

CORRESPONDENCE

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HONEY PRODUCERS' ASSOCIATION.

(To the Editor).

Sir:

Yesterday I received a report on the financial position of the N.Z. Co-op. Honey Producers' Association Ltd., by the firm of Messrs Stewart, Beckett and Co, Public Accountants and Auditors, Hereford Street, Christchurch.

After reading this report one wonders how the H.P.A. have been allowed by the Government to have control and direct all the operations of the Government Honey Control Board.

The Director-General of the Department of Agriculture told beekeepers recently that it cost £4000 per year to maintain the Apiaries Division and that he expected to see results. Had Dr. Reakes instructed the Government Auditor to examine the balance sheets from year to year I am quite sure he would have found results that were not very pleasant reading. The taxpayers of New Zealand have to pay to keep up Government Departments and we have a right to know why heads of Departments allow an industry such as the beekeeping industry to get into a state of stagnation through the operations of the Control Board without drawing the attention of the Minister of Agriculture to that fact.

For two seasons now the Control Board have not exported any honey but are now trying to get control of the honey market in New Zealand, through a Bill introduced by Mr Jordan, member for Manakau called the "Honey

(local) Marketing Board Bill." The real object of this Bill is fixation of prices, which means that the retail price will go up and the profits will go into the coffers of the H.P.B.A.

I am etc.,
JOHN MURDOCH.

Ross, Sept. 1, 1931.

(Enclosure.)

I have examined the copies of the balance sheets of the N.Z. Co-op. Honey Producers' Association Ltd., for the years 1919 to 1929 and have perused the Directors' reports for the same period. The Coy., has, in my opinion gradually gone back year by year and the 1929 balance sheet figures suggest that owing to continued losses and the heavy liabilities the Company should be wound up. In the 1922 report the Directors stated—that stocks unsold were very heavy and that this Department showed considerable loss on the year's working. In this year stocks unsold in London had accumulated to the enormous total of £53,052 14s 7d. In the 1923 report they only had 350 tons of honey on hand in London at the end of the year. From it you would expect quite a good balance sheet for the year ending 1924 but this year (1924) instead of showing a good balance sheet it showed one with a loss of £15,763 5s 9d. The Directors stated this loss was offset by an equivalent asset (?) in the reputation (?) built up for N.Z. honey. Yet notwithstanding this report, the balance of profit and loss showed an increase

in 1925 and stood at £16,867. Stocks in London in December in 1925 amounted to £35,082. In 1929 the stocks in London had increased to £95,821 and the indebtedness to A. J. Mills increased to £105,835. After perusing the balance sheet for 1929 we expected to find in the Directors' report some recommendation as to the winding up of the Company but no such recommendation appears in the report.

From a perusal of the balance sheets we notice that shareholders have been paying in cash on account of share capital year by year and the increase from 1919 to 1929 is a little over £8000. Even in the year 1928-29 money was taken from new shareholders in spite of the fact that 1928 balance sheet showed that the Coy. was practically a bankrupt concern. In conclusion we would especially like to refer again to the last balance sheet of the Association. The paid up capital is £13,006 the balance to the debit of profit and loss account is £16,867 and the liabilities are over £107,000. This surely speaks for itself. The Company is hopelessly involved and steps should in our opinion, be taken by the shareholders to wind it up.

Yours truly,

(Signed) STEWART BECKETT & Co.