

carefully whether or not, if this particular license of this particular slaughterhouse were transferred to this particular firm, would that make it likely that the slaughterhouse would in the future be carried on in a manner contrary to the public interest.

We find that the Minister discussed this matter with Sir Francis Bell, after Cabinet had in effect said, "This is a matter for the Minister of Agriculture to deal with"—after Cabinet had minuted it back, leaving the matter in the hands of Sir Francis Bell (whom Mr. Lysnar had seen about it) and of Mr. Nosworthy, the Minister of Agriculture.

Sir Francis Bell and Mr. Nosworthy consulted relative to the matter, and it is interesting to note that at page 1557 it is reported that Sir Francis Bell and Mr. Nosworthy gave consideration to the whole position. At this interview it is stated that Mr. Nosworthy told Sir Francis Bell what he (Mr. Nosworthy) knew about the facts, and what Mr. Nosworthy did not know from the legal aspect Sir Francis Bell explained to him. In passing we may mention that there was no suggestion made by any one that Sir Francis Bell was not perfectly aware what was the legal position, and the particular legal points involved; so that it can safely be assumed that the exact position was made perfectly clear to Mr. Nosworthy.

If there had been any possible doubt about this, the matter is again referred to in evidence where it is made clear by Mr. Nosworthy, in answer to a question, that Sir Francis Bell placed the responsibility upon the Minister of Agriculture, and the Minister of Agriculture knew it, the exact words being, in reference to this point, "Yes. The responsibility was on me, as Minister of Agriculture. He did not interfere in my Department, nor I in his; but he was the Acting Prime Minister."

The application for the transfer having come from the National Bank, as mortgagee, a further interview took place between Sir Francis Bell and the Minister, to which Mr. Jolly, the general manager of the National Bank, was asked to attend. At that interview the extension of lenient treatment to all the guarantors of this unfortunate company was suggested to Mr. Jolly.

It is quite clear from the letter sent by Sir Francis Bell to the bank on the same day that Mr. Lysnar saw him that he (Sir Francis) was aware of the existence in Poverty Bay of Mr. Lysnar's works, and also that the Taruheru works were in that district; but Sir Francis explained in giving evidence that he considered that Mr. Lysnar thought he knew a great deal more about the position than he really did, otherwise he could not understand how he came to be left in ignorance of the fact that there was another meat-works operating there. It will be remembered there were three works in the district—the Taruheru, the Waipaoa, and the large works at Kaiti. He says that if he had known of the existence of the three works he would not have written his letter, with, as he put it, "all that rigmarole about there being a monopoly in Poverty Bay as an expression of what Mr. Lysnar had told me." Later in his evidence he says, "I say that I assumed he did not mention it because he thought I knew it, but at the same time I repeat that the point of the monopoly was pressed upon me at that interview with Mr. Lysnar."

Sir Francis Bell's evidence bears out what Mr. Nosworthy says—that he told Mr. Nosworthy his opinion upon the point, and he did not intervene further.

Apparently about the time that Mr. Lysnar had seen Mr. Nosworthy, the secretary of the Farmers' Union in Gisborne wired to Mr. Nosworthy as follows:—

Meat-producers this district much alarmed at suggested sale of works to Vestey's besides total loss to all shareholders capital causing ruin to many. This company can by increasing prices for two years squeeze out weaker companies thereby destroying competition. This union having loyally supported the Government in establishing Board earnestly ask your protection in serious retrograde step.

Mr. Nosworthy replied stating that he had received the telegram, and noted what was said.

Mr. Nosworthy had several discussions and interviews relative to this matter with his chief of staff, Dr. Reakes. Dr. Reakes says (page 1537) that the Minister and he discussed the position very fully from all points of view, and they took into consideration the fact that if these works were likely to be, or about to be, carried