

- (3) It had secured the consent of the Native owners to the postponement of the date for the payment of arrears of royalty to the 31st January, 1929 (see the two memoranda last quoted).
- (4) But for the two consents which were still outstanding, it was ready to proceed with the formation of the new company, and put it in the way of carrying out all the objects mentioned above. The two consents were:—
- (a) The formal consent of the Government to the whole undertaking. It was anticipated on the strength of the correspondence with the Native Minister referred to above that this would follow as a matter of course, as soon as all other consents had been obtained.
- (b) The consent of certain English creditors, which would also have been forthcoming in due course.

Such was the position of the syndicate in November, 1928, and it is claimed that, in all the circumstances, the syndicate had discharged all its obligations to date, and that no one could have done more than it did.

In the month mentioned there was held the general elections, which resulted in the Government of the day being replaced by the present Government. As the latter was not a party to the negotiations of February, 1928, it was considered that fresh negotiations with the present Government would be necessary, and overtures were accordingly made to the present Native Minister. These negotiations finally culminated in a meeting of the Native owners being held at Waihi, Lake Taupo, on the 21st February, 1929.

At the meeting the syndicate's project as described above, but modified in two directions, was submitted to the Native owners for their approval and authorization. The modifications were in the direction of giving the owners of the timber territory £120,000 fully paid up shares out of the new company's share capital of £300,000 (which must not be confused with its working capital of the same amount) in addition to their royalties, and in the direction of making it mandatory on the Tongariro Co. and its creditors to accept the provision respectively made for them in the project.

The meeting was presided over by the present Native Minister and at the meeting the owners passed resolutions approving of and authorizing the project, and granting a period of six months for its consummation (see copy of resolutions attached). The real intention in regard to this six months was that it should run from the time when the Government, in its turn, gave its consent to the project, though, as a matter of form, and in anticipation of that consent being forthcoming before that date, the 1st April, 1929, was set down in the resolutions as the date on which the six months commenced to run.

For the reasons already indicated, the syndicate was in a position to give effect to the project as soon as the resolutions were carried, but as an ordinary business precaution it refrained from so doing until the Government's formal consent to the project had been obtained. The syndicate pressed repeatedly and continuously for this consent, but without avail, until finally the Act of 1929 already referred to came into force and rendered it impossible for the syndicate to proceed with its project and undertaking.

This concludes my sketch of the syndicate's aims, objects, operations, &c., and I come now to the grounds and particulars of our claims. To deal first with the former—they are as follows:—

(1) By reason of the correspondence which passed between the then Native Minister and myself in February, 1928, and by reason of the memorandum signed by Hoani te Heuheu and 149 others, and by Mr. M. H. Hampson and Mr. W. H. Grace, my syndicate and I were, in effect, granted a mandate (the term of which did not expire until the 31st January, 1929) by the Government of the day and the Native owners to proceed with the formation of the new company for the objects above described.

(2) That in the resolutions described above my syndicate and I received from the Native owners a further mandate, the term of which had not even commenced to run when the 1929 Act came into force.

(3) That in the option already referred to, and in the support and assistance accorded me by the Tongariro Co. and its creditors, my syndicate and I had from them a like mandate to those described above.

(4) That my syndicate and I did all that could reasonably have been required of us, and that from the end of October, 1928, until the Act of 1929 came into force we stood ready to consummate our project and undertaking.

(5) That my syndicate and I were prevented from consummating our project and undertaking solely by the actions of the two Governments concerned in withholding their consents to our projects and undertaking, although all other parties interested in the Tongariro Co.'s affairs had approved of the same, including the Native owners who owned over three-quarters of the timber territory.

The foregoing sets out the formal grounds on which our claims are based, and I will now proceed to deal with the particulars of the same. To arrive at these particulars I think the best principle to adopt would be to base our claims on the benefits which would have accrued to us had our undertaking been carried out. Adopting this principle, the following are the main benefits which would have accrued to the members of my syndicate as a reward and remuneration for all their services:—

Managers and organizers—

(a) Myself	£ 25,000	} fully-paid-up shares in the share capital already mentioned (not the £300,000 working capital).
(b) Mr. W. H. Grace	10,000	
(c) Mr. R. W. Smith, on certain conditions	10,000	