

The evidence given relative to this episode is important and lengthy, and we attach the main parts of this evidence as Appendix P.

In connection with the cablegram which Mr. Findlay sent, it is interesting to note that a cablegram was sent on the 3rd September, one month after the date of Mr. Jolly's diary entry. This cablegram was from Mr. Lysnar, or his company, to the company's agents in Scotland. Part of this cablegram reads:—

To avoid publicity very essential you should make satisfactory arrangements Bank of Scotland carry on twelve months as legislation assured during next session for Producers' Shipping Board to whom we would sell.

A conflict of testimony, as can be seen from the notes of evidence, occurred between Mr. Lysnar and Mr. Findlay relative to the words "appear to support." In our opinion Mr. Findlay's recollection is the correct one.

We think there was an attempt made by Mr. Lysnar to sell the ship to the Overseas Liners, and that he went to Mr. Findlay's office for the express purpose of submitting the ship at a figure and under conditions which are indicated by the cablegram sent by Mr. Findlay.

We are of opinion, as expressed elsewhere, that the disclosure by Mr. Lysnar to Mr. Jolly of the fact that Mr. Lysnar had approached Mr. Findlay under conditions which led Mr. Findlay to send a cable in the terms which he did was enough to add to the already great anxieties existing in the mind of Mr. Jolly. This was especially so when Mr. Lysnar was virtually the manager of a company so heavily indebted to the bank, and of which the chairman of directors was a gentleman who would so approach Mr. Findlay about a matter of that sort. We see no reason to disbelieve the accuracy of the entry in the diary of Mr. Jolly which relates to this matter, and we therefore consider there is no foundation for the suggestion on the part of Mr. Lysnar that the diary entry was made for the purpose of making a weapon against him.

We also think that Mr. Jolly asked Mr. Findlay about the offer of sale of the "Codrington" on the terms and conditions of which Mr. Jolly heard from Mr. Lysnar, mainly to find out whether or not there was a possibility of the ship being worth, roughly, £100,000 more than he, Mr. Jolly, thought her selling-value was. It was important from a security point of view.

We draw attention to the fact that on page 1801 of the notes Mr. Lysnar is reported as follows: "Before passing from this subject, I desire to thank Mr. Findlay for the fair way in which he gave evidence, and for his adherence to a pledge of secrecy he was under the impression he gave, but of which I have no recollection whatever."

Regarding the allegations against the character of Mr. Jones, we do not consider these are worthy of any serious consideration, but lest we may be thought to have overlooked them, or purposely not referred to them, we say that in our opinion there is no evidence to support them.

WHETHER THE MINISTER OF AGRICULTURE, IN CONSENTING TO A TRANSFER OF THE LICENSE TO MESSRS. VESTEY BROS., ACTED IN ANY MANNER CONTRARY TO HIS DUTY, OR CONTRARY TO THE PUBLIC INTEREST.

This is a most important question, especially in view of the attacks made both in Parliament and elsewhere upon the conduct and good faith of a person holding an important executive office. We propose to divide this question into two parts:—

- (1.) Did the Minister act in any manner contrary to his duty?
- (2.) Did the Minister act in any manner contrary to the public interest?

We propose first to discuss "What is the Minister's duty?" We think it was to exercise in a reasonable manner the powers conferred upon him, including the discretionary power conferred by section 7, subsection (2), of the Act of 1918.

We think it was his duty, upon receiving the application for his consent to the transfer of the meat-export slaughterhouse license which was in force in connection with the use of the Waipaoa works (for brevity we will refer to this as the "Waipaoa license"), to make reasonable inquiry, and to acquire a reasonable amount of information about the facts and position generally; and then, having done that, to honestly and fearlessly act in his capacity as Minister of Agriculture, and to either consent or refuse. We think that it was the duty of the Minister to consider