

are taking, that it is a well-earned 1 per cent. Mr. Buchanan asked about the custom in Australia. I took the opportunity of asking Mr. Paterson, who is going Home to act as our (the Loan Company's) wool and produce manager in London, and, without knowing how the primage is always expressed, I found the custom of returning brokerage to the merchant in Sydney to be identical with the custom here. Gibbs, Bright, and Co., for example, as ship brokers or owners, return a commission to companies and firms providing them with cargo.

128. *Mr. Wason.*] I understood from Mr. Burnes that freight and primage were much the same thing?—The original object of primage, as stated in McCulloch's Commercial Dictionary, was that an allowance should be paid by the shipper or consignee of goods to the master and mariners for loading. Of the master and mariners, or, at least, of the master, the shipping-agents now take the place. In former times the shipmaster went with his vessel to foreign ports, and did all the business of the vessel, and I think you might say he was entitled to the primage. He was the agent and master too. He has disappeared from the scene in that capacity. He gets a better salary, is better housed and fed, and the agents take his place.

129. At the present moment, primage and freight are practically mixed up together?—Yes; and paid in London.

130. Could you put a grower of a hundred bales of wool in a better position than he is in now if you paid your freight and primage together and charged him for the work you did?—We might put him in a worse position, but could not put him in a better position. The present position in respect of commission *re* freight, of course, is very much the same as in the case of the commission charged in selling lines of goods or anything else. Commission is a charge according to what is paid or realised.

131. If primage were abolished by legislation to-morrow, would it materially benefit the producer?—Not the slightest. Of course, we could not do our work for nothing. We would say to the shipping companies, "We want a freight brokerage, as before." The shipping companies would therefore raise the freight to correspond. A sliding scale would easily provide for that. Mr. Pharazyn made a statement that some one at a conference said they could reduce the freight from $\frac{1}{2}$ d. to $\frac{1}{4}$ d. were it not for the fact that the merchant gets an eighth. An eighth off $\frac{1}{2}$ d. is 20 per cent., and an eighth off $\frac{1}{4}$ d. is 25 per cent., which no merchant ever dreamed of.

132. With reference to this table that has been produced in evidence [table produced], it is asserted in this table that the shipping and general attention required amounted to 6d. per bale. We have been told it can be done for a great deal less than 6d. a bale—that is, including all the charges.—Do you mean, can it be done?

133. You, as merchants in Wellington, taking the producer's wool, and paying everything, the charges included?—I think not. Of course, this does not affect me; this is a question for the branch manager to answer. I cannot speak with regard to all the details of the Wellington office. On general principles I should say, No. I have the authority of a director of the Wairarapa Farmers' Co-operative Association, who is also managing director for the Manawatu Association, to the effect that the thing is ridiculous, to attempt to make the business pay on such charges as those. It does not pay to keep a staff of clerks to look after the business on such a footing.

134. At 6d. a bale?—I do not know the exact amount.

135. Do you think in the one case it is possible for a man to get his wool shipped for 10 $\frac{1}{2}$ d. a bale, and that another man has to pay 8s. 6d.?—No, I do not.

136. With reference to this 10 per cent. insurance premium refunded to agents. A good many of the agents return that 10 per cent.?—I think the probability is—I know it has been so sometimes—they may receive two discounts, or a discount and a brokerage—say, 10 per cent. and 10 per cent. A woolgrower may get one of these 10 per cents., the merchant merely retaining the other as a brokerage. When the Insurance Conference sat here, that was arranged as an express brokerage to agents.

137. *Mr. Meredith.*] I understood you to state, Mr. Macpherson, that as agents for some of the shipping companies and sub-agents for the New Zealand Shipping Company you received commissions from the shipping company to the extent of 7 $\frac{1}{2}$ per cent.?—I said the Bank of New Zealand did. We received the same as the Bank of New Zealand last year.

138. That is 7 $\frac{1}{2}$ per cent.?—Yes.

139. That came from the shipping companies for working cargo?—Yes.

140. In addition to which, I suppose, you got, in the dual capacity as agents for the shipping companies and agents for the producer, the percentage?—We shipped the producer's wool.

141. What is the rate of commission charged to the producer for shipping his wool?—There is no rate I know of for shipping his wool.

142. Is there any charge made by the shipping agent to the producer for shipping the producer's wool?—I cannot think of any. I do not know of any. Of course, there is a charge for selling his wool in London, but that is an independent charge.

143. You spoke of this 7 $\frac{1}{2}$ per cent. being paid by the shipping companies to the agents, and made use of the term that they were bound by the shipping companies not to refund or return any portion of that to the producer?—Yes.

144. Why should such a compact as that be entered into?—I gave you what I thought was probably the reason. As one cause, it was desired by the shipping companies to avoid competition, and, as another cause, it was worth their while to pay that in order to obtain their assistance.

145. Supposing this compact were not entered into, you, as a head of a very important agency firm, and exporting for the producer large quantities of wool, would know if there was any disposition on the part of the agents to refund to the producer any portion of this 7 $\frac{1}{2}$ per cent. Is there any disposition on the part of the agents to refund it?—I do not know of any. The only way in which it might sometimes occur would be through excessive competition—trying to filch somebody's business away from them.