

## WOOL SELLING.

### RADICAL CHANGES SUGGESTED

#### A VETERAN BUYER'S VIEWS.

Mr. Alfred Van Rompaey, of the firm of Messrs. Ostermeyer, Dewes, Van Rompaey, and Co., wool buyers, has recently returned to Sydney for a short stay after an absence of eight years; and in an interview with a "Herald" representative yesterday, Mr. Van Rompaey made some sweeping generalisations with regard to wool-selling in Australia, and what may prove to be valuable suggestions in the matter of proposed changes.

"In the first place," said Mr. Van Rompaey, "what I contend is that the Australian wool market has completely outgrown the old conditions under which it was reared in its infancy; yet the old conditions remain, although they really need to be entirely reconstituted. When I arrived in Sydney in the year 1880 and commenced operations as a wool buyer in Sydney," said Mr. Van Rompaey, "40,000 bales were offered in the Sydney market. The wool was put up as soon after it arrived as possible. There was no arranging series as in London and limiting arrivals for series. Last season 800,000 bales, or twenty times the quantity, was offered, and the conditions of offering and selling as speedily as possible are continued. With variations the same condition of things prevails in the other States. Starting from July 1, 1909, the four principal States sold 1,680,000 bales, worth, say, £23,850,000, of which 1,247,000 bales, worth, say, £18,700,000, were disposed of between September 15 and February 15, 1910. In other words, the manufacturers were called upon to cover within five months the bulk of their requirements for the whole year. A mere statement of this fact amounts to a recital of its drawbacks, its inconveniences to the consumer, and its risk to the manufacturer and grower alike. Purchases have to be made ahead, more or less in the dark, and great is the mental and physical strain in accomplishing what may subsequently prove to be an unprofitable undertaking."

Mr. Van Rompaey waxed eloquent in reciting the enormous strain of buying in Australia in the wool-selling season and then shuddering to think whether the state of trade in the manufacturing and consuming world would warrant the prices paid. "Spending the summer here and then returning to Europe and spending the summer there at great tension all the time," said Mr. Van Rompaey, "was only what the strongest of men could stand without breaking down. Many have passed out altogether too early in striving to keep abreast with a system that is altogether out of joint with the times. Take only a recent instance," he said, "but for this pernicious system the wool slump of 1908 would never have attained such dimensions as that 150,000 bales had to be quietly carried over in Australasia until the next season ('smuggled away,' we called it in Europe). It hung like an incubus over us."

"Compare now your Australian selling with London. The London system of distribution, to my mind, is perfect, and I heartily sympathise with the arguments of those who would like to see London recover its preponderant position. Simply because there is a wise system of regulation of quantities and regular series throughout the year. There are six series; four would probably be better. In either case the distribution over given periods is assured. The series open with given quantities, and it is known that there will be no further public sales till the next fixed date. Cannot Australia, even though there are five

further public sales till the next fixed date. Cannot Australia, even though there are five selling centres, offer to her customers, and to the wool trade generally, advantages equal to those which attach to the London sales? I think this could be achieved very easily to the advantage of all sections which compose the wool trade, from grower to weaver. Here you have now an overgrown fair or season of, say, six months' duration; hold two distinct series or fairs, one in the spring, say, from September 15 to December 15, the other in the autumn, from March 15 to June 15. Such a system, I unhesitatingly affirm, would be to the benefit of grower and consumer alike. How the manufacturer would be affected appears from the following extract of a letter which I have just received from a leading spinner. He is one of our American exporters, whom I saw recently in the United States. His summary of the position is as follows:—

"We think a division of the Australian selling season would be a great improvement, for the following reasons:—(1) It would save us having so much wool pass forward at one time, and it would distribute payments. (2) It would keep prices in closer touch with world-values. (3) It would, I think, tend to sell the more wool, not in Australia. (4) It would release the market in Australia from pressure to 'bury up' and be done with the matter of selling the clip. (5) It would greatly accommodate buyers in allowing them to keep quantities 'rough' in touch with the demand, and save manufacturers from an accumulation that might find themselves not wanting."

"Between the two series I suggest," said Mr. Van Rompaey, "the manufacturers would be using up supplies and return fresh for the autumn series. In the way of safety and security the advantage would not be less considerable to the wool-grower. He now always endeavours to sell as soon as possible, anyhow, before Christmas, to turn his clip into money, as he puts it; but I shrewdly suspect that this is not the only reason for this haste. When in Sydney alone he sees a compact mass of 800,000 bales looming in the near future, does he not, like myself, dread what might happen when the first requirements are satisfied; say, after Christmas? Such misgivings would be amply justified by the experience of 1909 and 1908."

"Why not close up the 'Spring Series' clean before Christmas. Have three months' recess and then in March let the 'autumn sales' commence; the consumer will have worked up part of his previous purchases, and will recommence his operations with renewed zeal; the more so as his autumn purchases will arrive at a time when European stocks begin to get scarce, and when mills are generally busy. Under such altered conditions, if I were a grower, I think I should rather sell my wool in April than in October."

"Some of my Australian friends to whom I have communicated these ideas have raised financial objections, which, however, I may summarily dismiss. Interest is at present in Australia as cheap as, if not cheaper than, in Europe; and what better and more acceptable use for the money that is lying idle than the financing of the country's own produce. The first half of the clip, say, 400,000 bales, would be offered during the spring series, and the other 400,000 bales in the April-June or autumn series."

"No doubt," concluded this veteran wool-buyer, "the proposed change would cause temporary inconvenience in some quarters. The Australian broker, whether buying or selling, would have to accommodate himself to this new state of things. The allied branches of trade, such as shipping, banking, etc., would have to undergo certain readjustments; but I feel convinced that after a short period of transition the change would be welcomed by the whole community as a vast benefit to all."