

That is what you have been telling us, and I thought we should have it on record before the Committee?—It is the basis of my suspicions, and I think I can fairly claim to be heard on the merits of this matter. For the last five years I have been in New Zealand striving to keep the company afloat, and I have been reduced to absolute poverty and surrounded by debts because of my undertaking to find that £35,000. I hope the Committee will forgive me if I speak warmly on the subject. I have not in the past interviewed any member of this Committee nor last year's Committee. I have given information to Cabinet Ministers and to Sir Apirana Ngata himself from our point of view, in order that they should be acquainted with the facts not to influence them apart from this; and I think I am justified in thinking that Mr. Bertram Philipps when he went Home and threatened to make use of the financial press in London that they could raise a great storm; and it is not worth while, because the issue from the Government's point of view is simply this: Shall we settle with these people on a fair and honourable basis or ignore them—an action that will leave a great amount of bitterness behind?

The other point you have enforced in communications with myself and the Minister of Lands—now the Prime Minister—is that we should submit the whole of the claims to arbitration?—Yes, I have done that. First of all, let me say that I interviewed the Hon. Mr. Forbes on the 21st March, 1930, and called attention to the arbitration clause in the Act, which we all thought provided arbitration for us, and that we were all at one upon, and Mr. Forbes specifically promised that our claims would be submitted to arbitration, and I reported that to the Tongariro Company.

*Hon. Sir Apirana Ngata:* That is wrong.

*Witness:* I saw Mr. Forbes.

*Hon. Sir Apirana Ngata:* I have all the correspondence.

*Witness:* There is none; it was a personal interview. With regard to this suggestion that an arbitration tribunal should be set up, I know the procedure of the House of Commons. A House of Commons Committee would recommend the Government on general principles. Whenever numerous claims are made against the Crown those claims are submitted to an arbitration tribunal, consisting of two assessors and a Judge of the High Court, that can take evidence on oath; that can cross-examine all the witnesses; and that can be aided by expert accountants, and thus test the validity of the claims, and assess accordingly.

*Hon. Sir Apirana Ngata:* Who fixes the basis of the arbitration?—The Committee. It might recommend, as it is conceivable this Committee might recommend, the Government to settle with the various interests on the basis of the Duncan syndicate. The Committee would report on general principles that the claim should be settled on, say, the basis of the Duncan syndicate arrangements, and within those limits the arbitration tribunal would be set up to assess the various individual claims. I cannot imagine any creditor asking more from the Government than he was willing to accept from Duncan. That seems to me to be fair. There is no individual who could reasonably ask from the Government anything more than he was willing to accept from Duncan. The Natives have taken up that attitude, and the award under such an arbitration would be as between the claimants and be binding on all parties.

We do not know what the Natives' attitude is?—The proposal with regard to the Native owners is according to the Grace memo., that the timber be acquired by the Crown at 1s. 8d. per 100 ft. That is the price under the Duncan scheme, and the Natives cannot be asked to accept anything less. It is a very fair price, and if the owners accept that I cannot see that any of the creditors or shareholders can ask any more from the Government than they would have been willing to take from Duncan. If the Government get the property at that rate it gets an estate of enormous value, and it would place to the credit of the State all the unearned increment on that property over all these years. The following are the documents I refer to:—

London, 26th June, 1922.

RECEIVED from Dr. W. A. Chapple in terms of agreement with him dated 24th June, 1922, and signed by me on behalf of the Tongariro Timber Co., Ltd., six thousand and sixteen pounds four shillings (£6,016 4s.) to be remitted by cable to Mr. C. P. Skerrett, solicitor, Wellington, and to be paid over to the Aotea District Maori Land Board on account of timber royalties.

TUDOR ATKINSON.

AN AGREEMENT entered into this 24th day of June, 1922, between Tudor Atkinson of Wellington, New Zealand, Governing Director of, and Attorney for, the Tongariro Timber Company, Limited, of the one part, and William Allan Chapple, M.D., of 1 Horseferry Road, Westminster, London, of the other, whereby it is agreed as follows:—

1. There is to be found by the said company on account of royalties in advance due to the Aotea District Maori Land Board under section 19 of the Native Land Amendment and Native Land Claims Adjustment Act, 1921–22, the sum of £6,000 on or before the 30th of June, 1922, in order to make effective the right granted to the said company under the said section for the extension of time to seven years from the 12th September, 1921, within which to build the Lake Taupo Railway.

2. If the £6,000 is found for the company by the said William Allan Chapple on or before the 30th of June, 1922, this amount will be secured by a first mortgage of the timber in Western B, containing 154 million feet, and by a first mortgage on the equity of the timber in Western A, sold to the Egmont Box Company, Limited, and being of an estimated value after payment of existing mortgages of about £25,000 and also by a mortgage over all the other interests of the company together with a bonus of 6d. per 100 ft. as and when cut of the timber in Western B. Such bonus of 6d. to be reduced by 3d. if this latter amount is required to make up to 9d. any bonus payable for the advance royalty due on or before the 12th September, 1922. The rate of interest on this advance of £6,000 to be 10 per cent. per annum.

3. If the £6,000 is found by the said William Allan Chapple and the £29,000 due on or before 12th September, 1922, is not found the Tongariro Company shall refund the £6,000 with a bonus of £6,000 in consideration of the accommodation provided, but shall not in the event of such refund and the payment of such bonus be liable for the 6d. bonus mentioned in the last preceding clause provided that the said W. A. Chapple or any one finding the £6,000 on his behalf may elect to allow the said £6,000 to remain and to enjoy the royalty, and provided also that if those providing the £6,000 elect to allow it to remain they shall release the Tongariro Company from the general mortgage over its assets mentioned in the last preceding clause.