

immediately prior to the present war accounted for at least 85 per cent. of the wool sold in New Zealand. Marketing in Australia and South Africa developed along similar lines, but in South America sales are still by private treaty. In North America and Europe also sales are usually by the latter method, but these are not exporting countries. Many advantages are claimed for the system of selling by auction at a few centralised points, and quoted below is a section from the publication "Wool" by the New Zealand Loan and Mercantile Agency Co., Ltd., which sets out these points very clearly:—

The main features of the central auctioning system may be said to be:—

(a) The collection of large quantities of wool of various grades and qualities at convenient focal points, thereby attracting the principal world buyers, facilitating inspection, ensuring genuine competition among buyers, and making anything in the nature of a ring on their part difficult, if not impossible.

(b) It places at the disposal of the small producer highly-skilled advice and assistance at relatively low cost, and enables small clips to be classed, graded, and amalgamated, thereby attracting a class of buyer who would not be interested in small, individual, unclassified lots.

(c) It assists growers (especially the smaller growers) to obtain finance against their wool clips.

(d) It encourages a spirit of healthy competition among growers to class and grade their clips to the best advantage, with a view to attracting the highest possible price.

(e) It helps producers of wool to keep in constant touch with current wool prices, as the prices realised at the auction sales are publicised by Press and radio.

(f) The free publicity given to the auction sales throughout the world is a valuable advertisement for wool.

There can be little doubt that in sales by private treaty the small producer is largely in the hands of the buyer, as competition is restricted and a combination of buyers against any producer is facilitated and indeed almost encouraged.

The auction sales were usually held in some large building, such as the town hall or an opera house in each centre, and lent a touch of colour to the selling season with their collection

[Photo at top right of opposite page by courtesy of N.Z. Loan and Mercantile Agency Co.]

of international buyers, the staccato bids, the rapid tempo of the proceedings, and the excitement and anticlimax as prices soared and just as often crashed. Space forbids going into detail, but the modern auction system acquired many regulations and safeguards as it evolved, and both the Brokers' and the Buyers' Associations have contributed to these. Once his wool is sold the producer's main concern is to get the money for it, and he is not kept waiting long, for the rules stipulate that the buyer must pay at or before "prompt," which means in effect 14 days after the sale.

Prior to the war the methods of disposal actually open to the grower were as follows:—

1. Sell wool at auction through a broker.

(a) The broker both skirting and classing the wool.

(b) The farmer doing the skirting but leaving the classing to the broker.

(c) The farmer skirting and classing, the broker merely displaying and selling.

(d) Small lots were often skirted and sent to the broker for binning, or

(e) Sent to the broker for skirting and binning.

(f) Lines of 3 bales or less might be "interlotted" by the broker with other small lines of simi-

lar type, to avoid "star lots." (A "star" is any lot of less than 4 bales, and is not sold in the main catalogue).

2. Ship direct to England for sale at the London wool auction sales.

3. Scour wool locally, and ship to London for sale.

4. Sell by private treaty to an itinerant wool-buyer.

5. Sell to a co-operative concern specialising in wool-sorting.

6. A combination of any of the above. These various methods of disposal in greater detail are:—

1. (a) The statistics show that the average size of flock in New Zealand is approximately 1,000 sheep, and the number of bales of wool that these will produce varies from, say, 20 to 30, according to circumstances. It must be remembered, however, that this average of 1,000 sheep is derived from a relatively large number of small flocks and a correspondingly small number of large flocks, and actually three-quarters of the country's flocks are of less than 1,000 sheep, and half of them less than 500. On this basis at least half our wool clips are of 15 bales or less, so the amount of wool-classing that can be done on the farm is strictly limited in these cases. In addition, many of the smaller farms have poor facilities both in labour and equipment for handling wool, although it is frequently possible to overcome this drawback by making use of a neighbour's wool-shed. Where



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