

The Natives are anxious to come to some fresh arrangement with regard to the blocks, and we have been in negotiation with them and the Hon. Mr. Carroll with a view to the arrangement of terms agreeable to the Natives and our client. Mr. Carroll is very desirous of having the block cut up and disposed of in small areas, and there seems every prospect of an agreement which will be satisfactory to our client, and also to Mr. Campbell's clients, being come to before Parliament meets. We have no doubt that Mr. Campbell would release any claim he may have against the moneys lying in Messrs. Moorhouse and Hadfield's hands without waiting for the final disposal of the blocks. The question between your clients and Mr. Campbell's clients as to the moneys on deposit with Moorhouse and Hadfield seems to us to be one in which Mr. Lewis is not directly interested. Mr. Campbell does not claim in any way through Mr. Lewis, but under an independent undertaking given by him to Messrs. Moorhouse and Hadfield. The claim your clients have against Mr. Lewis is, we understand, one either of specific performance of the agreement or for rescission of the contract. If your clients are entitled to rescind, then no doubt they are entitled, so far as Lewis is concerned, to recover the money from Moorhouse and Hadfield; but Moorhouse and Hadfield, before paying you, have also to consider the question of their undertaking to Campbell.

In the circumstances it would seem best to allow matters to rest for a while, in the hope that some satisfactory arrangement can be made with the Natives. We hope your clients will see their way to agree to this course.

Yours truly,

FINDLAY, DALZIELL, AND CO.

Messrs. Carlile, McLean, and Wood, Solicitors, Napier.

No. 44.

Wellington, New Zealand, 18th Decemer, 1909.

DEAR DALZIELL,—

Re *Mokau*.

It is evidently desirable that we should get legislation in any event this year. Possibly it may be the case that we may not be able to fix up the contract before Thursday. I have therefore made some alterations in the proposed clauses and send you a copy. These alterations can do no harm, and would enable us, if there were any temporary hitch in our negotiations, to get the thing through at a later stage. You will probably be seeing Dr. Findlay before Monday, and we therefore think it is desirable that you should have the opportunity of considering the suggestion.

Yours truly,

F. G. Dalziel, Esq., Solicitor, Wellington.

C. H. TREADWELL.

No. 45.

DEAR SIR JOSEPH,—

Re *Mokau*.

25th January, 1910.

I understand that the principal Native owners have been in Wellington during the last few days, and that they are now asking more than the £15,000 they informed my client they were willing to accept. The uncertainty about the amount the Natives will sell for presents a difficulty if you do not take compulsorily; and it has occurred to me that probably the best way out of this difficulty will be for the Crown, if it determines to acquire the block, to settle with the lessee upon the basis of the contract entered into in May, 1908, between the lessee and Mason Chambers, Douglas McLean, and Sir Francis Price, all of Hawke's Bay, sheep-farmers. This contract was entered into by the Hawke's Bay people after full inquiry as to the value of the land and of the leases, and under it they agreed to pay the sum of £25,000 for the lessee's interests, together with a one-eighth interest in the leases—that is, about £28,000. The sum of £700 was paid to the lessee under this agreement, and the sum of £4,300 (a further part of the purchase-money) has been placed on deposit with a firm of solicitors in Wellington pending the transfer of the leases to the purchasers. The Hawke's Bay people seek to determine this contract because of the doubts which have been cast upon the title, but they have acquiesced in an arrangement under which matters have been allowed to remain in abeyance pending a settlement of the Jones trouble. I think you will probably agree that the Hawke's Bay people are competent judges of the value of the leases, and that their undertaking to pay the price referred to is very strong evidence that the leases were worth that sum.

As I have already informed you, the lessee is prepared to allow the purchase-moneys payable to him on a sale to the Crown (except such as may be necessary to pay off the English mortgagees) to remain in the hands of the Public Trustee until some time after Parliament meets this year, in order to allow Jones (or any one else who may claim these proceeds) to take action to enforce his rights.

When I last saw you about this question I suggested that the lessee would probably agree to sell on the basis of £1 per acre. We would be quite agreeable to this if the price payable to the Natives amounted to something like £15,000; but, of course, we could not agree to that basis without a prior settlement of the Natives' claims. I think, however, that if you get some actuary in your service to go into the matter, you will find that on the basis of £1 an acre the value of the Natives' interest is less than £15,000.

Yours truly,

The Right Hon. Sir Joseph Ward, Wellington.

F. G. DALZIELL.