

to have legal rights, and under the Duncan project the proposal was to allot them £18,000 in settlement of a claim of £22,000 for money advanced for railway-construction and other purposes, and to allot the debenture party connected with them, to whom they owed £20,000, 20,000 debentures in Mr. Duncan's new company. At that time the Egmont Box Co. were ready to accept the provision made for them under the project. What their attitude is now I do not know. Incidentally, Mr. Bertram Philipps and the Egmont Box Co., besides coming into the matter as creditors, are also interested in the cutting-rights over another portion of the territory—viz., the Western A area. By a deed of 1919 the cutting-rights over this area were vested in the Egmont Box Co. The company have since assigned their rights under the deed to Mr. Philipps. Under Mr. Duncan's proposal and my proposition it is not intended to interfere in any way with these rights over Western A. The sixth class comprises the other creditors of the Tongariro Timber Co., all unsecured, and all claiming in respect services rendered. The Duncan proposal was to write their claims down by 25 per cent. In the final result and all told, the provision made for the creditors of the company was a payment of £25,000 in cash and £200,000 in second debentures.

*Hon. Sir Apirana Ngata.*] Take the claims as they are set out in parliamentary paper G.-7 ? That paper is far from accurate. The claims are all mixed up. The claim of the Tongariro Timber Co. is shown there as £330,000. That sum represents the total debts owing by the company.

*Mr. Perry.*] May I interrupt to say that I know that the Tongariro Timber Co. itself put in a claim under the Act of 1929 for approximately £330,000. In that claim it included all its creditors, but subsequently individual creditors put in claims under subsection (6) of the Act of 1929, so that where we find the total claims stated in the parliamentary paper as £523,503, including the claim of the company for £330,000 and other items up to a total number of thirteen, all the other items are included in the £330,000.

*Witness:* In my memorandum I deal next with the claim of the Tongariro Timber Co., as follows:—

The company's actual share capital is £60,000, £30,000 being held by Mr. E. T. Atkinson (now deceased) and £30,000 by the other shareholders. The proposal is that the company be settled with on the basis of 10s. in the £1, which will mean that there be allocated to it £30,000 bonds in settlement of its claims.

*Hon. Sir Apirana Ngata.*] That is not in settlement of the £330,000?—No. Under my proposition the matter will work out in this way: The creditors in class 1 will be paid 16s. in the £1—that is to say, the creditors of the Native owners. Class 2, the workers, will be paid about 13s. 6d. in the £1. Class 3, the men who found the money, will be paid on their principal about 22s. in the £1—in other words, they will get their principal plus a little more.

You are asking the Government to pay 22s. for every £1 that was paid to the Natives, but the Natives are not to pay any part of that: why?—Because by reason of the Government's interference the moral obligation is imposed on the Government to make provision for all creditors.

Pretty hot, is it not, that the Natives should get the money and the Government should pay?—Why should the Maoris pay it? They have been innocent parties throughout.

*The Chairman.*] Is it not a mere supposition that if the Government had not interfered the arrangement would have been gone on with?—As a matter of fact, it would have been gone on with.

*Mr. Langstone.*] Not by the old company?—No, but the Duncan Syndicate.

*Hon. Sir Apirana Ngata.*] Who are the creditors of the Native owners?—Mr. M. H. Hampson, to whom £2,500 was allocated by the Duncan syndicate; myself, £2,500; Mr. C. W. Neilson, £400; and sundry others, totalling all told £7,000. I have not the full particulars with me. All these people would be paid 16s. in the £1. The second class, the workers, would be paid, roughly, 13s. 6d. in the £1.

Who were the workers?—The Heuheu-Grace party, Findlay and Muir, George Ross, R. B. Martin, and E. T. Atkinson.

What would the 13s. 6d. in the £1 total?—I cannot say, but it will not exceed £50,000, anyhow.

What was the amount paid to the owners?—By the creditors whom I have already mentioned—£45,900. Those creditors will receive, roughly, 22s. in the £1. That is on their principal, of course. As to the fourth class, it is hard to say exactly what their dividend will be. Armstrong-Whitworth and Cammell-Laird will probably get about 8s. or 9s. in the £1. Bertram Philipps is also included in the third class, but as a speculator and member of the fourth class, he gets nothing. The Committee should not confuse the claims of Bertram Philipps and the Houfton-Chapple party as speculators with their claims as members of the third class—people who advanced money which went to the Native owners. As to the fifth class, the Egmont Box Co. will be receiving on their debentures 16s. in the £1. As to the sixth class, the general body of creditors will receive about 12s. 6d. in the £1. Now I come to the Duncan syndicate:—

The nature, quality, and circumstances of the services rendered by this syndicate have already been described and it only remains to add that it is considered that of all the parties interested (next to the Native owners) it is entitled to most consideration. Its task was an enormous one, but it would have been carried out had the Government allowed it to do so. Then, all the other parties (including the Native owners) were relying on it to save the situation for them, and this it could also have done had the Government consented to the project.

The syndicate's claim is for £13,800, and in the notice of the claim which it lodged with the Aotea Maori Land Board it was careful to explain that the claim had been reduced to the absolute minimum. In the light of that and of all the circumstances of the claim, it is suggested that the claim be paid in full, and that the syndicate, accordingly, be issued £13,800 of the bonds.

I quite imagine that there will be some squealing about this, particularly from the speculator class, but I think there are at least three very sound reasons why the syndicate's claim should be paid in full. First, its claim has already been drastically cut down. Under the project the promoters of the company would have received in commission as remuneration for their services £40,000 in shares. The promoters have cut their claim down to £8,000. The second ground is that the syndicate was ready and in a position and willing to carry out its project, a position which none of the other speculators