

1901.
NEW ZEALAND.

JOINT AGRICULTURAL, PASTORAL, AND STOCK COMMITTEE: THE LAND AND LIVE-STOCK AUCTIONS BILL, REPORT OF; TOGETHER WITH MINUTES OF EVIDENCE.

(HON. MR. T. KELLY, CHAIRMAN.)

Report laid upon the Table 8th October, and Evidence the 24th day of October, 1901, and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the Legislative Council.

WEDNESDAY, THE 3RD DAY OF JULY, 1901.

Ordered—“That Standing Order No. 162 be suspended, and that a Select Committee be appointed to consider all matters pertaining to agricultural and pastoral industries and stock, with power to sit and confer with any similar Committee that may be appointed by the House of Representatives, and to agree to a joint or separate report; with power to call for persons, papers, and records: the Committee to consist of ten members—viz., the Hon. Mr. Bowen, the Hon. Major Harris, the Hon. Mr. Johnston, the Hon. Mr. T. Kelly, the Hon. Mr. W. Kelly, the Hon. Mr. McLean, the Hon. Mr. Ormond, the Hon. Mr. A. L. Smith, the Hon. Mr. L. Walker, and the mover.”
—(The Hon. W. C. WALKER.)

Extract from the Journals of the House of Representatives.

TUESDAY, THE 3RD DAY OF JULY, 1901.

Ordered, “That a Committee be appointed, consisting of ten members, to consider all matters pertaining to agricultural and pastoral industries and stock, with power to confer and sit together with any similar Committee which may be appointed by the Legislative Council, and to agree to a joint or separate report; the Committee to have power to call for persons, papers, and records; three to be a quorum: the Committee to consist of Mr. Bollard, Mr. Buddo, Mr. Lawry, Mr. Lethbridge, Mr. Massey, Mr. Rhodes, Mr. T. Mackenzie, Hon. Major Steward, Mr. Symes, and the mover.”—(Hon. Mr. DUNCAN.)

REPORT.

LAND AND LIVE-STOCK AUCTIONS BILL.

THE Joint Agricultural, Pastoral, and Stock Committee, to whom was referred the above-mentioned Bill, have the honour to report that they recommend that the Bill be not further proceeded with this session, and the Bill be forwarded to all agricultural societies, and their opinions asked thereon.

THOMAS KELLY,
Chairman Joint Committee.

F. LAWRY,
Chairman, Committee House of Representatives.

8th October, 1901.

MINUTES OF EVIDENCE.

TUESDAY, 1ST OCTOBER, 1901.

Mr. J. MUNDEL examined. (No. 1.)

Hon. the Chairman: There are two gentlemen present who wish to give evidence, and I will call upon Mr. Mundel first, as he wishes to make a statement.

Mr. Mundel: Mr. Chairman and gentlemen,—I may state that I am an auctioneer and stock and station agent, carrying on business in Timaru, and I have been engaged in that business for a considerable number of years. I have thought for some time that this Bill is a necessary one; and, in fact, with the present system of buyers bidding through their auctioneers for their own stock or land, I have come to the conclusion that this Bill (the Land and Live-stock Auctions Bill, 1901)

is in the best interests of the auction business. As you are no doubt aware, the "trotting" system, as at present practised, is very detrimental to the auction business, and my opinion is that the system could and should be abolished. I consider, myself, that if this system were abolished it would be in the best interests of the auction business, and this Bill seems to meet the case, with the exception of clause 3, line 20. It says, "Provided that this section shall not apply in any case where the auctioneer publicly announces, at the beginning of the sale, that the vendor reserves the right to make one bid, and the vendor or his agent makes such bid accordingly, and at the time when the bid is made the auctioneer publicly announces that it is made by and on behalf of the vendor." That, I maintain, Mr. Chairman, would ruin the Bill altogether. Now, I maintain I do not like that for the reason that the auctioneer might be bidding for more than one person, and I would propose to substitute for this clause that a valuator's reserve should be put on. The reserve could simply be put on, and if the bidding does not come up to the reserve the stock is passed to the highest bidder, and this would prevent any doubt about the matter altogether.

1. *Hon. Mr. Duncan.*] Is that the case in wool auctions?—Yes, that is the case. It is the same with wool as with stock, and if the bidding does not come up to the owner's reserve it is passed to the highest bidder, and the bidder's name is named, together with the price. For instance, say the reserve is 8d., and the highest bid is 7½d., under the present "trotting" system the auctioneer might run it, as I am aware they all do; and I am quite certain, Mr. Chairman, that it is not in the public interest, and my firm opinion is that the vendor is often—in fact, generally—the loser.

