

On the 3rd October, 1923, the company wrote to the Chairman of the Meat Producers' Board another letter [enclosed marked "F"], embodying a resolution that had been passed at a meeting of shareholders of the company protesting against the suggested sale to Vestey Bros., as it would be a calamity and contrary to the spirit and intention of the legislation and the pledges of the Government if a sale was sanctioned to such a huge combination, as it would unquestionably give Vestey Bros. an undue advantage as against other buyers of stock and so stifle competition to the detriment of trade generally.

A special request was again made in this letter to the Meat Board to fix the earliest possible date when the company's evidence might be taken. To this the company received no reply from the Meat Board until the 8th October, 1923, when the following telegram was received: "Board will receive deputation Wednesday, please wire time suitable."

To this telegram the following reply was sent: "We received telegram from your Chairman Saturday evening same subject your wire we immediately replied to Mr. Jones as follows—just received your wire impossible for directors meet you Wednesday meeting of shareholders here Tuesday necessitating their presence can you make appointment Friday first boat leaving here Wednesday night."

Several wires were exchanged between the Meat Board and the company which are not of any immediate importance, and then the company sent a wire asking the Meat Board, in view of their Chairman's public statement on the 3rd October, which intimated that the Board had come to a unanimous decision in the matter, for an assurance that the Board had not prejudged the matter, otherwise it was useless the directors interviewing the Board; and as no assurance was given in this direction the directors never met the Board in the matter, and the three applications to the Board referred to above to deal with the matter were never heard by the Board, and the company had no opportunity of placing its views before the Board in connection with the matter.

The public statement made by Mr. Jones, as Chairman of the Meat Board, was made in Christchurch on the 3rd October, 1923, and was embodied in a Press message that was telegraphed throughout the Dominion. The following extract is taken from this statement by Mr. Jones: "The Board were unanimously of the opinion that it could raise no reasonable objection to Vestey and Co. purchasing the Poverty Bay Company's works if they closed and dismantled their other works some eight miles away. This they have agreed to do."

From this statement it clearly shows that the Board had considered the matter without hearing the company interested who had applied to them for a hearing. This in view of the great powers given to the Meat Board by Parliament (which are in effect greater than are usually given to a Judge of the Supreme Court) was a breach of duty of the Board, and the Chairman in particular, when they failed to give the local company an opportunity of being heard, with the result that the company were prejudiced, and the sale was carried through with the loss of not only the share capital of the company, totalling £273,639, but of a substantial amount to be made up under a guarantee by the directors.

All the directors and shareholders of the local company expected was that the Meat Board would deal with the matter on its merits after hearing all interested, and carry out the spirit of the Act with common justice and fairness, and this has not been done.

Regarding No. 5 above: I attach hereto letters and telegrams marked "G1" to "G12," dealing with the question of the Meat Board excluding the Poverty Bay Farmers' Meat Company's s.s. "Admiral Codrington" from the New Zealand frozen-meat trade.

In this correspondence it will be seen that the reason alleged by the Board for excluding the ship from the New Zealand contract was as stated in a telegram, viz. [exhibit G5].

"When Lysnar discussed with the Chairman of Board the sale of company's works to Vestey's he informed the Chairman that ship was to be sold. Meat Board never received any request from any one connected with your company to have 'Codrington' included in new contract, although your Board and the receivers of your company must have known negotiations were going on."

Mr. Lysnar, and Messrs. Coop and Witters, two other directors, who were with him during most of the interview referred to, deny absolutely that anything was said that the ship was to be sold; that interview was to arrange a date for the Board to hear an application the company was to make asking the Board to stop the forced sale of the works by the National Bank of New Zealand to Vestey Bros., and at the interview Mr. Jones expressed himself against interfering in consequence of certain information which he would not disclose. But, even if his admission was correct, the Board should have at least inquired if the boat was in fact sold before the contract was concluded.

The company was not aware or acquainted by the Board that there were negotiations for a fresh contract. The company was a party to the existing freight contract, and it naturally considered that when it was desired to renew the contract the Board would communicate with the company in the matter.

The statement that the Board had never received any request from any one connected with the company to have the "Codrington" included in the extended or new contract is both untrue and unfair, and is a mere quibble with a very serious act.

I had made it perfectly plain to Mr. Jones that it was most essential that the company's steamer was included in all future contracts, and for this reason the directors were most anxious that the Board would have no cause of complaint against them, and they took counsel's opinion regarding the Board's contention that they had broken the shipping contract through making certain concession on the freight charged. (See letter B6 attached.)

Just before the counsel's opinion was taken in June, 1923, I informed Mr. Jones that the head of the company's bank had informed me he had heard on reliable authority, viz.: "That this company had put its cap on with the Meat Board through it having made a concession in freights, and the Meat Board would not include the 'Codrington' in another contract."