

I understand that in no case did Mr. E. A. Smith receive bonus and commission on passengers introduced by other agents as assisted passengers. All application forms for reduced passages required to carry on the face of same the agent's stamp, and on the applications being approved by the High Commissioner and the passenger sailing for New Zealand, the bonus was handed over to Mr. E. A. Smith, who in due course paid the amount to the agent concerned, though in many cases the agent deducted the bonus from the passage-money. Occasionally differences arose, in which case the matter was decided by the High Commissioner. Differences will continue to arise, and there have been some few cases since the shipping work has been taken over by the High Commissioner; and so far as the outside agents are concerned, they will not benefit in any way by the fact of the Government having taken over the shipping arrangements, as the same agreement as made with Mr. E. A. Smith will require to be continued so far as other shipping agents are concerned.

With regard to the matter of the name of "E. A. Smith" appearing as the name of the firm, this was owing to that fact that, dating from 1880, Mr. E. A. Smith was the Shipping Agent to the Government. He in 1896 took Mr. E. M. Kennaway into partnership, and this partnership continued until the year 1905, since when Mr. Kennaway has carried on the work under the original name of "E. A. Smith," as provided for in this deed of partnership.

The years 1906, 1907, and 1908 have been, of course, exceptionally heavy years with regard to the number of assisted passages booked to New Zealand, and the year 1909 would show a considerable decline on the foregoing figures. It must be remembered also that the arrangement under which the shipping business has been carried on by means of payment of commission has extended over thirty years.

During the year 1896, when Mr. E. A. Smith took into partnership Mr. E. M. Kennaway, the takings of the firm from this office amounted to £265 13s. 4d., and in 1901 the amount received was £557 15s. 4d.

It should be remembered in considering the policy of any change in the commission system a diminution of public-works expenditure and a contraction of the emigration policy might at any moment have entirely altered the position of conducting the shipping business under the system of commission.

There appears to be a considerable difference of opinion as to the alternative of shipping direct or by means of a recognised shipping agent. Several Departments of the Home Government, such as the Crown Agents for the Colonies, the India Office, and the Admiralty, employ shipping agents, and I understand Canada prefers that system. On the other hand, most of the Australian States (but not the Commonwealth) attend to their own shipping work.

As you are aware, the shipping department of this office will be credited with the bonus and commission as allowed in the time of "E. A. Smith."

This, in my opinion, should show a fair credit balance at the end of a year's work.

I have, &c.,

WM. HALL-JONES.

The Right Hon. the Prime Minister, Wellington, New Zealand.

HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

SIR,— Westminister Chambers, 13 Victoria Street, London, S.W., 15th April, 1909.

I have caused inquiry to be made to the shipping arrangements obtaining in the other departments of the Agents-General, and I am informed that, with the exception of Victoria and Tasmania, the work is carried out by their respective staffs.

I am, &c.,

The Right Hon. the Prime Minister, Wellington, N.Z.

WM. HALL-JONES.

Extracts from the "Report of the Committee of Inquiry into the Organization of the Crown Agents' Office" presented to both Houses of the British Parliament by Command of His Majesty, February, 1909.

SHIPPING ARRANGEMENTS.

THE Crown Agents do not make their own arrangements for shipping stores to the colonies, but, following the system adopted by the India Office and the Admiralty, they intrust this business to outside shipping agents. The Shipping Department of the Crown Agents is in reality not a shipping department at all; its main duties are confined to advising the colonial Governments of the despatch of stores and forwarding the bills of lading; it also looks after the insurance of goods, with some help from the shipping agents. With it is combined the checking section, which, besides examining invoices with a view to payment, looks after a number of miscellaneous accounts.

Under the system adopted by the Crown Agents, as soon as a tender or contract is accepted, shipping order embodying particulars of such tender or order is sent to Messrs. J. and A. B. Freeland, the outside shipping agents of the Department.

Messrs. Freeland claim that their duties include the supervision of all details in respect of an order, with the exception of inspection, that they keep in constant touch with suppliers and shipowners by telegram, telephone, and correspondence, that they negotiate freights, supervise the stowage of cargo, report accidents, settle disputes, and take a certain part in insuring and settling insurance claims.