

# Taranaki Farmers for sale

## Big losses force firm to quit

**Taranaki Farmers has sold its stock and station business to Elders Pastoral — part of a multi-national Australian-based farming group.**

The multi-million-dollar sale, yet to be ratified by shareholders, is part of a plan to sell off all of the company's assets. Neither company would reveal the sale price.

A statement issued by the company's directors last night said the size of the losses sustained last year and the projected losses for the next few years meant Taranaki Farmers could not continue to operate its present business.

Instead, the directors had developed a plan to conduct "an orderly disposal of assets." That plan suffered a major setback last week when a deal to sell off the Devon St East, New Plymouth, department store business collapsed.

The directors are Messrs Beve Williams (chairman), Peter Blyde (deputy chairman), Bruce Veitch, Jack Heston, Ian Adamson, Tom M. Edmondson, Ron Bremner, Preston Bullin, Bob South, Jim Jagoe, Donald Sartor, Peter Murdoch and Jim Norman.

Taranaki Farmers representatives had spent several months negotiating with Auckland-based com-

pany Progressive Enterprises to sell that group all the land and buildings held by Taranaki Farmers in New Plymouth.

But on Friday night Progressive pulled out of the deal, which was to include the development of a Food Centre Supermarket, specialty shops, offices and 500 car parks. Taranaki Farmers was left without a buyer for its biggest asset.

The Elders deal was announced last night as Taranaki Farmers directors met with staff at their New Plymouth, Stratford, Hawera and Waverley stores. The 400 staff were told no guarantees over jobs could be offered.

**Stores**

The retail outlets for sale included the New Plymouth sites, the greater parts of the stores at Waitara and Stratford and all of the stores at Pungarehu, Eitanga, Kanga, Kaupokonui-Mania, and Patua. The greater part of the Hawera operation would also be for sale.

Until sales were finalised, all Taranaki Farmers' businesses, including the former New Plymouth-based corporation, which employs 40 people in New Plymouth.

**Investive**

The sale of the company's stock and station business to Elders includes the livestock, wood and real estate businesses and the stores at Waverley, Opunake, Inglewood and the Hawera Farm Supplies.

The statement issued by Farmers' directors said Elders would also operate a farm supplies and hardware business.

The general manager of Taranaki Farmers, Mr Derek Evenett, told The Daily News yesterday those parts of the company sold to Elders now employed about 100 staff.

Elders will be taking over as many staff as is prudent under the current economic circumstances," the directors' statement said.

The exact number of staff involved will not be known for several weeks according to Elders' general marketing manager, Mr Sholto Matthews, of Auckland.

But he did say Elders would run a "clean operation" in Taranaki as did in other parts of the country.

**Meeting**

The sale to Elders still has to be ratified by Farmers' shareholders, the Overseas Investment Commission and the Exchange Commission. An extraordinary general meeting of shareholders would be held in the last week of March to decide on the sale.

Mr Evenett said at that time a detailed update of the company's future would be given. He hoped that by the end of March—further potential

sales of Taranaki Farmers' assets could also be announced.

Although Farmers had no immediate buyers for its remaining retail outlets, Mr Evenett was optimistic that they could be found.

"Now that the public statement has been made we are a lot more free to discuss the disposal of the company's assets," he said.

"I hope progress will be made before the meeting in March."

The returned Perry Dines Corporation has taken over the firm of R. & P. Edmonds Ltd, which employs 40 people in New Plymouth.

The Wanganui-based industrial coating and blasting company, which has been involved in a number of Taranaki energy projects, was bought by the corporation for an undisclosed sum last week. The sale is subject to the approval of the Overseas Investment Commission.

That approval is necessary as the former New Plymouth-based corporation, which went into receivership in 1985, was the subject of a reverse takeover by the Singapore-based Baker Marine Energy company.

R. & P. Edmonds is the third New Zealand company to be taken over by the corporation since it was re-listed on the stock exchange late last year.

**'Severe blow'**

The directors said they were aware that news of the company's current difficulties would be a further severe blow to the region.

The Elders deal was another step for that company in its planned expansion into the national stock and station market. The sawleyard facilities at Hawera, Stratford, Inglewood, Opunake and Waverley were included in the deal.

Mr Matthews, of Elders, said his company planned to enhance the Taranaki livestock selling centres by using its buying strength from neighbouring regions.

Mr Matthews announced three appointments for Elders' Taranaki operations, all present Taranaki Farmers staff members.

They were Taranaki district manager, Mr Colin Morrison; district livestock and real estate manager, Mr Peter Weston; and district wood manager, Mr John Green.



Taranaki Farmers' Devon St East, New Plymouth, department store. While the company tries to sell it, the employees wait until next month for word on their future.

## 'Further expands'

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## Lead-free petrol makes its debut

Taranaki now has ULP and levels to approach that as previous regular-grade storage tanks will still have a higher lead residue to be flushed out by ULP.

If all possible cars—pills the suitable motor-movers, chainsaws and other garden equipment—switched to the new 91-octane ULP that could have a significant effect on the pollution levels in cities, according to an Australian automotive engineer, Mr Mike Mowle, who visited New Plymouth last week.

Paul Gamble (pictured), a forecourt attendant at Stander Motors in New Plymouth, fills a motorcycle with some of the first ULP to hit Taranaki. The unleaded sign can be seen on the top right hand corner of the regular pump.

