

urged that this 'primage' charge should be abolished, as it has long since, in the other colonies, and that freights on produce should be fixed at a net rate per pound. The original meaning of 'primage' was a small duty payable to the master and sailors of a ship, in loading and unloading, while its real meaning to-day is a commission exacted from the producer that is variously distributed among agents and middlemen. It is claimed, we believe, by some of the co-operative companies who act as shipping agents that the rebate allowed to agents by the shipping companies is credited to the consignor, but what the general practice is with regard to all oversea produce may be gathered from the case following, which we have reason to believe in the main represents the facts: A, who is employed by B as his agent for general purposes, including the shipment of his produce, has charged B with £75 as the freight and primage thereon. B discovers that A has not really paid the amount, as the shipping company has refunded him the primage and a special allowance for collecting the cargo, the total amount so refunded being about £16. B contends this £16 belongs to him, and ought to have been deducted from the £75 with which he has been debited; and says that all A has any right, as his agent, to charge him is a reasonable remuneration for the actual work done in connection with the shipping of the produce. This comes to us as a typical case, and with it a report that a number of producers are arranging to form a fighting fund, with a view to testing in the Supreme Court the legality of the practice. It is stated that in England the law has been very distinctly laid down against the practice. Be that as it may, it is held by producers who have any knowledge of the ramifications of primage that there can be no satisfactory settlement of the freight question until it is abolished. That has been the experience in the Australian Colonies, where primage was maintained until the Government made it quite clear that they would interpose and call for tenders for freights, guaranteeing certain space. In the case of Victoria, Sir George Turner actually took that course, and made a contract with the owners of a line of steamers outside the great mail liners, who were glad to come in afterwards on the same terms. Are our established shipping companies desirous of precipitating a like situation here?" I understand complaints were made to the Premier that they were subject to enormous disabilities through this. One of the main things to know from agents is whether, in some instances, the whole of that 10 per cent. given to the agents for the ships is not returned to themselves. My notion is they extort it from them, and they have then to go to the ships and say, "We want something more." There is good reason to believe that they do get some special allowance for acting as ship's agents. I believe that covers the whole of the ground, but, of course, your Committee will require to get evidence in confirmation of my statements.

4. *The Chairman.*] Give us the names of witnesses?—Yes; I will give any names of witnesses that I wish to be called. I would suggest that there are so many that you might call that there cannot be any difficulty in proving the facts.

5. *Mr. Hogg.*] You might give us the names of the witnesses, Mr. Pharazyn, that are most important?—Yes.

6. *Mr. Wason.*] Mr. Pharazyn, you say that the ships, in addition to freight, charge a primage of 5 per cent., 10 per cent., and upwards?—The strict primage is 5 and 10 per cent.; then there are other charges.

7. You do not mean that more than 5 per cent. was charged?—Not more than the actual 5 and 10 per cent. in primage. Other charges would be called rebates.

8. You told us this was paid the ships, who paid it to someone else who did nothing for it?—Yes.

9. Would you suggest that to the Committee, that the agents do nothing for it?—In my last day's evidence I showed the process by which the wool has to be treated—how little there is to do. The co-operative associations are now doing the whole of that work at 6d. per bale, and the merchant still makes that 6s. a bale, and there is nothing left for him to do which is worth that.

10. The co-operative associations do all the work for 6d. a bale, but they do not charge the primage?—The ship gets the primage; but if they get it back from the ship they ought to return it to the shipper, seeing they had not to do the work when getting it.

11. Where does the distinction lie between the co-operative associations and the merchants?—The co-operative associations would be content to get their 6d. a bale, and to refund the primage which has to be paid. The associations wish that given back to them without any condition attached to it; they would at once give the shipper credit for it.

12. The co-operative associations, doing all the work for 6d. a bale, would be content to refund it?—Yes.

13. You think the 6d. covers the whole cost?—The competition has brought it down to that.

14. You told us primage was intended to be a payment to ships' agents, and the agents were denuded of that by the outsiders?—Yes.

15. What do you mean by outsider?—You take the case of the man who is appointed as agent for the ship, because he has got a lot of wool passing through his hands. We will say he can control 50,000 bales. Call that man A, he has got the control of 50,000 bales of other people's wool.

16. He is not the outsider?—Some one who contributes towards that 50,000 bales, who is a subsidiary sort of agent, we will call him B. He says to A, "You are getting an uncommonly good thing out of this. I want part of it." Then the third man, C, being the producer, comes in, and if he is particularly cute he finds it out, and he says, "I do not see why you should have my primage: you shall not have my general business unless you return me that."

17. Whom does he say this to?—He says this to A. Then, it entirely depends upon the state of his account what A's answer is.

18. A cannot return the primage?—A is bound not to return it, and tells him so. And probably his next reply is, "I will have to ship through a bank."

19. Do banks return primage?—A man who ships through a bank is perfectly well satisfied as to primage.

20. The position then is, A is denuded of everything. He finds he is getting nothing for his