

owners of the ship lost that complete control which they had previously possessed over the carriage of the meat frozen and exported from the works.

No approach was made to the Meat Board relative to the 1923-24 season until a telegram was received by the Meat Board on the 18th January, 1924.

It is to be noted that early in the month of January certain cablegrams passed between Mr. Lysnar's company and their agents in Scotland. (For shortness we will refer to cables to Mr. Lysnar's company as "Gisborne," and cables from Mr. Lysnar's company as "Glasgow.")

On the 8th January "Gisborne" received a cable reading—

After great difficulty have got Bank Scotland agree accept five thousand reduction otherwise will accept first satisfactory offer Saturday afternoon.

Another cable dated January, 1924, reads—

Impossible us to do anything here trust you and — arrange save situation otherwise disastrous.

On the 18th January "Glasgow" cabled to "Gisborne"—

Another voyage — very doubtful. Can you arrange for New Zealand — ? voyage — preferred. Could probably arrange finance —. — same terms and conditions as before.

We direct your attention to the date and contents of the cable of the 18th January, and also to the date and contents of the wire to the Meat Board which is said to be the first request to the Board relative to the 1923-24 contract.

On the 4th February "Gisborne" cabled to "Glasgow,"—

Do best to secure another freight — or elsewhere. Position with Meat Board unsatisfactory.

And on the same date "Glasgow" cabled to "Gisborne"—

Referring to your telegram 26th ship has been fixed for another voyage — —.

Now, the wire from Mr. Lysnar's company to the Meat Board, dated the 18th January, read :—

We are desirous to arrange for the "Admiral Codrington" to come out to New Zealand. Consider we have a load of frozen meat and general cargo. Can we depend upon your Board assist in loading her with frozen meat at current rates ? Please wire reply.

In the course of his evidence, at page 774, Mr. Jones again referred to his conversation with Mr. Lysnar regarding the sale of the ship :—

The only conversation was on the 12th September, when we discussed the sale of the works, and when Mr. Lysnar told me, in connection with the financial position of the company, that it would be considerably eased, because they had decided to sell the ship.

Mr. Jones's explanation as to why the "Codrington" was not included in the 1923-24 contract can be summarized in Mr. Jones's words, taken from pages 774, 775, and 776 of the notes :—

You told the Commission that in 1923-24 shipping contract provision had been made for the total inclusion of the "Codrington" ?—Yes, we instructed our representatives that that clause had to be put into the contract, and it was done.

What happened in New Zealand in reference to that ?—The position in New Zealand was that after the receiver was put into the works we received from Mr. Jolly a statement that has been quoted here, which showed to my Board the financial position of the "Codrington" in her last voyage unable to pay her way. After the receiver was put in I saw Mr. Jolly and asked him whether it was true that he had a lien over the "Codrington" and that any profits would come to them. No application came from the company—we received no application whatever to have her included. We assumed that the vessel was to be sold if a buyer could be found, and my Board considered that she was quite out of the business altogether. No application was ever received from the Poverty Bay Company until the 18th January, 1924, and the contract was actually signed on the 5th January, 1924, in New Zealand.

Did you seek the information from Mr. Jolly with respect to the position of the "Admiral Codrington" ?—When he discussed with me the question of the sale of the works on the 12th September, naturally I inquired about the ship as well as the works, and Mr. Jolly then informed me of the position, and later gave us the correspondence.

Did you regard yourself as justified in instituting inquiries as to the position of the "Codrington" and as to the stability of the Poverty Bay Company after the sale to Vesteys ?—I considered it would be very wrong if I had not done so. We were carrying a big responsibility—our freight rates were about two million a year.

When the Board determined to omit the "Codrington" from the 1923-24 contract it was aware of the financial position of the Poverty Bay Farmers' Company, and also of the position which had happened with regard to financing the disbursements of the vessel in the previous year ?—That is so.