

before—that they charge 1 per cent. more than Fitter. In some lines of stock Fletcher is supposed to be a good salesman; but the Meat-export Company pocketed none of the 4 per cent. The company charges nothing except for freezing.

147. What instructions do the directors give the manager as to buying? Do the directors regulate the price every week or every month?—No; that would be nonsense. Cables are coming every day which necessitate changes, and the directors' instructions to the general manager are that, as far as possible, he has to base the price the buyers are to give for the sheep on the c.i.f. offers of the London buyers, less freezing-charges.

RICHARD ABRAHAM, Managing Director of a Stock-auctioneering Company, of Palmerston North, examined. (No. 11.)

148. *The Chairman.*] Who do you represent in this inquiry?—I am simply here at the request of the Committee.

149. You know the general scope of this inquiry: would you prefer to make a statement?—Perhaps I may be permitted to make a short statement. What I understand is that the purpose of the inquiry is to ascertain the difference in value between the fat sheep in the North Island and of the South Island. To my mind the explanation of the greater portion of that difference is easily arrived at—that is, the difference in value between the sheep in the North Island and sheep in the South. The sheep in the South have been bred up from the Merino for many, many years, and they have been improving ever since by the use of the best mutton-quality of breeds; and, besides that, I think it is generally admitted that their sheep are better fed. From the time they drop their lambs the latter are kept going from the start, and the result is a better animal. As a general rule the ewe in the North Island is in a poor condition when a lamb is dropped, and cannot feed the lamb properly. The paddocks are overstocked, and no attempt is made to keep the sheep in a really good condition until they are put into the fattening-paddock in the shape of a store ewe or wether, as the case may be, and then they have four or five months to get into condition, which means that they produce a great deal of coarse meat. Beyond this great factor, which, as I said before, accounts for the greater portion of the difference, I think the other reason is the absolute want of competition in this Island, whilst in the South they have their regular weekly market to which the fat sheep are sent, not necessarily during the whole year, but half, perhaps. Any small farmer can go to this market and compare the values he sees given there with his own sheep, and can arrive at a pretty fair conclusion of what his own are worth. Here, up to the last year or two, it has been the custom, I understand—and I believe I am correct in stating so—for the companies to arrive at a conclusion as to what price they will open the market with, and according to the price that is being given at Home, no doubt; and I understand that as far as the Gear Company and the Export Company and the Longburn Company are concerned they have been usually in the habit of offering exactly the same price. They have been giving the same price to the farmer who has indifferent-mutton sheep or good-mutton sheep—it makes no difference whatever—they have been giving a universal price, and I think the result has been that competition has been absolutely stifled. Latterly this procedure has not been maintained quite so regularly as it used to be, owing to the presence of the c.i.f. buyers. I may say that I myself have been representing a buyer in the South, one of these c.i.f. buyers, who sends us orders for sheep, and we have been acting for him. The presence of these c.i.f. buyers, who have only made their presence felt in the North Island during the last year or two, has formed a disturbing element, and to my mind they have been the cause of the agitation which has been going on. That is to say, that there has been a difference in the prices given—that some men have obtained one price while others have obtained another price. The cure, to my mind, or, at all events, I think part of the cure, is the formation of central markets for fat stock. I tried myself some ten years ago to introduce these markets, and ignominiously failed. That is easily explained. We only had then the buyers of two companies—that was before the days of the Longburn Company—to come and operate, the Gear Company and the Meat-export Company. The Gear Company's buyer told me that it was absolutely and positively against themselves to do so, because his company thought that by his appearing at these sales and bidding he would be putting up the price, and their buyers, therefore, did not attend sales. At any rate, the sales failed. I am now endeavouring to move in that direction again, with the hope that the southern buyers will be now represented, seeing that for the last year or two they have bought very largely in the North Island, and I know they have every intention of being represented in future. Whether one will succeed or not is another question. It is a most difficult matter to disturb any condition of things that has existed for a number of years. Even now as a c.i.f. buyer, unless I am in a position to offer, say, 1s. more than the companies may be giving at any particular time, I have the greatest difficulty in getting offers of sheep from the farmers. One man will say, "No; the Meat-export Company get my sheep, and they must have the first refusal." In Hawke's Bay the reply universally was that "Nelson Brothers get the first refusal of my sheep. What are you going to give?" Of course they were very keen at getting my offer, and desired to make a lever of it; but as to getting the stuff away from their company, that was out of the question. The only way we could get sheep for our c.i.f. buyer was by putting him in the position of offering rather more than the companies did. The result of that was that the companies would very quickly offer a little more than we did. There was a certain improvement in the prices given. But that is not the whole of the thing. For the last two or three years, at the back of Martinborough—at Bush Gully—the settlers have been in the habit of pooling all their fat sheep and calling a sale, and I have noticed on two occasions, if not three, that they got from 1s. to 1s. 6d. beyond the current rate going, simply by putting up their sheep to public competition. Of course there was this in their favour: that they were able to get competition for their sheep. Last year I refused to send my buyer, because