

were met by Messrs. Witters and Coop. Thereupon Mr. Jessep had a conversation, apparently of some considerable duration, with Messrs. Witters and Coop. At this interview it appears Mr. Jessep pointed out to Messrs. Witters and Coop that he thought the offer of Vestey's was a very fair price, taking into consideration the circumstances, and he apparently mentioned the position of the Waingawa works, and that they were for sale at—as he put it—a price about £80,000 below what Vestey's were offering.

There is a conflict of testimony between Mr. Jessep and these two directors as to a certain remark having been made by one of the directors at this interview with Mr. Jessep, to the effect that, no matter what would take place inside the room into which they were going to meet Mr. Lysnar and the Chairman of the Meat Board, the personal view of the particular director was that he did not want the sale stopped.

It is quite clear from the evidence that Messrs. Witters and Coop did not proceed directly from the National Bank on the afternoon of the 12th September to their hotel, and, although it is denied by them, Mr. Jolly states that they told him the following morning before they left Wellington that they had, when they left his office, “walked the streets for some time and talked the matter over, and had come to the conclusion that the sale was probably the best thing.”

One of the facts not in dispute in this matter is that Mr. Jolly, on the afternoon of the 12th September, had discussed with the three directors the loss that was probably going to fall upon the guarantors to the bank if the bank accepted Vestey's offer. Mr. Jolly told these directors, in effect, that if the company agreed to a sale going through at the price and on the terms indicated by Vestey's, the bank would make a very considerable concession in favour of the guarantors.

Mr. Coop admitted, when pressed about this matter, that it was quite clear that if Vestey's were lost as a possible buyer the loss that could ensue to the guarantors might increase by some £40,000; he also admitted that he did not know, when he was giving evidence, just what he was thinking on the 12th September. We consider that Mr. Jessep's version of this incident is correct, and that Messrs. Witters and Coop have honestly forgotten certain of the particulars of the occurrences at the incident referred to by Mr. Jessep.

The Meat-export Control Act, 1921–22, was passed for a special and particular purpose, as appears from the preamble thereof. It seems questionable as to how far the Board was justified, or would be justified, in acting in the direction of directly or indirectly preventing the sale of the Waipaoa works to Vestey's, or in preventing a transfer of the meat-export slaughterhouse license issued in respect of that license. Assuming, however, that the Board had power to exercise control over the license or in connection with the sale, we think the actual complaint contained in No. 4 of the letter of the 14th June, 1924, before referred to, is mainly covered and answered by the fact that the Board had actually come to a decision—and, it may be noted, a unanimous decision—after discussion, before any request was made for the Board to hear the company. The Meat-export Control Act of 1921 cannot possibly be construed in the nature of a Mortgage Extension Act. We consider that if Mr. Lysnar's company had decided to sell to Vestey's, and the Meat Board had attempted to interfere, that the owner would have been morally entitled to place before the Board its complaint against the Board interfering with its power of disposal of its own property; but this does not mean that an owner is entitled to ask the Board to interfere with the rights of a mortgagee.

We note now in passing, and will return to the matter later, that Mr. Jessep had been approached on several occasions by various—“a good many,” as he puts it—shareholders, and by Messrs. Matthews, Coop, and Witters, directors, about the position that the Board would take regarding the contemplated sale by Mr. Lysnar's company *as owner* to Vestey's. It is quite evident that the anxiety of these parties as owners was in the direction of preventing the Board from exercising, or attempting to exercise, any real or fancied powers which the Meat Board had, or were supposed to have, in stopping a sale or preventing a transfer of the license to Vestey's.

Passing from that point in the meantime, we think that it is quite clear, so far as the position existed between the National Bank and Mr. Lysnar's company