## PM sells motel unit

An Auckland accountant has paid \$55,000 for a Parakai motel unit owned by the Prime Minister, Mr Lange.

The two-storey unit has been on the market since May. Mr Lange is reported to have paid \$20,000 for the unit late in 1984.

The unit, part of Hinemoa Motel, was the subject of international publicity in September 1985 when it was revealed that French agents subsequently jailed over the Rainbow Warrior bombing stayed in it at least once. The agents, Alain Mafart and Dominique Prieur, checked in on July 1, 1986, and stayed for two nights.

## 'GRAVE' MOVE

Wellington Government move to limit top State servants' pay rises would be "grave and reprehensible," the Combined State Unions chairman, Mr Colin Hicks, said last night.

The Prime Minister, Mr Lange, said earlier the Government would today announce moves to limit the size of MPs' and other top State pay rises, in advance of Higher Salaries Commission increases expected next month.

## All not lost

Dunedin A Dunedin couple, Pedro de Joannelli and Jacqueline Webb, had little to celebrate on Friday when they lost a purse with \$700—saved for their honeymoon.

They held little hope for the return of the money—after all, as Mr de Joannelli said yesterday, "£700 is a very tempting amount."

However, the story has a happy ending. Somebody returned the money after seeing a newspaper advertisement the couple placed.

"The guy refused the reward we offered him. We had to force him to take it," Mr de Joannelli said. The purse, discovered at an intersection, had been run over a few times but was still intact.



## Gloomy prospects

Wellington of Azing another 1123 jobs at Kinelith pulp and paper mill made the plight of redundant Forest Service workers even more grim, the Opposition said yesterday.

There was now no point in redundant Forest Service workers driving to Tokoroa looking for jobs because they had to meet Tokoroa workers driving the other way. National's spokesman on forestry, Mr Ian McLean, said.

About 1120 more jobs are to be axed at Kinelith, NZ Forest Products has announced. This is in addition to the 686 job reduction announced last year.

The March 31, 1987, workforce of 3320 would drop to perhaps 2200 in the pulp, paper and sawmilling areas during the next three years, the company said.

NZ Forest Products' managing director, Mr Warren Hunt, said the job losses would take place over three years, with re-ignitions and normal retirements accounting for many. The balance would come through early retirement and redundancy packages.

Mr Hicks said it was common knowledge that higher salaries in the private sector had increased by at least 25% since the last commission review in 1985.

If that amount was not passed on to senior State employees, the Government was in effect abandoning the basic principle of State pay fixing—fairly relative with the private sector.

"Once again we will see top level public servants deserting Government employment in favour of the very lucrative packages available elsewhere," Mr Hicks said.

Mr Lange, who slammed the last commission-awarded rises of up to 19% in 1985, predicted yesterday that the latest determination could be more than 30%.

## Trebling missions

Auckland British businessmen plan to treble the number of trade missions to New Zealand this year, the chairman of the British Overseas Trade Board, Sir James Clemenson, said yesterday.

After a five-day visit to Wellington and Auckland, Sir James said British industry was beginning to reclaim some of the market share it had been losing since the turn of the century.

Britain would need to look more to New Zealand and Australia as a source of exports to the Pacific rim market. Britain usually sent four or five trade missions to New Zealand in a year. Sixteen were planned for this year.

## Strikes off

Christchurch Threatened strikes by firefighters have been called off and unions will meet with the Fire Services Commission on Thursday.

The decision to withdraw from the heavy and in-depth legal discussions between lawyers representing the parties, said the secretary of the South Island Fire Brigades Union, Mr Barry Dent.

The High Court injunction against the threatened strikes would be withdrawn and have no formal legal status after Thursday, he said. "It's nice to get out of the legal area and get back to pay talks," he said.

Award talks broke down on February 13 with the commission offering 3% and the country's three unions claiming an average of a 25% rise.

## Budget move likely

ANZ-Bankers-Corporate NZ Prime Minister Bob Hawke said yesterday his government was likely to introduce a mid-budget in May because of continuing economic problems.

Mr Hawke, in a radio interview, said there were no quick solutions to Australia's balance-of-payments and foreign-debt problems.

"An economic statement is possible in May. But there are no easy solutions," he said.

He did not indicate what the Government expected to propose, but economists said it was likely to involve significant cuts in expenditure.

Mr Hawke said Australia was facing a lower standard of living because of the declining world commodity prices and the falling Australian dollar.

## Rural crisis blamed

The decline in the rural economy in New Zealand generally and Taranaki particularly has been blamed on difficulties (faced by Taranaki Farmers.

"Lack of demand for the product range and services that the company has to offer results directly from the decline in the rural based economy in the region," Farmers' directors said last night.

Despite massive efforts by the company, the gains in its market share had not been enough to offset a dramatic downturn in spending.

The statement said an unprecedented level of interest rates and a lack of equity capital had also contributed to the problems.

The statement said the position of the company and its trading results had been known by the public since last year's annual report.

Before that report the company had tried to consolidate its operations inside Taranaki.

Actions to save the company included a new trading name, advertising campaign and reorganisation of the company structure and management responsibilities.

Stock and station and retailing activities in the Wanganui-Manawatu area were cut and the company exited from the motor retailing business.

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