

A cable was received by the officials of the Meat Board in New Zealand from the officials of the Meat Board in England, showing that a preliminary arrangement with the overseas steamship lines had been made on behalf of the Board, and a letter was sent on the 19th October advising Mr. Lysnar that an initial agreement had been made providing for his company joining in the contract which would be subsequently made, and receiving allotments of shipping-space in the oversea liners in the same way as other freezing companies. The further provision was made that when the "Admiral Codrington" returned to New Zealand, space on that ship should be allotted to Mr. Lysnar's company and to other freezing companies, the rates of freight and insurance to be the same as those charged on the established liners.

Several privileges were given to the "Codrington" and Mr. Lysnar's company beyond those granted to the other contracting companies. If the "Codrington" came to New Zealand she got her freight, and when she stopped away she was under no liability.

One of the many misunderstandings or disputes of which evidence was given during the course of the inquiry occurred early in connection with the transactions between the Board and Mr. Lysnar's company relative to this steamer. Mr. Jones says that Mr. Lysnar stated positively to him that the rate of insurance for the "Codrington" was absolutely the same as for all other lines, and he says, at page 753, "and probably it was because of reports that I was not satisfied with the statement, and for that reason we put into our freight clause the statement that if the insurance rates were more, then the liability was on the Poverty Bay Company." The wisdom of the insertion of this clause was made apparent by a letter sent by the secretary of Mr. Lysnar's company to the Secretary of the Board on the 10th November, which pointed out that the rates then being quoted by the insurance companies showed a certain rate for the Shaw-Savill Company, the New Zealand Shipping Company, and the Commonwealth and Dominion Company, and for all other steamers a higher rate. The secretary asked that the "Codrington" should be included under the same rates as were quoted for the "Conference steamers." The Board referred the company to the insurance companies.

There is ample evidence to show that a considerable number of shippers, including various co-operative farmers' freezing companies, "declined" to ship, "did not require an allotment by this steamer," "did not propose to ship any meat 'Admiral Codrington,'" &c. It is quite evident that the officials of the Meat Board had considerable difficulty in inducing allottees of space to take up freight space on the "Codrington," and it was stated that up to a certain date the Board did give the company assistance and satisfaction.

The "Codrington" arrived in New Zealand late, and, judging by a letter from Mr. Lysnar's company to the ship's agent in England, this made a substantial difference to her chances of getting a full cargo. According to this letter, which sets out the company's point of view, the ship arrived when reports were coming in as to the depressed state of the markets at Home, and owners of meat, one after another, decided to hold and not ship.

So as to get a full cargo, Mr. Lysnar, or some of his directors, decided on making an independent contract with certain shippers at a slightly reduced rate. This resulted in Mr. Lysnar's company obtaining a full cargo. The other shipowners considered that this was a breach of good faith, and protested to the Meat Board. The Meat Board asked Mr. Lysnar to explain the company's action, and a telegram reading as follows was sent on the 27th April, 1923 :—

Yours twenty-first received to-day as owing to Allotment Committee having failed to arrange for filling the whole of the insulated space of the "Admiral Codrington" we had no alternative but to endeavour to complete loading of same by offering a reduction in freight for the cargo which we are short as we are not making any reduction on frozen cargo that was finally booked by the Allotment Committee and under the circumstances it is no way contrary to clause 8 of the agreement. Nobody would be better pleased than this company if the Allotment Committee will arrange for a full loading of frozen cargo at current rates. It would be unreasonable to expect this company to send the ship away only partly loaded.