

1893.

NEW ZEALAND.

CADMAN *v.* REES.

(COPY OF NOTES OF EVIDENCE TAKEN BY CHIEF JUSTICE PRENDERGAST.)

*Laid upon the Table of the House of Representatives by Leave.*

## WITNESSES FOR THE PLAINTIFF.

1. HARMOOD ARTHUR BANNER, examined by Mr. Sainsbury, deposed that he was a commission agent, and had resided at Napier for seventeen years. Had read the memorandum of the 10th March, 1893.

Mr. Rees admitted that the first innuendo was fair.

2. Look at paragraphs 15 to 25 of memorandum of 10th March. What impression do they convey to your mind?—That during the session of 1891 Mr. Cadman, as Native Minister, prevented the passing of measures of reform in dealing with Native lands until he, in partnership with Mr. Smith, had completed the purchase of the Umutaoroa Block.

3. Read paragraphs 23 to 26, and say what impression is conveyed to your mind?—That Mr. Cadman used his position as Native Minister to pass as a public Bill the Tahoraite Validation Bill in order that he and Mr. Smith might complete the purchase of the Umutaoroa Block, such completion depending upon the passing of such Validation Bill.

4. As to paragraph 30, what impression does that convey?—That Mr. Cadman misused his position as Native Minister in order to amass a fortune by private dealings with Natives, and by trafficking in Native lands.

5. Read paragraphs 1 to 16 of the memorandum of the 24th March, 1893. What do you gather to be the meaning of those paragraphs?—That Mr. Cadman used his influence to obtain the appointment of Rose as Assessor in order that they might purchase the Umutaoroa Block at about an eighth of its actual value.

6. Anything else in connection with those paragraphs?—And that they might escape the payment of so much duty.

7. Paragraphs 21 and 22; what of those—what impression do they give to your mind?—That the Native Minister used his position as such for buying lands from the Natives; and when such lands were good he received them for himself and friends, and when not let the Government have them.

8. *Cross-examined by Mr. Rees.*] That was the impression I derived after consideration as to what you charged Mr. Cadman with.

9. You have not overstrained anything?—No; I have no cause for doing so.

10. CHARLES BONFIELD HOADLEY, examined by Mr. Sainsbury: I reside and carry on business in Napier as a land and estate agent. Have been here eighteen years.

11. You have seen the two memoranda?—Yes.

12. Take that of 10th March, and tell me what impression is conveyed to your mind by paragraphs 15 to 22?—That the Native Minister opposed reforms in Native land-laws that were proposed by the Commission appointed pending the negotiations to acquire Native Block of Umutaoroa.

13. Paragraphs 23 to 26 in that memorandum?—That Cadman and Smith used their political influence to pass the Tahoraite Bill to facilitate the acquisition of the Umutaoroa Block, and necessary to the title.

14. Paragraph 30?—It is an insinuation that the Native Minister and Government Whip abused their position for the purpose of acquiring wealth.

15. Take the memorandum of the of the 24th March. Look at paragraphs 1 to 16. What do they convey to your mind?—That Cadman and Smith used their influence to secure Mr. Rose as valuator of their property, and with Mr. Rose conspired to undervalue this block to defraud the Land-tax Department.

16. As to paragraphs 21 and 22?—That insinuation that Native Minister might abuse his powers and the public moneys to advance his own interests.

## WITNESSES FOR THE DEFENDANT.

16A. PATRICK ALPHONSUS BUCKLEY, K.C.M.G., examined by Mr. Rees.] I am Attorney-General. Have been so with the present Ministry since its formation.

17. Can you state whether the laws regulating Native land and Native Land Courts are in a state of safety to the public?—I have stated openly that they are a disgrace to the Legislature. I have tried to rectify them as much as I could.

17A. Is it not a fact that when you have been asked by the Chief Judge to take charge of a Bill you have asked the Judge to give you a memorandum?—Will you say what Bill?

