

I trust that your Board may see its way to meet us, in which case our best efforts will be used to bring about a satisfactory solution of the difficulties surrounding the position.

Yours, &c.,

WALTER G. FOSTER, General Manager.

The Secretary, New Zealand Thames Valley Land Company (Limited),
Dashwood House, 9, New Broad Street, London, E.C.

New Zealand Thames Valley Land Company (Limited),
London, E.C., 29th July, 1899.

DEAR SIR,—

You will have seen from the directors' report, copy of which we posted to you by last mail, the manner in which the directors brought before the English shareholders in the company the alternative proposals submitted by you for the future control or management of the company's properties.

The annual meeting of shareholders, at which these proposals were discussed, was held on the 25th instant, and was attended by sixteen shareholders, and proxies were received from thirty-seven others; of the proxies all but four were without conditions, although the report invited shareholders to attach any conditions they thought fit as to the manner in which they desired their proxies to be used, and left the matter entirely in the hands of the Board to deal with.

At the meeting the matter was fairly and patiently discussed, and ultimately the views of all present directors and shareholders were unanimously expressed in a resolution in the following terms, viz.: "The shareholders present are of opinion that the directors may, as they recommend, reasonably give power, at all events for such term as the directors think fit, to the Assets Realisation Board of New Zealand to manage the affairs of the company in New Zealand on their assurance that their sole object is to work the same for the benefit of the company and the shareholders as a whole to the best advantage and profit and at a saving of expense, but that it should be subject to such conditions as the directors may agree upon with the Assets Board, the following being suggested by this meeting and left to the discretion of the directors, viz.: (1) That the Assets Board will not incur any liability or engagement which might involve a call being made on the shareholders; (2) that they will not attempt to sell or mortgage or give options of purchase of the company's land without the privity and consent of the London Board of Directors; (3) will only lease or let at full rack-rents or full value, and upon such terms as the London Board concur in; (4) that the present overdraft of £2,000 be not exceeded; and (5) that the Assets Board will make and render equally full reports and accounts to the directors in London upon the details of the working of the business as the directors now receive from the present local director and manager and accountant. The meeting is also of opinion that the Assets Board should be invited to make a definite proposal for participation of the property, or, if they think fit, for a purchase by the Assets Board of the shares held in England; or, alternatively, a sale of the Assets Board's shares to the English shareholders, if they should be disposed to buy."

Acting upon these views, the directors now direct me to write you as follows:—

They desire that the Assets Realisation Board will be good enough to give them their assurance that, if the management of the company's properties is intrusted to them, their object and intention will be to work the estates and stock for the common benefit and best advantage and profit of the shareholders as a whole, and at a reduced annual expenditure than at present; also that they will be prepared to accept and will abide by the conditions set forth in the above resolution.

Upon your notifying us by letter to our present local director, Mr. Hume, that your Board will accept the management on these conditions, he will (as we instruct him by this mail to do) cable the fact to us by code-word, and a power of attorney in favour of the Assets Realisation Board will be prepared and despatched to you with as little delay as possible. In the meantime, and without waiting for such power, Mr. Hume will be prepared to make such arrangements to induct you into the company's affairs and the present method of working the estates, and assist in carrying out any reasonable suggestions you may offer in that direction; and he can act under the power of attorney which he holds in such manner as you and he agree upon until the new power reaches you.

I am to mention that under his agreement with the company Mr. Hume is entitled to six months' notice of the termination of his appointment as local director, but this will obviously not present a difficulty, as during the six months' running of the notice you will perhaps be glad of the opportunity of conferring with him and availing yourself of any information he can give, and which we are assured he will be pleased to afford.

As an alternative to the arrangement thus rendered possible, or concurrently with it, if the Assets Realisation Board are disposed to submit a specific proposal for the division of the estate between them and the other shareholders, and the severance of its interest in the company from theirs, or if your Board prefer to make an offer to sell their shares and interest in the undertaking, or, alternatively, to buy out the shares and interests of the English shareholders, my directors will be glad to receive and consider the same. Any propositions on any of these three lines the directors would be obliged by your sending through Mr. Hume, that he may (as we have asked him to do) give us the benefit of his opinion on the subject.

It was incidentally mentioned at the shareholders' meeting that, from the inception of the company down to the present moment, every manager was appointed at the recommendation of the holders for the time being of the shares now held by your Board, and some shareholders felt that the result did not encourage them to follow colonial advice in the future. My directors have, however, not allowed any feelings of prejudice on these grounds, or the irritation which the terms and manner of some of your letters produced in the minds of the shareholders, to prevent a