

This was followed on the 28th April, 1923, by another telegram from Mr. Lysnar's company to the Allotment Committee at Wellington :—

With allotments standing made through you and with what we have secured we are still thirty thousand freight carcasses short of full load frozen products for "Codrington." What can you do to fill her to save us further cutting rates in order secure full load ?

This was followed by another telegram, despatched on the 28th or 29th April, to the Meat Board, as follows :—

We have to-day sent following wire to Allotment Committee and will be glad if you can co-operate with them in securing full load. Telegram starts : With allotments standing made through you and with what we have secured we are still thirty thousand freight carcasses short of full load frozen produce for "Codrington." What can you do to fill her to save us further cutting rates in order secure full load ?

The Allotment Committee replied by telegram dated the 1st May, 1923, to Mr. Lysnar's company :—

Your wire 28th April has been received. Contract gives no guarantee of full load to any one and steamers of shipping signatories to contract are sailing and will sail short. We consider your action in giving space at reduced rates a breach of contract and we have referred matter to Meat Board. We asked you in telegram of 16th April whether you agreed to our offering space to Lyttelton and Timaru but you did not reply nor did you reply *re* Oamaru space. Without prejudice we are allotting to each works Timaru Lyttelton Port Chalmers and Bluff and will notify you result in due course.

The Meat Board wired on the 3rd May to Mr. Lysnar's company stating that they considered the company's attitude contrary to the contract, and on the 7th May Mr. Lysnar's company wired to the Allotment Committee as follows :—

With 11,000 Napier 3,000 Wellington made through you and bookings made by ourselves "Codrington" will now be full ship consequently no need to follow up further bookings thus showing that the "Codrington" was a full ship.

Lengthy correspondence took place, and the last paragraph of a letter of the 17th May from Mr. Lysnar's company to the Meat Board reads as follows :—

We therefore trust, with the explanation we have given you, that your Board will not consider we have broken the contract any more than the Allotment Committee has itself done. In plain fact they failed to comply with the contract by failing to fill the whole of the space as contemplated by the contract. Consequently this left us free and untrammelled by the contract to fill it ourselves in the best way we could, which is the only thing we could do under the circumstances.

The Meat Board evidently considered that the cutting of the freight under these particular circumstances was a breach of faith as between the various shipping signatories to the contract, and that it was an unfair attempt by one of the signatories to get an undue proportion of the total trade offering.

Mr. Lysnar's company got an opinion from one counsel who said that there had been no breach of the contract by his company; and the Meat Board got an opinion from another counsel who said that there had been no breach of the absolute letter of the contract, but he pointed out that the contract made between Mr. Lysnar's company and the shippers of the meat at the cut rate was a contract in contravention of section 12, subsection (2), of the Meat-export Control Act, 1921-22, and in consequence was a void contract. That subsection reads as follows :—

Every contract for the carriage of meat by sea made otherwise than in conformity with this section shall be void.

Mr. Lysnar sent to the Chairman of the Meat Board a letter enclosing counsel's opinion, and in this letter, dated 25th June, the following appears :—

I trust that in view of this opinion your Board will not continue to consider that we broke the contract either in its letter or spirit, for my Board would be extremely sorry to think that they had intentionally departed from their strict legal or equitable position in regard to the contract.

At an interview which took place between Mr. Lysnar and Mr. David Jones the "cutting of the freight," as one party calls it, and "the breaking of the contract," as the other party calls it, was discussed, and Mr. Jones says that he told Mr. Lysnar in language more emphatic than accurate that he had "simply stolen the meat of the other contracting lines," and in the opinion of the Board had pursued a course that was not honourable.