

other lines in the trade, we consider that the explanations given by Mr. Jones and Mr. Fraser form a satisfactory answer to Mr. Lysnar's complaint. At page 747 Mr. Jones said that—

Such a clause in our present agreement would be meaningless, because our contract is with certain lines to carry all the meat in New Zealand; consequently there is nothing left for another line to take—without giving the line the contract for the whole of it you would not get the same terms.

You would not be able to effect the contract?—No.

So that such a clause as suggested by Mr. Lysnar is in your opinion wholly out of place in the class of contract made by the Board on behalf of those exporters for the carriage of meat exported from New Zealand?—Yes; the Board considered it when we were contracting in the first place, and when discussing it with the shipping companies, and we have worked without it because it would be without meaning.

Mr. Fraser's reference to the clause appears at page 1450, as follows:—

That is the clause that provided that the shippers should get the benefit of any allowance in the way of primage or deduction made by the shipping companies?—Yes; I remember that. When the Board came into existence we made a contract for the whole of the meat from the Dominion, and to insert a clause like that—Mr. Lysnar ought to know it—would be practically putting a loophole for everybody to break.

The contract entered into by the Board with the shippers was that the whole of our meat would be carried from New Zealand to England by the shipping companies, and therefore at an agreed rate; consequently there was no room for any such clause?—Prior to the Board coming into existence freezing companies made their own arrangements with shipping companies for the carriage of their respective cargoes. You can quite understand a freezing company asking for a clause like that being put into the contract, because if a competitor freezing company got a lower freight rate they would be in a position to offer more for stock. Obviously, to protect themselves they would ask for such a clause to be inserted.

Such a clause was inconsistent with the contract for the carriage of the whole of the meat at a given price?—Yes.

#### COMPLAINT NO. 7 IN LETTER OF 14TH JUNE, 1924.

In connection with the complaint No. 7 in the letter of the 14th June, 1924, that Mr. Jones's letter to Mr. Lysnar, dated 16th April, 1924, shows a bitter, hostile, and reckless attitude unworthy of his position, and warrants his removal from office: While Mr. Jones's letter cannot be cited as a pattern of courtesy, and is in certain matters inaccurate, we think that we would not be justified in saying that Mr. Jones's conduct in writing this letter was contrary to his public duty or to the public interest.

As to the main facts Mr. Jones's letter appears to be correct. It is quite true there is an inaccuracy in reference to the statement that Mr. Lysnar in writing offered to sell the works and ship to Armour and Co., and that the price and particulars are on record. Mr. Jones's explanation regarding this is that a misunderstanding had arisen between Mr. Carney and himself, and that the writing that Mr. Jones referred to was in reality the £340,000 mortgage transaction. It is also clear that Mr. Jones is in error relative to that part of the letter where he says that Mr. Lysnar spent the greater part of an afternoon going into the whole position, &c. The interview, in our opinion, certainly did not take up anything like the greater part of an afternoon.

We do not look upon this complaint as being serious or important.

#### MISSING PRIVATE JOURNAL.

We have referred to the fact that a certain Private Journal was not available. This book (which Mr. Lysnar at one time presumably thought never existed, because at one stage of the inquiry he said, "You are looking for a mythical book") is described by Mr. Irvine, one of the auditors of the company, as a book well known to him, because it was a very important book, containing the whole of the transfer entries at the finish of the year's work. He said that it disclosed a lot of information—in fact, most important information.

Mr. Clarke's views about the book can be seen from the following extract from the notes of evidence, at page 1501:—

Then the Private Journal is a necessary key to the whole of the accounts?—It is the keystone to the whole of these accounts.

The keystone to the whole of these accounts is missing and cannot be obtained?—That is so. If you take the Private Ledger here, you will see frequent references to it.