

going all the year round it would simply mean that the butchers would have to put up their shutters. Mr. Spreckles suggested that this gentleman should make up an account of what the meat cost him, add something for his trouble, and he (Spreckles) would give him a cheque for it. This gentleman replied that he had already arranged for a second shipment: what was he to do with that? Mr. Spreckles replied, "I will give you a cheque for that also, but no more." This the gentleman agreed to, and he got his two cheques from Mr. Spreckles for the two shipments of meat, and dropped the meat trade with New Zealand. Apparently Mr. Spreckles regarded his meat business as the main one and the shipping as a secondary item, otherwise he should have been pleased to have got a freight for the meat from New Zealand to San Francisco. There is no doubt that Mr. Spreckles is associated with the meat trade. In various streets in San Francisco several meat-shops bear the name of "Spreckles."

I would here point out that the "Delphic," "Sussex," and "Nairnshire," within three months of the outbreak of war, were diverted from our New Zealand trade to New York and Boston, carrying a considerable quantity of meat, pelts, hides, wool, &c.—this at the very time when we urgently required shipping for our produce for England.

There are several phases in New Zealand in regard to shipping which act detrimentally to producers. I refer to the system of granting rebates and concessions to the different mercantile institutions throughout the Dominion; and it is well known that in quite a number of cases the farmer leaves all his shipping arrangements entirely in the hands of his merchant. The merchant acts as shipping agent, and is granted concessions from the shipping people in connection with the farmers' freight, as well as being paid by the farmer. In this way the merchant is paid both by the shipping company and the farmer, which is a position not conducive to better shipping facilities being obtained for the export business. In addition to the objectionable features of the rebates and primage allowances, there are the disadvantages of the *long freight contracts* which the shipping companies insist on the large exporters of meat and dairy-produce signing. The first time these contracts were introduced they were made for three years, the second for five, and those that were current at the outbreak of the war for a period of seven years. Experience has proved again and again these contracts have not assisted the New Zealand exporter, for, as I have already said, there is hardly a freezing-works in the whole of New Zealand that has not, at different periods during the currency of these contracts, had to close their works because the shipping people have not kept them sufficiently cleared; and the same thing applies to the dairy-produce of the Dominion, where there has been very considerable congestion at times, notwithstanding these contracts having been signed regarding the shipment of dairy-produce. I know of instances where the shipping companies have absolutely refused to lift any produce from certain works unless these long freight contracts were first signed; and as all the shipping companies were really in league in this matter, the representative of the works had no alternative but to sign. Some few years back an important conference was held at Christchurch by freezing companies and mercantile representatives from various parts of the Dominion, when a committee was set up to go into the question of these freight contracts among other things. The chairman of this committee was Sir James Wilson, and in the report of this committee it was stated that these long freight contracts were of no benefit to the producers, but were only beneficial to the shipping lines by, in fact, keeping out competition, and the report distinctly stated that the committee did not consider that the interests of the farmers had been properly considered in these contracts, as the effect was so one-sided. In these contracts the shipping companies do not undertake to lift the produce at any stated time, but the exporter is bound to hold and ship his produce for these shipping lines at a stated rate of freight, unless the shipper can obtain a lower quotation for his freight from another line, which must be already established and running in the business. Thus it shuts out a quotation from a prospective outside line not already established in the New Zealand business; and, seeing that the existing shipping lines are all working in unison so far as freight charges are concerned, it makes it impossible to get a lower quotation from one company in competition with the other, and it also makes it impossible to introduce another line on a lower quotation, as the terms of the contract provide that if the shipper can get a lower quotation he must first offer his freight to the old shipping company at the reduced rate, with whom it is to be optional whether they carry it or not. Thus if a freezing-works obtain a lower quotation of freight from a new shipping line which has already entered the New Zealand trade the freezing company could not definitely divert its freight to the new line; and this is a very awkward and dangerous provision, and practically makes it impossible for a new line to come into the business. These freight contracts should be totally prohibited, as they undoubtedly create a monopoly, and shipping should be placed in the same way as other common carrying businesses. It is known the shipping companies of New Zealand claim that they are not "common carriers," and can and do refuse or accept at their pleasure anybody's cargo or any one as a passenger on their boats. This is a condition which the law should not tolerate. The matter was investigated by a special Committee of the House in 1914, when, according to Press reports, the Committee reported favourably to the Commercial Trust Act, 1910, being made applicable to stop monopolies in connection with the shipping; and from memory I think—but I would not be sure without referring to the report—they also recommended the shipping companies to be declared "common carriers"; but up to the present nothing has been done to carry out the directions of the parliamentary Committee in this connection. I have heard mercantile men say that these long freight contracts are justified so as to ensure our cargo being lifted as required. This, I suggest, is a fallacious argument, as such contracts are not necessary nor justified. Experience has proved this. No such contracts are necessary in other countries: why, I ask, should they be in New Zealand? The only reason they are required here is to create a monopoly for the shipping companies, and legislative provision is necessary to do away with them.