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If you did make such a proposal to the representative of an overseas shipping company as I have read out to you from that note, would you regard it as creditable or discreditable to yourself?—As you have got it there I should say it would be discreditable, but the circumstances are not as you have got them there at all. It is dangerous to say a word in amongst shipping people and banking people. That is what it is coming to. You talk to your banker, and it is absolutely dangerous.

Don't forget that this was in August, and this was one of the matters that were weighing with Mr. Jolly?—Just before he embarked on the sale.

Don't forget that that was a reason why he wanted to get rid of Mr. Lysnar?—Mr. Lysnar wanted to get rid of Mr. Jolly too.

## CONTINUATION OF EXTRACTS FROM NOTES *RE* THE FINDLAY EPISODE.

### RE-EXAMINATION OF MR. LYSNAR.

At page 533 of the notes the following appears:—

*Mr. Johnston.*] Mr. Lysnar, Mr. Myers read from a note, supplied to him by Mr. Jolly, being the report of an interview you had with Mr. Findlay: do you remember?—Yes.

I will read you the note:—

“Diary.—3rd August, 1923.—Lysnar informed me that he had put up a proposal to Mr. Findlay (of Shaw, Savill, and Albion Company) that as the price of Lysnar not assisting, or promoting, a Shipping Board the S.S. & A. Company should take over the ‘Admiral Codrington’ at £160,000 to £170,000; but if they did not do so he would press for a Shipping Board, which the Liberal and Labour parties would support, and when the Board was formed the Poverty Bay Meat Company would unload the ‘Codrington’ on to the Board at £150,000. I told him he was mad to make such an offer on such conditions to any one, and that even if such a Board was formed I was satisfied neither the Board nor the country would stand for such a deal.”

“11th September.—All day with Lysnar, Witters, and Coop *re* Poverty Bay Farmers’ Meat Company.”

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Mr. Jolly has made a note in his diary that you told him that?—No, absolutely. He has made a mistake. I am clear about two things: when I mentioned it to the shipping man I made no offer. I told him that the boat was for sale, and if he wished his people to make an offer it would be entertained. Nothing in the way of an offer was made by me. I am clear on this: that if anything happened—if they sold—it was clearly understood that I would still vote for a shipping line in that House so long as I was there. Those two things I am clear about. In talking with Mr. Findlay it was understood that the boat was for sale, and if they liked to make an offer they could make an offer. I had better not say what I think.

*The Chairman.*] Say what you think?—No, Mr. Chairman.

*Mr. Johnston.*] This note means that you had no moral sense at all?—Absolutely; that is what it means. It is untrue. What earthly reason was there for Mr. Jolly to put that note in his diary when I simply told him that the boat was for sale. He must have had an ulterior motive.

It means that you volunteered to Mr. Jolly that your parliamentary vote was for sale?—He has found out that it was not for sale.

This is what he says: “I told him he was mad to make such an offer on such conditions to any one, and that even if such a Board was formed I was satisfied neither the Board nor the country would stand for such a deal.” Do you remember him telling you that?—Nothing at all about that. Mr. Jolly was against the shipping line. He has quite often told me I was mad over that, and I have told him equally straight that he was equally mad the other way.

Mr. James Findlay’s evidence starts at page 728, where the following appears:—

JAMES FINDLAY, on being called, said:

Before being sworn, Mr. Chairman, I wish to point out that there is a certain amount of difficulty. Early in August, 1923, I had a conversation with Mr. Lysnar, and as possibly the questions you may ask me will relate to that interview I should like to say that Mr. Lysnar then obtained from me a pledge of confidence. Will Mr. Lysnar release me from that?

*Mr. Myers:* Mr. Lysnar has already done that. He was asked a question as to whether he would agree to Mr. Findlay giving his version of the conversation, and Mr. Lysnar said, “Certainly.”

*Mr. Lysnar:* Let me explain the position.

*Mr. Myers:* We have it in the notes. The question was expressly put to Mr. Lysnar when he was giving evidence—put by myself. I asked him whether he would have any objection to Mr. Findlay being called and giving the Commission his version of the conversation, and Mr. Lysnar said he would have no objection.

*The Chairman:* What have you to say to that, Mr. Lysnar?

*Mr. Lysnar:* I have no recollection of its being brought up in the evidence. But what I have to say is simply this: I am not aware of ever having had a confidential conversation with Mr. Findlay—never in my life. Anything I had to say was said openly; and, if he is going to give evidence about that matter, I ask him if he will produce the cablegram he sent, because I have a clear recollection that I asked him to put into that cablegram that if the question of a Shipping Board came up I would vote for it in the House.

*Mr. Myers:* If Mr. Lysnar says he has never had a confidential conversation with Mr. Findlay—