

operating the freezing-works which were first established in Poverty Bay. The Gisborne Sheep-farmers owned the second freezing-works in the district, and Mr. Lysnar's company owned the meat-works thirdly established in Poverty Bay. It was admitted by witnesses called on both sides that two works were sufficient for the district, and that the district could not have economically supported more than two.

Mr. Lysnar suggests that consent should have been refused because Vestey's were within a prohibited class. In this connection we again state, lest there may be any misunderstandings, that we entirely disagree with a statement which Mr. Lysnar made in the course of his final address to the effect that if your Commissioners approve of the action of the Minister in this matter they approve generally of trusts operating in New Zealand. We consider that Mr. Lysnar might just as well say that because the late Hon. W. D. S. MacDonald renewed licenses to Vestey's after the passing of the Act of 1918, which Act was passed after the recommendation of the parliamentary Committee of 1917, that he, Mr. MacDonald, and in consequence the Government then in power, approved of trusts operating in New Zealand.

The transfer in this case was, as we have already mentioned, a transfer of a particular license to a particular firm. When the Act of 1918 was passed Vestey's were operating in New Zealand. Their licenses had since then been renewed by another Government, not the Government in power in 1923. Vestey's had applied for a transfer to them of Nelsons' licenses, and their conduct was very carefully examined, investigated, and considered by the Minister of Agriculture, and his chief of staff.

We do not think that they were within the prohibited class any more than Borthwicks, for instance; and in passing we mention that Borthwicks were mentioned by Mr. Lysnar at page 450, where, in discussing the failure of the Taranaki works, he says, "Gradual pressure of Borthwicks and other trusts." And where he says, "It is up to the Government not to let Borthwicks operate in that locality."

We consider that Mr. Lysnar was not sincere in his endeavour to get your Commissioners to believe that he thought Vestey's were a prohibited firm.

Mr. Lysnar, as one of the directors of the works, discussed the question of Vestey's becoming the purchasers of the Waipaoa works. Mr. Lysnar, we think, was on the horns of a dilemma. We think he knew that if the Minister honestly considered what his duty was under subsection (2) of section 7 that he should exercise that duty whether it was a case of a transfer from an owner or from a mortgagee; that he should consider not who was parting with the works, but who *was going to be the occupier and user of the works*. We think also that he saw that it was illogical for his company, with his consent, to have been desirous of selling these works to Vestey's, and also to object to Vestey's acquiring these works when the sale was by a mortgagee. In our opinion this is why Mr. Lysnar so strenuously fought against any suggestion that he had offered or been a party to offering the works at Auckland, and why he endeavoured to persuade the Commission that the proceedings were mere discussions of price. We think that is why Mr. Lysnar desired your Commissioners to believe it was Mr. Rowlands who wished to come out to the Waipaoa works with Mr. Trott and Mr. Vestey. We think that is why he desired to keep us from believing that he had asked Mr. Rowlands and his party to come out to the works to inspect them and to meet the three same directors who had previously gone to Auckland for a special purpose.

We consider that the Minister did the only thing that he could fairly and equitably have done, seeing that Vestey's held licenses in the district. Vestey's, as we have mentioned before, had their licenses renewed from time to time, and it is perfectly plain that if the Minister were justified in refusing the transfer of this particular license to Vestey's under these particular circumstances, then, as Mr. Lysnar submits, Vestey's should not be allowed to own works in New Zealand.

In our opinion, if the bank had introduced some person or firm about whom the Minister could not honestly have come to the conclusion that they were suitable transferees, the Minister should have refused. That would have been possibly the bank's misfortune. But the bank's misfortune should not have weighed with the Minister.