

I come forward first in the interest of the producer, but the matter is of larger public interest; and it is also of great practical moment to the New Zealand Shipping Company, the Shire line, and also the Shaw-Savill Company. The whole system is an unnecessary one, and is increasing the cost of our freights.

200. Do you say now that you make no charge of improper conduct, or of bribery, robbery, and black-mailing?—I say distinctly I make no charge against any one individually. The whole thing has been the system. These remarks have been made in private correspondence, not to be criticized by a lawyer. There is nothing stated that I am not fully prepared to justify.

201. I ask you whether you adhere to your statement that you had not charged these gentlemen directly with improper conduct? I ask you now whether you still adhere to your statement that you are here as a public benefactor, making no vindictive charges against people?—I think you misunderstand that letter. Customs that were unjustifiable were at one time thought to be justifiable. So here customs may be thought justifiable which are not.

202. I ask you whether, with that letter before you, you adhere to your statement?—Yes.

203. Do you think that letter is consistent with your statement?—Yes.

204. I ask you whether, with that letter before you, you adhere to your statement that publicity through this Committee is all that you want?—There may be more wanted, but that is the first step. All I want is to stop the practice.

FRIDAY, 14TH OCTOBER, 1898.

Mr. CHARLES PHARAZYN called and further examined.

1. *The Chairman.*] Mr. Pharazyn, the Committee has taken into consideration the communication received from you relative to some evidence you propose to give, and it has passed the following motion: "That Mr. Pharazyn be further heard on the charges made in wool and produce by agents." If you have any further evidence to give to the Committee on that subject, the Committee will be most pleased to hear it.—Do you wish me to confine the evidence as we did the other day, merely to the primage?

2. We understood you had pretty well exhausted the evidence in connection with the primage. At the last meeting it was understood we confined the first part entirely to primage?—Perhaps I might be allowed to explain this further. I perhaps made a mistake in thinking that all the members of the Committee had necessarily got the knowledge which I happened to have; I think, to sum it up in the simplest possible way, the whole thing to be inquired into is this, that the ships, in addition to freight, charge some amount which varies from 5 per cent. to 10 per cent. That amount is unmistakably paid by the producer, there is no doubt about that. There is also no doubt whatever that that amount is not kept by the ships. What appears to me the real matter to inquire into is what becomes of that sum, which is certainly not less than £100,000 a year. I can give some evidence as to what becomes of it, but not the whole. But I think I can show the Committee how the whole of the evidence can be obtained. If such a sum as that is paid away by the ships, who hand it to some one else, and that some one else does nothing for it, it is wasted entirely, and I contend it is wrong for the producers of this colony to be overcharged to the amount of upwards of £100,000 a year. It is quite clear that the practice which the ships insist on, in returning that primage, is that the persons to whom it is returned shall not return it to the owners of the produce. It has come to my knowledge during the past few days that this is being more strictly insisted on than ever, so that the man who wishes to be honest to his principal and return to him that which is his due can only do so by practically perjuring himself. That is where it particularly affects the co-operative associations, who are anxious to deal fairly with that amount, but are prohibited from doing it. It is said unless you promise not to return it you do not get it. I think, if the Committee follow up that line and try and get the whole of the evidence which would absolutely support these statements, it would be the proper course. Now, in addition to that, you see, this primage was intended to be the payment of the shipper's agent, but he found gradually that he was not able to keep it. Gradually a man comes and says, "You are getting this primage; if you do not give me half of it you do not have my wool"; and he thinks half a loaf is better than no bread, and he parts with half. Presently another man comes and says, "You will have to give me the whole of that; you will have to get something else"; and he gets forced, and forced, until he parts with the whole, and instead of getting from that shipment what might have been a legitimate payment for his work as agent, he is denuded of that entirely by the outsider or other agents, and then he is forced to go to the ship and say, "I want something more." The way in which they are enabled to do it, undoubtedly, is this: The ships have been aware perfectly well that they have hitherto in New Zealand been getting something more than the strict competition rate of freight; in other words, they have been getting rather a good thing. It is nothing to say to us they have not paid dividends, because our answer is, "Perhaps they have managed their business badly, but they have been getting good rates." That was proved last year here, by the fact that when competition was brought in, in this and other ports, the freights were enormously lower. Now, when a man has got a good thing he will do his best to keep it, and obviously, when the agent said he was insufficiently paid, it was a very strong hint that if he were not paid a little more he would be a source of danger. He might go and bring in other ships, and therefore it was better to give him a little more; and it is an open secret that a "combination" took place about two years ago of that character, and went to the shipping companies with an implied threat that they were going to charter other ships. The result of that was that the ships made an arrangement with that little "combination," under which, in addition to the whole of the primages, they gave them a sum amounting to 2s. 6d. per bale on the whole of the wool that they brought to them, and I put it in my letter that that was a sum extorted from the ships, in some instances, by