

THE STATE OF THE ACCOUNT OF THE POVERTY BAY FARMERS' MEAT COMPANY
WITH THE NATIONAL BANK.

As the financial position of the company has been dealt with at length in other parts of this report, we do not think there is any need here for a lengthy statement relative to this question.

In September, October, and November, 1923, there was more than one account of this company with the National Bank of New Zealand (Limited). Taking the totals of these accounts, the company owed the bank over £300,000, and in our opinion the security which the bank held was not such as any ordinary bank or lending institution could reasonably consider to be proper, sufficient, or safe. The circumstances which show how this position came about, we think, are made sufficiently clear in other parts of our report.

THE POSITION OF MESSRS. VESTEY BROS. (LIMITED) IN POVERTY BAY AS THE THEN
EXISTING OWNERS OF OTHER FREEZING-WORKS.

Lord Vestey and Sir E. Vestey are interested in four companies in New Zealand which are registered under and carry on business in New Zealand. They are the Westfield Freezing Company (Limited), Auckland; W. and R. Fletchers (N.Z.) Limited, Auckland; Nelsons (N.Z.) Limited, Hastings and Gisborne; and the New Zealand Cattle Cake and Oil Company (Limited).

It was believed that Vestey Bros. (Limited) held certain interests in New Zealand. This is now stated on oath to be a mistaken idea, and that the controlling owners are not a limited company.

In the year 1914 a company called the Whangarei Freezing Company (Limited) was formed. It also was controlled by Lord Vestey and Sir E. Vestey. Until 1921 it conducted works at Whangarei Heads. Since that date the works have been dismantled and the assets sold, and the company is now being, or has been, struck off the Companies Register.

The governing directors of the three first-named companies are Lord Vestey and Sir E. Vestey, and the shareholders are nominal owners and hold on behalf of Vestey's. These three companies—namely, the Westfield Freezing Company (Limited), W. and R. Fletchers (N.Z.) Limited, and Nelsons (N.Z.) Limited—together with a small company called the New Zealand Cattle, Cake, and Oil Company (Limited), apparently form the whole of the properties owned or controlled in New Zealand by Lord Vestey and Sir E. Vestey, directly or indirectly.

Lord Vestey and Sir E. Vestey and their New Zealand interests are hereinafter, for brevity, at times referred to as "Vesteys."

The Westfield Freezing Company was incorporated in 1915, and conduct freezing-works at Westfield, near Auckland. That company commenced operations in 1916. W. and R. Fletchers (Limited) was incorporated in 1915, and since then have been buying produce throughout New Zealand, but does not itself export meat. Nelsons (N.Z.) Limited was incorporated in 1920, and acquired from Nelson Bros. (Limited), a freezing-works at Tomoana, Hawke's Bay, and the aforementioned Taruheru works.

From time to time the Whangarei Freezing Company (Limited), the Westfield Freezing Company (Limited), and Nelsons (N.Z.) Limited annually applied for and obtained renewal of the respective export slaughterhouse licenses held in respect of their works.

Prior to the 29th November, 1920, Nelsons (N.Z.) Limited applied to the Hawke's Bay County Council and the Cook County Council for consent to the transfers of meat-export slaughterhouse licenses for Tomoana and Taruheru works respectively.

Dr. Reakes, Director-General of the Agricultural Department, asked for certain information regarding Nelsons (N.Z.) Limited, as to whether or not it was an entirely independent company financed from its own resources, or whether it was a local company subsidiary to and financed by a larger company, and, if so, what company. Certain information was supplied, and the Director-General communicated with the Minister of Agriculture. Further inquiries were made, and before the Minister of Agriculture consented to the transfer the evidence shows