

No. 42.

17th December, 1908.

DEAR SIR,—

Re Mokau-Mohakatino Block.

As arranged, we have now to state in writing the position in this matter as we understand it. Under an agreement between your clients and Mr. H. Lewis, for whom we are acting, Lewis agreed to purchase your clients' interest in this block, and to give a mortgage for the purchase-money. A transfer and mortgage were accordingly prepared by you and duly registered, so that Mr. Lewis appears upon the title as the owner of the leasehold, subject to a mortgage to your clients for the amount of the purchase-money.

At about the date of Mr. Lewis's purchase from you, he entered into an agreement with some Hawke's Bay people, under which he in turn agreed to sell the interest acquired from your clients, and under this agreement £700 was paid to Lewis and £4,300 deposited with Messrs. Moorhouse and Hadfield, of Wellington, solicitors, who have, we understand, given you an undertaking that they hold this amount as purchase-money in terms of the last-mentioned agreement.

Some time ago we informed you that doubts had been raised by the purchasers from Lewis as to the validity of the title Lewis had acquired from your clients, and at about the same time Joshua Jones was endeavouring to obtain a parliamentary inquiry with a view to attacking your clients' title. We then informed you that, with a view to settling all possible questions of title, we thought it could be arranged that the leases could be dealt with under the Native Land Settlement Act, 1907, our idea being that the blocks should be reported upon by the Native Commission, consisting of the Chief Justice and Mr. Ngata, which is at present reporting upon the whole of the Native lands in the colony, and that we should endeavour to induce the Commission to recommend that the freehold of the land should be disposed of, and that out of the proceeds the Natives should first receive the value of their reversionary interest, which we understand to be about 5s. per acre; that your clients should then receive the amount owing to them, including, of course, interest to the date of payment; and that the balance should belong to Lewis, who would, of course, have to defend any proceedings Jones might take.

We have done everything possible to endeavour to get the Native Commission to make a report, but unfortunately both members of the Commission have been ill, and owing to this and the pressure of other work they have been unable so far to deal with the matter. Unfortunately, the term for which the Commission was appointed expires on the 1st January next, but as several other matters remain to be dealt with we understand that the Government proposes to extend the term for a further two months, and the Chief Justice has intimated that he would be prepared to deal with this matter some time next month. It is a pity that we were not able to get the matter on before the 1st January, because the Act to which we have referred expressly provides that the powers of the Commission under that Act expire on the 1st January. As, however, the other matters to which we have referred, and which are to be dealt with by the Commission, are also intended to be dealt with under the Act in question, the Government proposes to introduce a short Bill early in next session extending the Commission's powers for the purposes of the Act. This Act will, of course, be general, and will not specifically refer to the Mokau matter.

In these circumstances we hope you will see your way to consent to the completion of Lewis's purchase being held over until we have had a reasonable opportunity of carrying through the proposal we have outlined. We would suggest that this proposal is the most satisfactory settlement of the whole matter, since it avoids the necessity for any questions being raised between any of the parties involved as to the title to the leases, and there can be no doubt that the proceeds of the sale would be more than sufficient to pay the moneys due to your clients. It is, of course, understood that your rights against the purchasers from Lewis are not prejudiced in any way, and Mr. Lewis will be only too glad to facilitate any claim you may have against them.

We would be glad if you would kindly inform us if your clients are agreeable to wait until we can have reasonable time in which to carry out this proposal, on the understanding, of course, that the rights of all parties are not to be prejudiced in any way.

We may say that the Government is prepared to facilitate the arrangement we have suggested, because it is anxious to do what it can in the way of effecting settlement of the Mokau lands; and as the Natives will for the next thirty years be receiving only a nominal rent for the land, they will be only too glad of the opportunity of selling their interest, so that there is not likely to be any material objection to the scheme we have outlined. Jones, of course, will do his best to interfere, but we have not much fear that he will succeed in doing any harm.

Yours, &c.,

FINDLAY, DALZIELL, AND CO.

Messrs. Travers, Campbell, and Peacock, Solicitors, Wellington.

No. 43.

DEAR SIR,—

Without Prejudice.—Re Mokau.

14th July, 1909.

Mr. Lewis has handed to us your letter to him of the 8th instant. This is a very complicated business, and we have been endeavouring to so arrange that litigation (which, if commenced, must necessarily be complicated and expensive) may be avoided. Mr. Lewis has done nothing in the way of releasing his transferors from any liability they may be under in respect of the transfer to him. The whole question has been allowed to stand pending negotiations which are proceeding for an arrangement with the Natives for the disposal of the Mokau Block. We were hopeful that these negotiations would have resulted in a settlement of the whole trouble ere this, but owing to the postponement of Parliament the matter has been again delayed.