18. The Waikouaiti Reserves Bill. My object in asking is that the Native land-laws had got into such a mess, you wanted a memorandum?—Yes; commonly I got an explanation of a Bill from the Native Office.

18A. Did you advise that good measures of reform as to past and future transactions in land were required?—There is no doubt about that. I remember the appointment of a Commission in 1891 after the first short session.

19. Was the report of that Commission brought before the Cabinet?—I have no doubt it was. You remember your report was not completed—not signed by Mackay. I do not think I have seen Mr. Mackay's report.

20. During the session, 1891, were you present with Messrs. Cadman, Carroll, and myself drafting certain clauses about tribal dealings?—You are referring to incorporation?

21. Yes.—You spoke to me frequently about it; but I do not remember who were present. [Exhibit No. 1 of defendant, Native Land Bill, 1891.] That is the Bill of Mr. Cadman's, brought before the Joint Committee. I attended this Committee three or four times.

22. Do you remember the Natives objecting to part of that Bill?—I do. So far as I could understand, they wanted delay. I spoke against delay, and a resolution of the Joint Committee was passed, I believe, that the Bill should be proceeded with.

23. Had you any knowledge that Mr. Cadman, while Minister, was engaged in purchasing Native land?—None. The first intimation was a memorandum you have, addressed by you to me (this was that of the 10th of March), after the 10th of March.

24. After receiving that did you see Mr. Cadman?—I do not think I did.

25. Can you say whether any statement had been made by Mr. Cadman to any of his colleagues about his purchasing Native land?—He made none to me. I am unaware that he did to others.

26. In your opinion, is it a proper thing for a Minister to purchase Native lands?

*Sir R. Stout* objected.

27. Did you have any conversation with Mr. Cadman as to holding an inquiry into the subject of the matters in the memoranda?—I had some conversation with him. I think I said those were charges he could not rest under.

28. Did you suggest a parliamentary inquiry?—I made no suggestion of the kind of inquiry. I thought he had better be advised by some outsider.

29. Are you aware of any other general Native Bill brought in by Mr. Cadman other than this one?—The West Coast Bill would have been brought in by Mr. Cadman; but Mr. Ballance knew all about the matter. There were other general Bills—the Validation of Titles Bill. I remember the appointment of Mr. Carroll to the Executive.

30. Do you know of two Bills brought in by Mr. Carroll towards the end of last session?—(Sir R. Stout says he will get these for Mr. Rees.)

31. They seem brought in by Mr. Cadman?—I cannot say from memory; most likely they would be. [Two Bills put in on behalf of defendant. 2. Native Equitable Owners Act 1886 Amendment Bill, 1892. 3. Native Committee Act Amendment Bill, 1892.] I do not recollect anything about these Bills.

32. Can you say why they were not proceeded with?—I do not know.

33. You say I often spoke about these matters to you?—You were very anxious to push on Native matters. I had interviews with you and Mr. Seth-Smith; I could not get Mr. Seth-Smith to move fast. Mr. Cadman was also anxious to move on; but I could not get you and him to agree. Yes! it was arranged that the differences of the two Bills should be arranged by me; and I thought that Mr. Rees's clauses should be incorporated in Mr. Cadman's Bill. It was left to me. Mr. Rees came to the Cabinet. The Premier asked me to see what were the differences between Cadman and Rees. Difficulty was about making certain incorporations in Cadman's Bill. I think Part 15 (page 46) contains the clauses Mr. Rees wanted inserted.

34. *Cross-examined by Mr. Sainsbury.*] The clauses referred to appertain to a Board and a Chairman; Mr. Rees's name was suggested by some persons; Wi Pere's name also mentioned.

35. *Re-examined by Mr. Rees.*] Did not the clauses I contended for have reference to appointment of a committee amongst tribes?—Yes. By my recollection the difficulty was about Administration Boards.

36. GEORGE HENRY SWAN, Member of House of Representatives for Napier, examined by Mr. Rees.] I have been M.H.R. for Napier during three Parliaments.

