

Further correspondence took place, and a letter of the 6th November from Mr. Lysnar's company to the Meat Board, and of the 12th November from the Meat Board to Mr. Lysnar, are attached hereto as Appendix S. A copy of counsel's opinion relative to the final non-inclusion of the s.s. "Admiral Codrington" in the 1924-25 contract is attached as Appendix T.

In view of the contents of a letter of Messrs. Wilson and Foulis (who are the solicitors to the Bank of Scotland—the mortgagee of the ship as is mentioned elsewhere in this report), which letter shows that "We"—that is, Wilson and Foulis—"authorized Workman, Arbuckle, and Mackinnon to effect a charter," and in view of certain other events which we do not consider it necessary to detail, we are of opinion that the Meat Board was quite justified in taking up the position which it did in connection with the 1924-25 contract.

We have also carefully considered the terms and conditions which are referred to as "same terms and conditions as before" in the cablegram of the 18th January, 1924, from Workman, Arbuckle, and Mackinnon, who are the company's agents in Scotland, and we are satisfied that Mr. Lysnar's explanations, contentions, and arguments, particulars of which appear on pages 2140 to 2146 inclusive of the notes of proceedings, were not well founded.

In short, we are of opinion that the Meat Board was perfectly justified in refusing to include the ship "Admiral Codrington" in either of the freight contracts for the seasons 1923-24 or 1924-25.

ACTION OF CHAIRMAN AND OF MEAT BOARD IN ACQUIESCING IN SALE.

In connection with the matter styled "(ii) The action of the Chairman and of the said Board in acquiescing in the sale of the company's premises to Messrs. Vestey Bros. (Limited), or to a company controlled by Messrs. Vestey Bros. (Limited)," and in connection with the complaint, or ground of complaint, numbered (4) in the letter dated the 14th day of June, 1924, referred to in this inquiry, we are of opinion that it will be convenient to deal with both these matters at the one time.

Complaint No. 4 can be summarized as follows: "That, in connection with the sale of the Poverty Bay Farmers' Works to Vestey Bros., Mr. Jones and the Board prejudged this matter and came to a decision without giving the Farmers' Company any opportunity of being heard or considered, notwithstanding that they applied to be heard."

Both these matters, we think, can be here dealt with. The facts pertinent to these matters appear to us to be as follow:—

It is clear from a perusal of the evidence that on or prior to the 1st February, 1923, the members of the Meat Board had become aware of the serious financial embarrassment of various freezing-works in New Zealand, with the result that certain resolutions were passed. Mr. Jessep, the Deputy or Vice Chairman of the Meat Board, stated, at pages 1404 and 1405, that on various occasions he had been approached by more than one member of the directorate of Mr. Lysnar's company, and by a good many shareholders. He stated that they had inquired from him as to what would likely be the attitude of his Board if the freezing-works belonging to their company were sold by the company to Vesteys. He further stated that he had told them that, so far as he knew, his Board would not object to the sale, or to the transfer of the license if Taruheru were dismantled. There is also other evidence showing that the state of affairs in connection with Mr. Lysnar's company was not unknown to the members of the Meat Board, or, at any rate, to certain members, including the Chairman and the Vice-Chairman, and that this was so for some considerable time before the month of September, 1923. It also appears from the evidence that when Vesteys did make their offer, Mr. Jolly was aware that the consent of the Minister of Agriculture was necessary before a transfer of the license could be effected, and it is also apparent that Mr. Jolly considered either that the approval of the Meat Board was necessary or that it would be likely that the Minister, when considering the advisability or otherwise of consenting to a transfer of the license, would be in touch with the Meat Board on the subject. It is not unnatural, therefore, to find that Mr. Jolly, as general manager of the mortgagee