

be observed that Mr. Carney said, as reported on page 373, that he had no authority to spend his company's money in guaranteeing outside accounts without consent of his Chicago principals. Mr. Carney also says the conditions were not as Mr. Lysnar led him to believe.

We do not think the bank could have reasonably been expected to allow the company's indebtedness to be increased.

DIARY EPISODE, AND ATTACKS ON CHARACTER OF MR. JOLLY.

The conduct and character not only of the Minister of Agriculture was attacked by Mr. Lysnar, but he also attacked the integrity of Mr. Jolly, general manager of the National Bank of New Zealand (Limited), and he also at one time made attacks or insinuations against the actions and motives of Mr. James Findlay.

As is well known, Mr. Lysnar made attacks against Mr. Jones, Chairman of the Meat Board, and at one stage he made insinuations against Dr. Reakes, but, although challenged to "say his worst," he made no direct charge against the Director-General of Agriculture.

At one time during the course of his final address Mr. Lysnar was extremely bitter against the Minister of Agriculture. We think that this particular bitterness was occasioned by a phrase which the Minister used in giving evidence. In this particular phrase the words "outside of" were used, the Minister intending to mean "besides." Mr. Lysnar—without in our opinion giving consideration to the context, which placed the matter beyond doubt—drew an inference that the Minister had asked that the bank should extend leniency to all other guarantors *except* Mr. Lysnar. A proposition of this sort seemed so strange that your Commissioners were surprised to hear the construction which Mr. Lysnar placed upon the evidence. When one peruses the context it is perfectly clear, as was afterwards explained, that the Minister intended to say "besides," or "in addition to." The matter, to our mind, even without the explanation given by the Minister afterwards, seemed perfectly clear, because in practically the next sentence or answer the Minister said that he suggested leniency to *all* the guarantors. "All the guarantors" included not only Mr. Lysnar, but his co-directors. We feel sure that in view of the explanation, all feeling of bitterness on this point has been removed from Mr. Lysnar's mind.

There was a suggestion made by Mr. Lysnar that there were several sinister arrangements, or conspiracies, and the concluding paragraph of the document called the "Directors' Reply" reads as follows:—

In conclusion, the directors desire to state that in their opinion a very grave wrong has been done to this company by the bank, in effect, conspiring with the Minister of Agriculture and the New Zealand Meat-producers Board, in order to ignore the rights of the company in connection with the sale of the company's works to Vestey Bros., and the shutting-out of the "Admiral Codrington" from the New Zealand trade.

There is also a paragraph almost at the end of the letter of the 14th June, 1924, which reads:—

In conclusion, it is quite apparent from all the circumstances that Mr. Jones in particular and the Meat Board set themselves out to assist in breaking up the local company to satisfy the bank's desire, and for the benefit of the biggest combine in the world; also to exclude the company's ship from the New Zealand trade, and this they have done without hearing the company in defence of its rights and position.

During the hearing Mr. Lysnar gave evidence of certain interviews that he had with Mr. Jolly. One of these interviews related to the question as to whether Mr. Lysnar had or had not threatened to use political influence to stop the sale. The first intimation that Mr. Jolly had of this matter was, he stated, that he received a telegram from his manager at Gisborne reporting that there was a rumour in Gisborne to this effect. He thereupon sent for Mr. Lysnar, and Mr. Lysnar says that he resented Mr. Jolly as his banker, endeavouring to dictate to him as to what his political actions should be. Mr. Jolly's point of view was that he was indignant—and we think rightly indignant—at any attempt by Mr. Lysnar, or any threat by Mr. Lysnar, to use his political influence to interfere with what he admitted was the legal right of the bank to exercise its power of sale.