taxation does your company pay to the New Zealand Government?—Last year the shipping companies were taxed on their earnings of freights on the basis of 15 per cent. profit. That basis was fixed by the Commissioner of Taxes; and then they paid the current rate of the day by way of income-tax.

21. Fifteen per cent. profit?—That is what the Commissioner put us down for. Up to last year and for many years previously we had been assessed in a basis of 5 per cent.

22. Do you pay this rate on all freights to and from New Zealand?—No; on freights from New Zealand only.

23. Did you pay any excess-profits tax last year?—Yes, sir, we did, but not a very large amount. [Reporting stopped by order of the Chairman.]

24. In view of the fact that you made excess profits last year, why is there any necessity to increase the freight charges again now?—I do not think that these last increases of freight can be laid at the door of the shipping companies. Since March of this year the Imperial Government has requisitioned all the steamers on the British register practically all over the world, and the New Zealand steamers are requisitioned among them. We are paid on what are called blue-book rates, which are very much less than the charter rates ruling throughout the world to-day—probably about one-third of the current market value. The shipping companies get paid this requisition blue-book rate by the Imperial Government, and the Government pay the expenses of running the steamers, loading and discharging of cargo, and the Government gets the benefit of the freights. So that it is the Imperial Government that is going to get this increased rate of freight which I notice from the Press is to be charged from the United Kingdom to New Zealand.

25. That does not quite explain your assertion that you fix the rates?—You asked who fixed the rate Homeward. The Homeward rates of freight have been fixed by the companies here. Outward rates have hitherto been controlled by the shipping companies at Home, but they are now controlled—that is, since March of this present year—by the Imperial Government.

26. *Mr. Talbot.* There have been big movements in the way of merging of shipping companies?—Yes; we all know about that.

27. Has your company been joined up with some bigger concern?—No, it has not. But we have quite a close and intimate association with the White Star line, and have had since 1883.

28. It has not been absorbed as the Union Company has been?—There is a community of interest between our company and the White Star, but not in the matter of share capital. The White Star's holding in the way of share capital in our company was about one hundred preference shares when I left London, but there is a community of interest in the way of joint interest in steamers, but it in no way gives the White Star a controlling interest in our company.

29. Do you know of American capital coming into these big mergers?—Of that I have no knowledge.

30. I suppose you have heard that there are large sums of American money coming into the meat trade at present?—I have seen those assertions in the newspapers.

31. And the suggestion is carried further: it is said that the same class of money is going into the shipping mergers?—I have no knowledge of it, and I do not believe it as far as shipping companies are concerned.

32. Have you heard any of your meat shippers complaining of preferential treatment as regards the shipment of meat?—As a matter of fact they are very seldom satisfied: that has been my experience in the past—not a very long experience it is true. There is a tendency, and there always has been a tendency on the part of the freezing companies to consider that some other part of the country is getting better treatment.

33. You have no knowledge of whether that is justified in any particular respect—whether certain companies are getting better treatment?—Perhaps I had better speak now in the capacity of chairman of the Overseas Shipping Committee. I can say for the committee that we certainly do our best to deal out justice to every one.

34. That seems to us rather an important point. If certain big companies here are getting an advantage over others in that respect it would mean that the little companies would be placed at a great disadvantage?—I can assure you that no one is getting any advantage in the quantity of space allotted. It is all done in a perfectly fair manner. We have a basis on which we allot, but we do not absolutely adhere to that. If it appears that some companies in certain districts at a particular period of the year require extra space they get it. For instance, we give pre-