2. *Hon. the Chairman.*] What do you call "trotting"?—What I might call "trotting" is where the auctioneer or the vendor, or the latter through some friend of his, increases the price supposed to be fixed for the stock when it is offered.

3. Then, you are aware that this "trotting" is very general?—I did not say that.

4. *Mr. Lawry.*] I would like to ask if you represent the auctioneers generally of the South Island?—I cannot answer that question. We had a meeting of auctioneers, and I might say, with the exception of some side-issues, we were all unanimous on the question of "trotting" that the system was injurious to the auction business.

5. Are you aware that nearly all the auctioneers in this colony condemn this Bill?—I am not aware of that.

6. I understood you to say that at a meeting of auctioneers this system of "trotting" was denounced: did you advance any means whereby to stop it?—I told you that we mutually agreed to stop it, and we found it a failure. We then endeavoured to get the present Bill introduced, and Mr. Mitchell and myself were appointed to wait upon this Committee, and state the views of the meeting.

7. And do you wish the Committee to understand that this association at Timaru was the cause of the introduction of this Bill?—I believe it emanated from Timaru.

8. Then, you must admit that your meeting resulted in absolute failure?—The meeting was not called by me. Its agreement was not adhered to.

9. What difference does it make to them? It does not matter to whom the stock are sold. Supposing you named your lowest bidder, and his drover who took his stock is the lowest bidder, what would you do?—Let him have them if he could pay for them.

10. Then, supposing he was there on behalf of the vendor?—Speaking for the auctioneers of my district, they would take good care that the vendor's interests were not sacrificed, and that is to a great extent why we sympathize with this measure.

11. Oh, you think it can be met with legislation?

12. *Hon. Major Steward.*] How would you propose to place a reserve on such stock?—I would value the sheep myself, and if I did not get that value I would withdraw the sheep until a better sale.

13. *Mr. Rhodes.*] What was the nature of the representation at this meeting which you held in Timaru?—There were eighteen associations which replied approving of the business of this measure. Some of them did not return the petition at all. We had eighteen expressing their approval, and this was taken right through the Islands.

14. *Mr. Massey.*] Following up what has been said by Mr. Rhodes, do you know how many agricultural associations you communicated with?—I cannot accurately say.

15. I think you told us in your opening statement that friends of the vendor were used for stiffening the bidding: is there anything in the Bill to prevent that?—Yes; clause 3.

16. *Mr. Symes.*] How long have you been in the auction business?—Well, I think, about twenty-two or twenty-three years.

17. And you say that during the whole of that time unreserved sales have been more successful than reserved sales?—I said sales the public had confidence in.

18. Well, what worse off are you now? You know the sales that are being held?—Yes, that is so.

19. You must have seen in your business time and again when the vendor has bid for his own stock?—Oh, yes.

20. You do not consider that equivalent to a bid?—No, I do not see how you consider it as a bid.

21. You communicated with the committees of the agricultural associations as to the utility of this Bill or otherwise: have you got the replies?—The association has got the replies.

22. You were the only one asked to come here and give evidence?—Yes, with Mr. Mitchell.

23. Well, if you had been requested to bring this documentary evidence with you, would you have supplied it?—Yes.

24. You cannot tell us whether these replies were from the whole of the colony or merely from the South Island?—Some were from the South and some were from the North Island. They were pretty general.

25. Have you any stock dealers in your district: I suppose you keep a dealer yourself?—No.

26. You do your own buying: it is all the same whether you have a recognised buyer or buy yourself?—Ours is a pure agency business; we get plenty to do without that. We hold sales every day in the week. A good many auctioneers employ dealers, I believe.

27. Do you consider, as a business-man, that there is any necessity—outside of the Timaru district—for this Bill?—I consider that it is necessary throughout the colony. I have seen both stock- and land-sales, and I consider it is necessary in all districts besides the Timaru district.

28. Do you consider that this Bill will prevent the system of “trotting”?—I think, to a large extent it will.

29. Do you not think that clause 2, instead of being in the interest of the dealer, will be detrimental to him?—No.

30. Why should his name be disclosed?—I maintain that there is no man afraid to disclose his name if the stock have come to him rightly.

31. But where is going to be the benefit?—It is a well-known fact that changes in stock are made; and I find it of the greatest importance to give the name of the vendor. Our district is a fairly large one.

32. Now, in the saving clause, line 20, is not that always one of the conditions of sale?—Oh, yes; at present it is a condition of sale, but it is only made for the requirements of the sale.

33. *Hon. the Chairman.*] This clause 3, making it unlawful for the vendor to bid, or to directly or indirectly employ any other person to bid for him: do you think this would stop it?—Well, there are the penalties fixed by that clause.

