

THE ZONE SYSTEM

(To the Editor)

Sir,—In your last week's leader you referred to the "zone system" as a progressive step towards scientific wool marketing.

As I happen to be one of the many Western graziers who condemn the "zone system" altogether and without qualification, I think it is my duty to show my reasons for taking up such a hostile attitude to the innovation. And if you will be kind enough to allow me space in your valuable paper I might be able to show the system in a different light from that of yours, and help the reader to view the matter from two different angles. To do this I must go back a little into the history of wool-selling.

Up till November, 1928, all Australian wool was sold on a market in order of its arrival. This was the age-old system called "first-in-first served." This system worked so satisfactorily that there were some comments on it by experts and reviewers here in Australia and abroad as "most up-to-date wool marketing system in the world!"

Unfortunately the most unexpected event happened that upset this wonderful organisation. A wealthy company, also with some political influence, ventured to open up wool sales at Newcastle, promising growers of free wool regions disposed of their clip in a quicker and more effective manner than they could ever expect to get in Sydney, where first place is given to early shorn Western wools. This seductive offer, coupled with the energetic new States movement, created a panic in the wool interests in Sydney, which culminated in the introduction of the "zone system." To those to whom it

"zone system." To those to whom it was not prudent to reveal the ulterior motives of this drastic innovation, a bogey was invented—"Country sales" was the name of the bogey.

Perhaps we—the backblockers would never have learned the truth underlying all this scheming if it was not for Newcastle brokers, with Mr. Jewett as a spokesman, who openly accused Sydney interests about the real motive underlying the "zone system." So the "zone system" was really a desperate strategic move of wool-weaving interests. This combat was so energetic that even the conference at Geneva and interested bodies in England are appealed to to boycott the Newcastle sales, and the object was achieved, as we learned subsequently through the cables.

I don't want to pass my opinion on the methods of this fight, carried out even outside of home boundaries. Once they say, "that in love and war everything is fair"; here we have both: Love of greed and fight to the bitter end. But why should we Western graziers pay for this war?

But the most curious situation arose unexpectedly lately. When it appeared as if the fate of Newcastle sales was sealed, the Graziers' Association passed a resolution in favour of the sales; thus the real motive for the "zone system" is lost as far as wool brokers are concerned.

Now, if the "zone system" is justifiable from the point of view in your leader, "to give an opportunity to buyers to secure quantity of free wools before Christmas," such opportunity automatically and without any hindrance is offered at Newcastle sales.

"Country sales cry" is a poor excuse for the "zone system," as we know from practical experience that 99 per cent. of growers are not at liberty to

cent. of growers are not at liberty to dispose of their wool otherwise than through wool brokers on account of the financing system. Who is, then, seller of the wool in the country and who is the buyer?

We were told that the recent fall in the wool market was not due to the "zone system."

We heartily endorse this platitude as far as it applies to the general fall in values of wool, but not in particular lines of wool. Free zone wool fell about 5 per cent.; Western wool fell 25 to 30 per cent., and the difference between the two falls is reasonably attributed to the effects of the "zone system." Here are our reasons:—

Western wools represent doubtful yield and the buyer must take some risk in estimating the value of such wools; so when two kinds of wool are offered to him, for choice he naturally gives preference to a "sure thing," and buys the doubtful article at a bargain price; hence the difference is a relative fall of free and of doubtful yields wools.

When under the old system only Western wools were available at the early sales the buyer had no choice. Not being able to get clean wool he had to take the second best.

Of course, outside of this main reason for the disastrous fall in Western wools are many other contributory reasons which could be mentioned. One of them is purely psychological. When two kinds of wool are displayed side by side, one clean, bright and appealing to the eye and another dirty, dusty and unsightly, the apparent inferiority of one article is being unjustly pointed

of one article is being unjustly pointed out to prejudice fair competition. I say apparent inferiority, because Western wools in their intrinsic values are not inferior to Eastern wools.

To finish this somehow lengthy letter, I must point out one more objection to the "zone system." It was introduced without first consulting the rank and file of the whole grazing community. Almost arbitrary method was employed, which I think should have never been allowed in a community where democratic principles are sacred - Yours faithfully,

T. VOLKOFKY