37. Can you speak of the state of the present Native land-laws?—Yes.

38. Can you state whether, amongst the members of the House of Representatives, it is thought that radical reform in the Native land-laws is necessary?—Most decidedly.

39. Do you know that during the last two sessions efforts were made by me for such reformation?—Yes; I can say you made efforts in both those sessions, and urged the Government to take action in the matter.

40. Do you remember the Tahoraite Bill being before the House?—Yes.

41. Do you remember the discussion as to whether it was a public or private Bill?—You contended that it was a private Bill; but it was admitted by the House as a public Bill; and I think the House refused to send it back to Committee. I should have been specially referred to on that question.

42. Are you aware of several questions of disputed titles existing at present?—Yes, I am.
43. Is it not well known publicly that the bulk of the Native lands in the North Island are not capable of being dealt with by the Natives?—Yes, certainly.
44. Do you believe that this retards the prosperity and settlement of the country?—I do.
45. *Cross-examined by Sir R. Stout.*] Do you think it would be improved by the appointment of Native Committees?—I am not in a position to say. I think I voted that the Tahoraite Bill was a public Bill.
46. See clause 4 of that Bill. It is a Bill to deal with disputes between Europeans and Maoris. Do you remember that being discussed in Committee?—I do.
47. Did not Mr. Rees support clause 4?—I do not recollect. I think clause 4 deals with disputes between Europeans and Natives. Very probably I voted against the clause, and it was lost. (*Vide Hansard*, 1891, Vol. cxxiv., p. 973.)
48. Mr. Rees and Mr. Cadman voted for it, did they not?—Yes. The reason I voted against it was that I was against the Bill generally. [Exhibit A, Native Land Court Acts Amendment Bill, 1891.]
49. CHARLES MELVILLE CROMBIE, examined by Mr. Rees.] I am the Commissioner of Taxes.
50. Do you produce letters and memoranda?—Yes.
51. I want those about the appointment of Mr. Rose?—This is the recommendation and the approval of the appointment by the Governor (which was one amongst a great number).
- 52.—Have you any notification how the names you submitted to Mr. Cadman?—Yes; he was acting for the Colonial Treasurer, who was absent from Wellington. This was the 23rd October, 1891. This is a list of all the applications for appointments in Hawke's Bay, with recommendations made by me as Commissioner of Taxes, to the Minister: For Danevirke Road District there were three applicants—James Sanders, Charles Nicholls, and William Rose. There was one applicant for Danevirke Town District—William Rose. Rose was recommended for the Danevirke Town District by the Chairman, Mr. Duncan McKay, and Mr. W. C. Smith, M.H.R. McKay recommended him for both; this is his letter, dated 1st October, 1891; and this is Mr. Smith's letter, dated 9th October, 1891, recommending Rose for Danevirke and generally. Mr. Smith's recommendation was general for any district.
53. Was there any other recommendation?—Mr. Smith made another recommendation. I have a note or minute—"Letter from Mr. Smith to Mr. Cadman recommending Rose, Nichols, and Hall, specially recommended as good men for rating." I did not see the letter; Mr. Cadman had it. I think Mr. Cadman recited to me an extract from it.
54. Was any reference made to Mr. Kennedy?—Not as to Rose, Nichols, and Hall. They were not referred to Mr. Kennedy.
55. Is it not customary, when persons are proposed, to refer them to the chief officer of the district?—No. I refer to Assessors appointed on the 27th October, 1891, and on the 26th October the Governor approved the recommendation to appoint 150 Assessors, and these appointments were not referred to any Inspecting Assessor. As to Mr. Rose there was a general recommendation by Mr. Smith. The letter to Mr. Cadman was not to the department at all. I think the Hawke's Bay Assessors as a body were not appointed until after the Inspecting Assessors were appointed.
56. Why were the three appointed?—I recommended them for appointment on the 22nd October, and the appointments recommended by Mr. Cadman on the 26th October, and approved by the Governor on the 30th; Inspecting Assessors gazetted in November.
57. Were not these the only ones appointed in Hawke's Bay without reference to Mr. Kennedy?—Yes; that is except those of the Boroughs of Napier and Hastings. Other applications, most of them, that were afterwards referred to Mr. McGowan as Deputy-Commissioner, or to Mr. Kennedy as Inspecting Assessor, were in the office at this time.
58. Can you give a reason why these three were appointed?—Yes; I was not satisfied with the applications for the work in Hawke's Bay—that is, for the three counties which are in the Provincial District of Hawke's Bay—sufficiently to make recommendations, so I made none to the Ministers. I said I was not sufficiently satisfied to recommend. The three were appointed on the strength of the recommendation from Mr. Smith to Mr. Cadman.
59. Have you Mr. Rose's return for the valuation roll?—Yes; this is his note-book (produced). The entry is "Tamaki Timber Coy. Leasehold interest, £3,000; freehold, £3,316 [Natives] are its values." It was ascertained that the Assessor understood that the leasehold was the Tamaki Timber Company's. It was afterwards ascertained that the Tamaki Timber Company had eight out of ten shares in the freehold, and the Natives two shares; and the entry was amended to read "Tamaki Timber Company and Natives."
60. When was that alteration made?—After the Board of Reviewers sat. Do not know exact date. Some time in May or June, 1892. Know it was May or June, 1892. The newspaper report of sitting at Waipawa. Alterations not made in the note-book, it was made on the roll. The alteration was made after May or June; I can only fix the date as between June, 1892, and the collection of the land-tax. My impression is alterations made in June.
61. Have you any return from either Mr. Smith or Mr. Cadman for that land?—Yes; Tamaki Timber Company. It is the return of the land.
62. What is the custom when there is a freehold, a lease, and a sublease?—We value the interest of each party.
63. Have you any other return from Cadman and Smith about the land at Umutaoroa?—No.
64. Had you any notice at this time that under the Land Transfer Act the land had been valued at £20,000?—No. The return was  $7\frac{3}{4}$ -tenths of 4,973 acres, and value of interest is £3,776, made by W. C. Smith for the Tamaki Timber Company. I have no other valuation by Mr. Rose.
65. Have you the previous valuations for property-tax?—Yes; for three years before. I have not the 1882 one. There is one 1888 and one 1885.\* Value in 1888, £5,000; value in 1885,

