33 H.—30.

As to buying on the hoof, this crime, if it be one, does not seem to be entirely confined to Vesteys. A perusal of Mr. Duxfield's evidence—Mr. Lysnar's own witness—we think shows this, and other evidence tending to this effect was given before us. Mr. McCullough, at page 1242, mentioned that export buyers often prefer buying on the hoof in his district. Mr. Jessep, who is Vice-President of the Meat Producers Board, at page 1420 of the notes of proceedings, said,—

As chairman of the Wairoa I can only say that I naturally like to get the stock to our own works, but much as I like to do that I cannot rid myself of the feeling, as chairman of those works, that I cannot honestly say that I can point to anything on Vesteys' part in the way of unfair trading.

As to the lowering of the price of beef, Mr. Rowlands was cross-examined about this, and we are not satisfied that Mr. Lysnar has proved his charge in this respect.

As to making the grading unreasonably stiff, it is quite true that the graders are persons employed by Vesteys; but we are considerably impressed by Mr. Tolerton's evidence that if "crooked work" were indulged in the employees would have to be taken into the confidence of the manager. This is an exceedingly serious step, and one of which no evidence was brought before us.

As to the question of abstracting more fat than should be taken, it is interesting to note the evidence of Mr. Rees Jones, who was formerly the manager of Mr. Lysnar's works. At page 1342 he says:—

Certain questions have cropped up before the Commission about the method of treating the pie wool at the works now, and during the period when you were in charge. Can you say as to whether or not the method now pursued is similar to the method pursued in your time?—From what I saw out there it is exactly the same.

Another matter that has been under consideration is the method of taking out the kidneys and a certain amount of fat. Is the method that you saw pursued nowadays out there similar to the method that was pursued in your time?—Yes.

And you say, Mr. Jones, on consideration, and after having had both these matters brought to your attention and instances pointed out to you, and the whole thing carefully considered by you, that that is so?—Yes.

We would like to point out that Mr. Lysnar was present on the occasion referred to. He argued and contested the subject with Mr. Rees Jones at the works in the presence of your Commissioners. This was prior to Mr. Jones giving testimony on oath.

In addition to the evidence mentioned above, there is evidence among the notes showing that Dr. Reakes has taken special care to make inquiries through his officers regarding the operations of Vesteys, and he states that he has not found evidence sufficient to justify the Minister in refusing, under section 7 of the 1918 Act, to renew their licenses.

We beg to add here that we express no opinion, nor do we think that we are asked to express any opinion, as to whether or not Vesteys should, or should not, as Mr. Lysnar urges, be prohibited from owning any freezing-works in New Zealand. But we take this opportunity of stating that in our opinion the main complaints made by Mr. Lysnar against the transactions in New Zealand of this firm do not appear to be supported by the evidence adduced before this Commission.

We also express no opinion, and in fact have not considered, Mr. Lysnar's contentions that legislation should be passed to ensure that freezing-works owners should have no power to buy or export meat.

The questions are, in our opinion, for consideration by others than your Commissioners.

WHETHER OTHER PURCHASERS THAN MESSRS. VESTEY BROS. (LIMITED) WILLING TO PAY THE PRICE PAID BY MESSRS. VESTEY BROS. (LIMITED) MIGHT REASONABLY HAVE BEEN FOUND BY THE SAID BANK.

At page 506 of the notes Mr. Lysnar was asked—

The bank had determined in September to call up the account and to sell. You admit—I think you have already admitted—that unless the farmers could arrange to buy, Vesteys were the only possible buyers?—Unless the Government untied the hand of the meat-exporters.

But the Government did not?—That is where the whole wrong came in; why should one be let off?

**5**—H. 30.