letter, Mr. Pharazyn?—It is a large term, but it always means you are able to exercise some pressure by going to a man and saying "If you do not do so-and-so, I will do so-and-so, and therefore you had better do what I want."

152. Therefore, in that case, on which side is the chief weakness to be inferred—on the side of such person who allows himself to be black-mailed, or on the side of the other?—On the side of the one who is subjected to it.

153. You say it is a weakness?—It shows a weakness on one side.

154. Then, the individual who is black-mailed is not able to show sufficient resistance?—No.

155. You have been asked with regard to the practice in Australia. Can you say, Mr. Pharazyn, of your own knowledge, whether the freights are less in Australia than in New Zealand?—They vary.

156. Generally speaking?—Yes.

157. Australian producers have an advantage?—Yes.

158. *Mr. Wason.*] Will you explain this 10¼d. per bale, Mr. Pharazyn. Will you take these account sales of the Wairarapa Farmers' Association, as rendered to you, and take the items as charged in that list, starting at wharfage. Take the first item: Wharfage, £1 2s. 6d. on forty-five bales of wool; weighing, 7s. 6d.; receiving and delivering, £1 2s. 6d.; bills of lading and stamps, £3. That amounts to, on forty-five bales, about 1s. 4d. a bale. Now, take the other accounts rendered by you, and take out the similar items: Bills of lading, stamps, and entries, 5s.; shipping charges (including cartage, wharfage, receiving, weighing, and shipping), £1 8s. That amounts to £1 13s. on twenty-eight bales?—Yes.

159. That amounts per bale to how much—to about 1s. 2d. Messrs. Levin and Co. by their statement, seem to have charged 1s. 2d. for doing the work, but the Wairarapa Farmers' charge 1s. 4d for it?—Yes.

160. Now, what I want to get at is this: how you reconcile those two statements of charges with your statement here when the work was done at 10¼d. per bale: that is what I do not understand?—Of course, the wharfage that I have put is part of the railage. It did not come into the same account at all. That is part of the transit. Whether it is on the rail from the Wairarapa or to the ship's side, it is all the same process. So I do not consider it one of those charges. That is worked out to 9d.

161. That hardly applies in the question of wharfage?—Levin and Co. would get the wharfage.

162. Mr. Pharazyn told us that agents got the double primage. I think it is within the recollection of the Committee that both Mr. Burnes and Mr. Macpherson gave us evidence that the steamers got the one 5 per cent.; that the agents never get more than 5 per cent?—Mr. Macpherson's evidence was that they and the Bank of New Zealand got 5 per cent.

163. That was apart from the question of primage?—They called it brokerage. It is the fund paid as primage, and goes back to them as brokerage.

164. Do you adhere to that statement that the agents get 10 per cent.?—Where they are also agents for the ships they get the 10 per cent.

EXHIBITS.

EXHIBIT A.

PRIMAGE.

(From the *New Zealand Times*, 22nd July, 1898.)

In Parliament, and through the Press, statements with respect to "primage" that have often been confuted have recently been repeated. Misrepresentation dies hard, and a wrong construction, being given a start, is unquestionably hard to catch. The country has lately been told that what is called the primage charge is a dishonest one, since it is supposed to go to the shipping companies, but in reality goes to the agents. No doubt the name is wrongly used to an extent, for a "primage" is defined as meaning "an allowance, in addition to wages, formerly paid by a shipper to the master of a vessel, now paid to the vessel-owner, for care in lading or unlading goods in port." In the sense in which it is used here it means 5 per cent. on freight charges, which is nominally paid by the shipowner to the agent, but is, of course, charged to the produce. For this payment the agent undertakes to receive the produce, arrange for its railage, see it shipped, make out the bills of lading, attend to insurance, pass the Customs entries, and perform other duties. As showing what such a percentage comes to, a case may be cited of a small consignment of wool by a recent outward ship. The freight on this shipment amounted to £7 4s. 6d., on which the producer's city agent received the munificent sum of 7s. 3d. Manifestly, agents cannot be "duping" exporters at this rate. In fact, if this so-called primage duty was not levied there would probably be in its place a much heavier charge at so much—say, 1s., or even 6d.—per bale, which would mean a much larger expenditure on the part of the exporter than is at present incurred. Aside from the question of expense, it must be evident to any one who considers the subject that the work to be done by agents is essential, and will have to be paid for. Before he can get to a market with his produce the exporter needs to have many things done for him, and those who perform these duties are in reality producers in just as strict a sense as the person who makes butter or employs men to shear and pack wool. In Australia the same rule of payment for services rendered applies; for it is not to be assumed—though a contemporary has recently implied it—that in Brisbane, Sydney, Melbourne, and Adelaide produce is gratuitously handled and shipped by agents conducting business on purely philanthropic methods. There, as here, they are paid for their services, of course. If in this country the charges are too high the remedy is not with the Ministry, which has no business to interfere in the matter, but is a question as between produce exporters and their agents. If the exporters are overcharged they will either find relief in the competition of agents or constitute agents of their own.