34. Well, supposing a vendor sent his stock to the sale, and he said to his neighbour, “My price is so-and-so; I will not employ you to bid, but you would get it for that”?—Well, if you knew he was ineligible you would not do it. That is my way of putting it.

35. *Hon. Mr. Duncan.*] Is it a practice in your district for agents or dealers to go round to the stations and farms and have the sheep bought up early in the season?—Yes; there is a large amount of that done.

36. And do they hold these sheep to get prices put up?—Yes, that is so.

37. And they offer them at sales, and bid, and then withdraw them?—Yes, that is so.

38. So ~~putting~~ up the prices on the farmers that there is nothing left for the purchasers: was not that largely what induced your association to try this remedy?—Yes; that and the bogus bidding.

39. *Hon. the Chairman.*] I understand there are two classes of vendors—one might be called dealers or speculators in stock, and the others farmers or *bona fide* breeders: is there a great distinction between the bidding?—From an auctioneer’s point of view there should be no distinction between the bidding.

40. *Mr. Lawry.*] Are you aware that the auctioneers pretty frequently advance money to dealers to buy sheep for these sales?—I am aware of it.

41. And do you think this Bill is going to be a solution of the whole difficulty?—I do not say so at all. It will be the means of running sales on sound business lines.

42. Supposing the House passed this Bill, do you think it would be possible for its provisions to be observed and carried out in their entirety?—I do.

43. I understand you to say that you do not approve of the Bill as a whole?—That is, with the exception of one clause.

Mr. Lawry: Well, as a matter of fact, there are only two clauses in the Bill—the others are all machinery clauses.

44. *Mr. Bollard.*] Do you know that in Auckland the auctioneers advertise all their sales?

Hon. Mr. Duncan: Do they do that on ordinary sale-days?

Mr. Bollard: In Waikato they do.

MR. THOMAS MITCHELL examined. (No. 2.)

Mr. Mitchell: I am afraid that my statement will be considered rather unnecessary after the full evidence which has been given by Mr. Mundel. I am a farmer, and have been an attendant at stock-sales for thirty years. I have noticed that the sales which have been reserve sales have been the much more successful, and it is a great stimulus to a buyer when he knows that fair bidding is going on. It makes him go to his utmost, either to purchase stock or let it pass if it is above his limit. I myself have always had a great objection to “trotting,” for this reason: that it often compels a man to give more than the real value of stock. Under the other system a man will not bid up to more than what he thinks the stock is worth. It is quite true I have expected stock would be passed, being under the impression that you could buy it for less money when the sale was over. I think it does more harm than good.

45. *Mr. Bollard.*] You consider it is simply dishonest?—I do so.

46. *Mr. Massey.*] Are you here on behalf of the Timaru Agricultural Association; and can you tell us what other associations were communicated with?—There were about thirty communicated with; about eighteen replied, and about fourteen approved of the business of this measure. There was none but acknowledged the evil, and there were one or two who did not think it was possible to overcome the evil at present. Auckland was one, Ashburton and Oamaru.

47. You would not have any objections to these associations giving evidence before this Committee?—None.

48. *Mr. Lawry.*] Are you aware that there was a large meeting of auctioneers in Auckland?—I am aware of it from the papers.

49. Are you aware what the result of that meeting was from the Auckland papers? You do not know that, so far as Auckland is concerned, the Auckland auctioneers unanimously condemned this Bill? I understand you to say that you are a farmer?—I am a farmer, and I believe in the district I represent there is not one farmer in fifty but would like to see this Bill passed.

50. And do you mean to tell the Committee that this Bill is in popular favour with the farmers in your district?—Yes, that is so.

51. And do you know anything of the feelings of the farmers throughout the colony?—No, I do not.

52. Do you indorse the views expressed by Mr. Mundel—that, if passed into law, this Bill would accomplish all that he says it would?—I am of that opinion.

53. And do you believe it would be possible for the vendors of stock to comply with all the provisions of this Bill if it became law?—I think it would be possible.

54. Are you not aware that they are now breaking the law?—Yes; but what is the use of the law unless it is enforced?

55. Do you know that the conditions of sale as read by the auctioneer are provided under the present law?—I believe it does.

56. And is there not one clause that there shall be no fictitious bidding, and such bid to be the upset price?

Hon. the Chairman: I do not think Mr. Lawry is asking a question which Mr. Mitchell would answer.

57. *Mr. Lawry.*] Well, another question. If the auctioneer does not read his conditions of sale, is it not contrary to the existing law?—I believe it is, sir.

58. And, finally, I would ask Mr. Mitchell if he is satisfied that if this Bill becomes law it will accomplish what he wants?—I think it will; and I think under the existing law the auctioneer is placed in a most wretched position.

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