

freight and commission. That is all I wish to say on these points. I have no evidence to tender on behalf of Levin and Company (Limited), but am quite prepared to tender my client for cross-examination.

*The Chairman:* I think we had better find out from Mr. Pharazyn if he wishes to ask any questions from Mr. Bell's client.

*Mr. Pharazyn:* What I wished to ask Mr. Pearce was whether there was not a further charge—that is, a charge on the scouring of wool.

*Mr. Bell:* When the wool is sent to the scourer no charge is made for the sending or the receiving to the person who sends the wool. The scourer allows the agent a commission upon the scour rate. I admit that on behalf of Mr. Pearce.

*Mr. Pharazyn:* You claim that he is entitled to that?

*Mr. Bell:* Certainly. You admit, on your part, you claim nothing, and the scourer allows a commission on the wool that is collected and sent?—Yes; we pay nothing directly.

138. *Mr. Pharazyn.]* What I claim is, if an account of £10 is being paid to the scourer through my agent, I ought to be certain that he (the scourer) is paid £10, and not only £9 10s. If he (the agent) wants to charge me 10s., let him charge it, but I object to these deductions.—I do not think this is a custom. Many merchants have said they would not think of doing such a thing.

*Mr. Pharazyn:* Then, this question of insurance? My view would be that that is the decision I should have expected on the insurance question. I think it is unanswerable; one of the advantages an agent does get.

139. *The Chairman.]* You are referring to this 10 per cent. on insurance. You do not object to it?—I do not necessarily object to any one particular item, although I assume it is a profit the agent does get out of the grower. The question is, whether we can find out whether work can be done at a much less sum. My object in bringing it before the Committee is that we wish to know exactly what we pay—the exact amount. Then, with regard to that evidence of the co-operatives, I think it is only fair that that should be explained. The position was simply this: that they found that these primages were being obtained by other people continually, and of considerable amounts. They then said, "If the ships are going to compete in that way by agents, we, as representing a number of producers, are quite entitled to see what we can get out of the ships for the producers,"—not for themselves, and they used very proper means.

140. *The Chairman.]* Did you refer to that in your evidence, Mr. Pharazyn? We will have to confine you down to real evidence, because the matter will be interminable. Will you explain anything in regard to your own evidence which you may think that the cross-examination of Mr. Bell has put a wrong light on?—With regard to that co-operative, I have examined that. They find they got it on behalf of their own shareholders. Further than that, to show our *bona fides*, when the whole question was thoroughly discussed by a conference of the co-operatives, which I attended, in May, 1897, this very point was discussed, and we unanimously agreed we would do our utmost to stop primages altogether, because that led to this system of agents continually trying to get more and more out of the ships. That was unanimously agreed to by a very large conference of the whole of the co-operatives, and since then it is the line we have been attempting to go on. Now, we are met with the difficulty that when we honestly and straightforwardly charge our clients with the actual freight paid and nothing more, we are told that we shall not have that commission back unless we absolutely promise not to give it to the man it belongs to. That seems entirely wrong. That is my point with regard to the co-operatives. With regard to that seventeen bales, I think the Committee must see that Mr. Macpherson tried to show it affected my statement. This is the amount of charges on a given value of wool.

141. You are discussing the evidence, Mr. Pharazyn, which you are not entitled to do. You must not discuss the effect of the evidence tendered?—There is a point I wish to show—that seventeen bales had nothing whatever to do with the question.

142. That is a discussion on the evidence tendered?—I wish to prevent a misunderstanding. The Committee would very likely misunderstand. Mr. Bell puts that in as seventeen bales. I take the case of seven bales at the ordinary rates of freight.

143. *Mr. Bell.]* Is not Mr. Pharazyn's division by seventeen?

*Mr. Pharazyn:* I say, here are so many bales of wool. We start with so much freight. I worked that out, and say at an average way; and therefore, having arrived at seven bales, I am entitled to divide mine by seven. I was led to assume it was seven bales because I thought they put it on the ordinary rates of freight ruling; instead of that, they had been calculating on the reduced rate. That was very likely to mislead the Committee unless they followed it carefully. This is a calculation on seven bales, which would, at the current rates, come to that amount. I do not think there is any further point in the cross-examination which I wish to speak on.

144. *Mr. Hogg.]* I would like to ask a couple of questions. You stated, Mr. Pharazyn, that the Wairarapa Farmers' Co-operative Association had ascertained, or were informed, that unless they would make a promise that this primeage would not be returned to their clients—the producers—it would not be allowed?—Yes, that is the position to-day.

145. I presume that the primeage, if allowed, would go into the general fund of the Association?—Yes.

146. And would be divided amongst the shareholders generally?—Yes.

147. I suppose what the Association wishes is to hand back the primeage to the producers?—We want to give it to the man to whom it belongs.

148. You consider it belongs to the producers?—Yes.

149. Do you think the primeage should be paid unconditionally?—We are most anxious to do that. I may say the whole of the co-operatives are.

150. You object to it going into the general fund?—Yes.

151. Something has been said about the use of this term "black-mailer." Do you mean by that it was money obtained under pressure? What is meant by the term "black-mailer" in your