

operation it was a matter of £14,157 that was available. [Refers to document which appeared to be a cash statement simply signed by Workman, Arbuckle, and — (not audited), and showing disbursements and receipts of Argentine trips.] That has cleared us of all liabilities at Home and enabled the ship to be overhauled and put in good order, and while she has been waiting —

*Mr. Hunt* : Your company have no funds. How can one deal with a company that has not funds ?

*Mr. Lysnar* : We have on the face £14,000. Of course, I produced that signed statement for that, and in addition I may say we now will have the uncalled shares, which total approximately £22,000. Of course, what the directors decide to do with that £22,000 I cannot speak of, but so far as the bank is concerned we have settled that and got it for good.

*Mr. Hunt* : From all the evidence we have you have no funds. If that is not correct, produce evidence in writing—produce it.

*Mr. Lysnar* : Well, I just produced to the Chairman——

*Mr. Perry* : But we cannot go by that.

*Mr. Lysnar* : I think the best thing would be for you to state in writing what you do want, and I would be glad if you would repeat in writing what Mr. Hunt has told me several times. It is quite evident, of course, that the Board does not want to help this company to get any of the New Zealand trade.

*Mr. Hunt* : But you admit yourself that the company is beyond help.

*Mr. Lysnar* : I do not at all.

*Mr. Hunt* : But you have said so in your statement.

*Mr. Lysnar* : That statement is put in for the purpose of avoiding having to pay stamp fee—£200 or £300.

*Mr. Hunt* : That makes a definite statement—you have no funds . . . no definite results from that boat.

*Mr. Lysnar* : What I state there is we have no intention of bringing that fund out here. We had no funds here at that date, and what she earned at the other end we are not bringing to New Zealand.

*Mr. Hunt* : You understand that under no circumstances can the ship——

*Mr. Lysnar* : . . . on the shareholders—that remains to be seen.

*Mr. Hunt* : [Reads from declaration] “ In any event it is plain that any surplus above the amount of the mortgage over the said ship will not be sufficient to discharge the balance due to the said bank. The holders of shares in the capital of the company will not receive anything when the company eventually goes into liquidation. . . . The company has no funds with which to pay the annual license, and any moneys which it may possibly receive by means of calls or otherwise must at once be paid to the bank. . . . ” You cannot get a clearer statement of bankruptcy than that, and that is your own statement.

*Mr. Lysnar* : That depends upon what the boat ultimately realizes.

*Mr. Hunt* : It does not depend upon anything ; it says here : “ The holders of the shares in the capital of the company will not receive anything when the company eventually goes into liquidation.” So with that statement before us how can this Board enter into contract with you.

*Mr. Lysnar* : You read a part of the statement. That statement is qualified by the preceding portion of it. [Reads to himself.]

*Mr. Hunt* : But you state there that your company has no interest . . . and never can get any interest in it.

*Mr. Lysnar* : Well, whatever that statement is we have funds.

*Mr. Hunt* : Give us something definite.

*Mr. Lysnar* : I have just produced to your Chairman a certified balance . . .

*Mr. Hunt* : Well, the evidence before us is that your company is not financial, and therefore we cannot enter into contracts with a company that is not financial, and we cannot have any further negotiations unless you prove that you are financial.

*Mr. Lysnar* : If you will kindly give me what you want in writing we will do our best to answer you.

*Mr. Hunt* : Prove that your company is financial ; it is your job to put it in writing.

*Mr. Perry* : Prove your company is financial and in a position to carry out——

*Mr. Lysnar* : You put it in writing.

*Mr. Perry* : It will have to be very conclusive evidence, because in face of this we cannot——

*Mr. Lysnar* : Please understand that we would like to get down to the bed-rock of the position as soon as possible.

*Mr. Hunt* : But that is the bed-rock.

*Mr. Perry* : Preliminary arrangements are made for the boat to come the same as she did before and take meat——

*Mr. Lysnar* : Oh, you have made preliminary arrangements then.

*Mr. Perry* : Yes ; we are not trying to put the boat out, only we are decided that the company must be in a position to carry out a contract.

*Mr. Lysnar* : We have arranged with our agents at Home to hold a second mortgage over the boat—to find the money for running the boat and . . . substantial people . . . I think the best thing is not to discuss anything further . . . I will retire . . .

*Mr. Hunt* : Well, you know the position—put it in writing—the proof that your company is financial, &c.