

The position seems to us to be a complaint by owners whose property has been sold by a mortgagee to a firm to whom various of the directors of the owners had themselves already endeavoured to sell. It seems to us to be a criticism by men who were quite prepared to sell to Vestey's, and that it was with them always and only a question of price.

*In our opinion the Minister, in consenting to the transfer of this particular license to this particular firm, did not act in any manner contrary to the public interest.*

#### POLITICAL INFLUENCE.

During Mr. Lysnar's closing address our notice was directed to certain correspondence and certain incidents. We have carefully considered the correspondence referred to, and also certain documents submitted to us.

We do not consider that certain actions of certain high officials of the National Bank displayed complete correctness, or were in accordance with the conduct that we should have expected from officials well seised of the facts and of the legal position. It must, however, be borne in mind that prior to September, 1923, the bank had experienced that the various promises and undertakings of certain directors of Mr. Lysnar's company—and especially many of the promises and undertakings of Mr. Lysnar himself—were not carried out as they should have been. The bank officials had apparently come to the conclusion—and we think rightly—that the company was in an insolvent state; that it was in the best interests of the shareholders of the bank that a sale of the works should be effected to the buyer who could give the highest price; that Vestey's were the buyers from whom the highest price could probably be obtained.

Lest there may be any misunderstanding as to the particular actions that we are speaking of, we now state that we do not consider that Mr. Jolly was wrong in showing indignation when he became aware that it was rumoured that Mr. Lysnar was—as Mr. Jolly put it—taking the transaction out of the field of business into the field of politics. We think that in that case Mr. Jolly was in the right and that Mr. Lysnar was the person who, for his own private ends, was seeking to make use of the political power which at that particular time, owing to the evenly balanced position of the political parties in the House of Representatives, he (Mr. Lysnar) possessed.

Lest also there may be any misunderstanding, and that it may be thought or inferred that the Minister of Agriculture or the Chairman of the Meat Board was concerned in, or party to, or privy to the actions which we consider incorrect, we state distinctly that there is no evidence whatever to connect either of these gentlemen, directly or indirectly, with the actions referred to, and we believe that neither of them was party or privy to such actions.

We also mention that at an early stage of the inquiry it was made to appear to your Commissioners as if Vestey's in London had used influence with some high official of the National Bank in London in connection with or towards inducing the National Bank to call up this mortgage, so that Vestey's could obtain the Waipaoa works. A very careful perusal of the files, and confidential files, of the National Bank submitted to us, and of the copies of correspondence submitted to us by Vestey's representative, convince us that there is no foundation for any such belief.

The correspondence between the various officers of the bank, and between Vestey's here and Vestey's in London, shows that it was the National Bank that was desirous that Vestey's should become the purchaser, and that the bank in London approached Vestey's in London with a view to inducing Vestey's to make as high an offer as possible.

In reference to the attacks which, during the inquiry and prior thereto, have been made by Mr. Lysnar upon the character and integrity of various people, including attacks upon the conduct of the Minister of Agriculture in connection with his consenting to this transfer, we feel that we must make some allowances for Mr. Lysnar in view of the heavy financial loss which he admitted he personally has suffered, and the feelings that he must have towards his friends and others who have also lost considerable amounts of capital which they invested under his