

7. *Hon. Mr. Nosworthy.*] That was a letter to the Board of Agriculture?—Yes; and it is of importance as showing the mind of the Government at the time.

8. *The Chairman.*] I understood you to say that we have failed to come to any reasonable understanding with the shipping companies?—That is so.

9. You have already made some reference to an American Act. What is their remedy?—Section 14 of the American Act is as follows. This Act is known as the Shipping Act, 1916, passed by Congress on the 7th September (*vide* Chapter 451):—

“Section 14. That no common carrier by water shall directly or indirectly—

“First: Pay or allow, to enter into any combination, agreement, or understanding, express or implied, to pay or allow, a deferred rebate to any shipper. The term ‘deferred rebate’ in this Act means a return of any portion of the freight-money by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier, or for any other purpose, the payment of which is deferred beyond the completion of the service for which it is paid, and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement.

“Second: Use a fighting-ship, either separately or in conjunction with any other carrier, through agreement or otherwise. The term ‘fighting-ship’ in this Act means a vessel used in a particular trade by a carrier or group of carriers for the purpose of excluding, preventing, reducing competition by driving another carrier out of said trade.

“Third: Retaliate against any shipper by refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminating or unfair methods, because such shipper has patronized any other carrier or has filed a complaint charging unfair treatment, or for any other reason.

“Fourth: Make any unfair or unjustly discriminatory contract with any shipper based on the volume of freight offered, or unfairly treat or unjustly discriminate against any shipper in the matter of (a) cargo-space accommodations or other facilities, due regard being had for the proper loading of the vessel and the available tonnage; (b) the loading and landing of freight in proper condition; or (c) the adjustment and settlement of claims.

“Any carrier who violates any provision of this section shall be guilty of misdemeanour punishable by a fine of not more than \$25,000 for each offence.”

The Act is apparently a very complete and effective step that would enable us to put an end to the shipping monopoly from which we are suffering.

10. *Mr. Field.*] In what year was that Act passed, Sir Walter?—In 1916. To-day, as stated by the Prime Minister of the Commonwealth, the combination of liners has a complete monopoly of the outward freights; even the Commonwealth cannot get anything outward except Government cargo, because the system completely bars them from getting any general outward cargo. I am informed by one of the highest legal authorities in New Zealand that all that is required to put this into force is to pass a short Act embodying the provisions of the American Act as the conditions under which alone any ships can trade with New Zealand. I have always been under the impression that it was necessary to go to the Imperial Government before we could deal with the question of rebates, but the opinion given to me is that the provisions of this American Act can be applied in New Zealand by the very simple process of making its provisions applicable to all ships trading to this country. I want in conclusion to say that with the experience we have had for seventeen years on the slender footing of a guarantee from a few settlers of so-much wool and other produce, and the limited finance upon which the whole thing was based, surely it should not be beyond the competence of the settlers and Parliament of New Zealand to repeat on an effective scale what was done by the freight-reduction scheme with such limited means. You have, for instance, a freezing company at Gisborne stepping into the breach and able to put a fully-equipped ship into the trade. We also know in a rough-and-ready way what happened concerning the Union Steamship Company and the Huddart-Parker Company. We know that three or four of the latter company's steamers compelled the Union Steamship Company to come to terms. Let me say at once that I do not think it is at all necessary to call upon this country to become what might be called a full-blown shipping company. The situation would, I believe, be fully met if half a dozen steamers of first-class character were chartered or purchased, and either of these alternatives is surely well within the compass of the Government. It seems that this Dominion should look upon it as intolerable to allow the continuance of such a complete monopoly as is now enjoyed by the liners of to-day. Their power is unquestionable to exact whatever rates they choose. I want, too, to point out to the Committee the enormous saving there would be in freights to and from the Dominion as a whole, even if only a small reduction was made in the rates. The quantity of our exports and imports is now so great that a comparatively small reduction in the rate would annually mean a very very large sum of money. Even if we lost in the working-balance of the year—as we very well might at the beginning—there would be a much greater benefit going to the country generally through the less amounts of freight paid on both exports and imports. I want to emphasize another very important point, and that is this: that when the shipping companies realize that the Freight Reduction Committee were about to commence operations, as already pointed out, within thirty-six hours there was an immediate reduction in the rates of freight for frozen meat.

The Chairman: You are the last and most important witness. We want to thank you for the valuable information which you have afforded, and for the arguments with which it has been supported. I make this observation now, because some of our members have to go away presently, and we require to have a talk before we separate, whilst the evidence tendered is fresh in their minds. You have probably suggested a solution that will possibly get us out of a great difficulty.

A Member: It is valuable evidence.

Hon. Sir W. Buchanan: I beg to thank the Committee. There is one point, however, that I omitted to mention when discussing the American legislation. I should have added that a Board was appointed under that Act with power to investigate, and get proof, where needed, as to the Act being effectively put into force. The Board is charged with the enforcement of the Act; it can take evidence and inflict punishment.