

of these works—a mortgagee to whom had been offered what he thought was a reasonable price under all the circumstances—should endeavour to find out what the Meat Board's attitude would be relative to the sale. Mr. Jolly made an application to the Meat Board relative to the matter, and a wire was despatched to Vestey's representative in Auckland, asking whether or not they would be prepared to dismantle the Taruheru works if consent were given to a transfer to Vestey's of the license for Mr. Lysnar's works. Vestey's reply being in the affirmative, the matter was discussed by the Board, and the evidence shows that the Board unanimously decided that it could see no reason for objecting under these conditions to a transfer of the license.

Judging by the wording of certain wires sent at a slightly later date by Mr. Jessep to the Farmers' Union, it is possible that it was not clearly present to the mind of Mr. Jessep that the sale would be a mortgagee's sale against the wish of the owner. We deal elsewhere with the difference, if any, between a sale by an owner, a sale by a mortgagee with the consent of the owner, and a sale by a mortgagee without the consent of the owner.

It is to be noted that the offer of Vestey's had been communicated to the directors of the Poverty Bay Company on the 6th day of September. Shortly after, Messrs. Lysnar, Witters, and Coop proceeded to Wellington and interviewed the bank-manager on the 11th September, submitting to him on behalf of the company various proposals as to finance, and making requests for further leniency on the part of the bank.

Mr. Jolly apparently discussed the position with these gentlemen during a considerable part of the 11th September. A further interview was arranged for the afternoon of the 12th. Late in the afternoon—somewhere about 5 o'clock—the ultimate decision of the bank-manager was conveyed to the directors—viz., that the bank would not alter its decision, and that it would not favourably consider the new proposals for finance, and that it was determined to go on with the acceptance of Vestey's offer. Messrs. Witters and Coop departed, leaving Mr. Lysnar with the bank-manager. Certain matters connected with the private account of Mr. Lysnar then were arranged.

There is considerable conflict of testimony as to what happened in the bank parlour after Messrs. Witters and Coop left. According to the evidence of Mr. Jones and Mr. Jolly, the decision of the Meat Board was communicated to Mr. Jolly after Mr. Lysnar, Mr. Witters, and Mr. Coop left the bank parlour.

After hearing Mr. Jolly's final decision, Mr. Lysnar determined to get the Meat Board to stop the sale to Vestey's. His story is that he proceeded to the Midland Hotel, where presumably he expected to find Messrs. Witters and Coop. Finding that they did not return to the hotel, he left a note that they should follow him to the Meat Board's office.

Mr. Lysnar stated that he rang up the Meat Board's office, found that a meeting was being or had been held that afternoon, and that if he went round he would be in time to see the Chairman. He went round. Some minutes after his arrival he saw the Chairman, and regarding what took place at this interview there is one of those unfortunately not infrequent differences of recollection between Mr. Lysnar and the other party to the occurrence. It is to be recollected that the Meat Board had that afternoon at its meeting decided not to object to a sale of Mr. Lysnar's works to Vestey's. Mr. Jones says that Mr. Lysnar raised the question with him, and that he told Mr. Lysnar definitely and clearly that the Board had dealt with the matter and it had decided not to oppose the sale. Mr. Jones also says that Mr. Lysnar asked for a chance to put the company's position before the Board, stating that the company had agreed to sell the ship "Admiral Codrington," and that this would make the company's finances easier; and also that if the Board refused its consent Mr. Jolly had agreed that the National Bank would carry the company on. Mr. Jones says that from what he knew of the matter, and from what Mr. Jolly had told him, this question about the bank carrying the company on seemed to be a statement contrary to fact, but that Mr. Lysnar definitely said that Mr. Jolly had so agreed.

The matter was apparently still being discussed by Mr. Jones and Mr. Lysnar when Mr. Jessep—Vice-Chairman—and another member of the Board were on their way out of the building in which the Meat Board office is situated. They