

(2) Those claims fall into the two following parts—

- (a) A claim for the sum of £14,000 with interest from 5th September, 1922.
- (b) Certain royalty claims to which we shall hereafter refer.

(3) In respect of the sum and interest mentioned under Claim (a) above, Sir John (then Mr.) Houfton received as security sixteen first-mortgage debentures of the Tongariro Timber Co., Ltd., of £1,000 each, numbered 1 to 14 inclusive and 39 and 40, and in respect of which a mortgage dated the 7th November, 1922, was executed by way of collateral security. This mortgage provides for a specific first charge over the timber and timber-cutting rights of the company in the Western B Block, and for a specific charge over the timber and timber-cutting rights of the company in the Western A Block, subject to all charges thereon existing at the date of the mortgage. The debentures provide for interest to be paid at 10 per cent. per annum; but we understand that our clients are willing to accept interest at a lower rate—a matter upon which we are at present awaiting their instructions by cable.

(4) We understand that the advance of £14,000 was made to enable the company to pay to the Natives advance royalties as prescribed by the agreement between the Native owners and the company. We understand that the timber in respect of which those advance royalties were paid has not yet been cut, and we therefore submit that it would be a very severe hardship on our clients if the Native owners are permitted to retain not only the money, but also the timber in respect of which the money was paid in advance.

(5) The claims comprised under (b) above are as follows:—

- (i) A share of a royalty of 6d. per 100 ft. of the timber in Western B Division:
- (ii) A royalty of 2d. per 100 ft. of the timber in the Northern and Eastern Divisions, or, alternatively, a right to commute the share in the royalty mentioned under (i) above to a royalty of 2d. per 100 ft. of the timber in the Northern and Eastern Divisions.

We understand that the share of royalty referred to under (i) is 3d. out of the 6d., and that the documents under which the claims under (i) and (ii) are made provide, *inter alia*, for payment as and when the timber is taken.

(6) We have been informed that on the 19th March, 1930, the shareholders of the company passed a resolution purporting to authorize the directors to transfer the company's rights under its various concession agreements to the Crown, subject to the Government settling the claims of creditors and shareholders either by negotiation or by arbitration. We desire to say that our clients were not parties to and do not consent to this resolution. On the contrary, they rely on and desire to keep open whatever legal rights they have and amongst these is, we submit, the right to have their claims dealt with under the provisions of section 29 of the Native Land Amendment and Native Land Claims Adjustment Act, 1929. For this reason, we address this letter to you, and we ask you to treat it as an application by our clients to have their claims dealt with under that section.

(7) We have sent a copy of this letter to the Hon. the Minister of Native Affairs, and asked him to treat it as addressed to him also.

Yours faithfully,

CHAPMAN, TRIPP, COOKE, AND WATSON,
per P. B. COOKE.

CLAIM No. 3.

Memorandum for the President, Aotea District Maori Land Board, Wanganui.

Re *Tongariro Timber Co., Ltd.*

WE have been informed by the Secretary of the Tongariro Timber Co. that on 19th March, 1930, the directors were authorized by the shareholders to transfer their rights under the several agreements held from the Maori Land Board to the Crown, subject to the Government settling the claim of creditors and shareholders either by negotiation or arbitration. Neither we nor our client hereafter mentioned assented to the resolution.

Nevertheless, it seems to us we should formulate and place before you and the Hon. the Minister for Native Affairs the claim of our client company, Cammell, Laird, and Co., Ltd., 3 Central Buildings, Westminster, London.

The company's claim may be divided into two parts, consisting of—

- (a) A sum of £15,630, with interest at 6 per cent. from 31st December, 1926;
- (b) A sum of £5,090, with interest at 6 per cent. from 26th July, 1926.

In respect of these debts the company holds as security—

- (a) Twenty-three first-mortgage debentures of the Tongariro Co. of £1,000 each, numbered 15 to 34 inclusive and 36 to 38 inclusive;
- (b) An agreement to mortgage from the Tongariro Co. (subject to prior charges) covering the whole of its timber concessions and assets, supported by caveat on its title.

In this memorandum we have separated the two sums and the securities therefor for this reason: The first sum represents moneys advanced to Dr. Chapple to enable the Tongariro Co. to pay in advance to the Native owners royalties on timber which is still standing, and should, we submit, be repaid as a first charge, as it would be inequitable to allow the Natives to have the timber and retain the money as well.