

*The Chairman:* I think it would be a great advantage if we could get in touch with that committee. I think it very desirable that that committee should be called together.

*Hon. Mr. Nosworthy:* I believe that Mr. Relph's suggestion about calling that committee together is a wise one. It could discuss the position with this Committee, and we could then make representations to the Government to bring what pressure and influence the Government can bring to put the shipping companies into a reasonable frame of mind in regard to their charges.

*Mr. Relph:* Yes, it would be a good idea, and I will see what can be done. When I was in London last year I saw a great deal of Sir Walter Buchanan. I did not see so very much of Sir Joseph Ward and Mr. Massey, because they were very busy at that time with the Peace Treaty. On my return to New Zealand I presented a report to my society in connection with my travels generally, and I will quote from that report what I stated in connection with shipping: "This is a matter to which I also gave some attention. I met Sir Walter Buchanan in London, and frequently discussed our position in regard to shipping-facilities, both with Sir Walter and Mr. Massey. The latter expressed himself in sanguine terms as to the future outlook. He thought, and others seemed to share the same opinion, that the shipbuilding which is now going on will soon overtake the demand and adjust itself in the matter of rates of freight. Personally I am not so sanguine. The war has given fortunes to the shipping combines, and I fear we are not likely to get much consideration at their hands. Indeed, I am of opinion that something may yet have to be done in the way of establishing a Dominion fleet under perhaps certain State protection; at any rate, this is a matter which I think should be kept steadily in view."

5. *Mr. Hawken.]* There is one question I would like to ask you, as a business man: Who pays the British taxation on shipping? I would remind you that it has been stated that the excess-profits tax on shipping is one reason why the freights are so high to us. It is the opinion of some that the British Government thereby taxes the Dominion?—It is a fact, of course, that the British investor has to pay very heavy taxation, but apart from that it is also a fact that those who are fortunate enough to hold capital interests in the shipping concerns have augmented their capital accounts very substantially. I myself hold a power of attorney for an absentee who is an investor and shareholder in a shipping concern, and that person's capital has been doubled by the increase of profits: that is to say, that for every hundred he had before the war he has been given another hundred. So that, apart from the taxation which they have had to pay, they have still had sufficient to double their capital.

6. *Hon. Mr. Nosworthy.]* He doubled his capital and has had interest on his money as well?—Yes.

7. *Mr. Hawken.]* And has also paid all this extra taxation?—Yes.

8. Where, in your opinion, does the taxation really come from?—Well, of course, it must come from us. You need only take an ordinary freight-list and a ship's manifest and work it out. Give the ship every reasonable advantage and calculate only upon nominal rates, if you are not acquainted with the real rates—as I have done—and try to make up a freight-list, and you will find the ship earning an enormous sum. When I was at Home I met accountants and shipping clerks, and they were so enamoured of the prospects in connection with shipping that they left their positions and bought a vessel, and now they are wonderfully wealthy men. Huge fortunes were made, and are still being made.

9. Is there any preference given to the British shipper as against the colonial shipper? Do the shipping companies charge more for services rendered to us than for the Home producers?—No, I do not think so. But in one respect concessions are made. The trade in the Old Country is conducted in a different way from what it is here. There are large firms at Home whose business it is simply to do the collecting and shipping. They arrange for the shipping of all your exports to New Zealand, or Australia, or other parts, as the case may be; and you do not come into contact with the shipping companies at all. You simply go to this firm, and they make all arrangements. They put you, as they say, on the best basis, but they take good care to get a jolly good thing out of it themselves. They enter into a contract with the shipping combine that they will take so-much of their supplies at a special rate.

10. *Mr. Forbes.]* With reference to this proposed statement by the New Zealand Overseas Shipowners' Committee to the Press Association that we have here, it stated that "the London Tonnage Committee advises," &c. What is the London Tonnage Committee?—That may be a committee in connection with those large collecting and forwarding firms I mentioned. The shipping at Home nowadays is done very much on American lines. The American manufacturer specializes in connection with his work. He specializes as a manufacturer. He may manufacture clothes-pegs or motor-cars. He lays himself out to do that special work alone, and to do that special work as well as he possibly can. He lays himself out only to be a manufacturer. He never bothers himself about distribution. He employs a committee like this to get rid of all his goods for him. He does not even know who his clients are. All he does is to get rid of his goods at the door. Now, these shipping committees at Home are run on somewhat similar lines. The shipping people at Home do not deal with all and sundry. The great bulk of their business is done through these committees.

11. Does the Imperial Government have any authority or oversight in connection with this London Tonnage Committee, and in connection with these charges?—They did not deem it advisable during the war, but since then the matter has been brought home to the Imperial authorities, and they promised to exercise control. Mr. Massey told us that something of the kind was intended, but he was not able to give us exact details. He said there was a very important project on foot, and that he had been assured that in that project protection was guaranteed to us—that we should not be allowed to unduly suffer.

12. Now, with regard to these rates mentioned here on wool: they are a very considerable increase on pre-war rates. Higher rates are to be expected, in consequence of the very much higher charges for coal, wages, &c. That, of course, must be taken into consideration?—Oh, yes.

13. Do you consider this is a case in which we could approach the Imperial Government to protest against undue rates being charged on our wool?—I do.

14. Well, you have your committee, which you say you can call together to discuss the position. Do you think it would be a good thing to call it together, and then for it to meet this Committee: then if there is anything we could assist in it could be done?—That is what we propose to do.