\* Exhibit 4: Extract from Danevirke Road District Roll, 1st October, 1888. Exhibit 5: Same, for 1st October, 1885. Exhibit 6: Same, for 1st November, 1891. Exhibit 7: Property- and land-tax, Danevirke rolls, and departmental papers *re* Rose's appointment.

£6,316. The Natives would not be taxed at all. On the property-tax roll, 1888, Natives are put down as owners, and McLeod and Knight lessees, but no appearance of Smith or Tamaki Timber Company on that roll. McLeod and Knight appear as occupiers and Natives as owners. It ought to show who are the primary lessees. If the lessee and sublessee had each an interest each would appear on the assessment rolls. On the roll it would appear whether there were two—lessee and sublessee. Cadman and Smith, if they had a valuation, ought to appear on the assessment roll. Every person should make a return. I do not know why they do not appear on the roll.

66. If you had known that, under the Land Transfer Act, the land had been assessed at £20,000, would you have made further inquiry?—Yes; but I may say that further inquiry was made as to that valuation of £19,000 odd; and I did not discover this till a day or two ago. When the first assessment was made of Native land, under the Act of 1882, the Assessors' assessments were submitted to the Survey Department for revision. The Assessors' value was then £9,946 for the block; but the valuation of the Survey Department was £19,619. A valuation made by the late Thomas Mackay and Colonel Preece was £1,989. That was the first year land valued for Native rating; and, when we got the Assessors' returns into the office, I found it impossible to reconcile the areas, descriptions, and values. I made a recommendation to the late Mr. Sperrey, and the matter was referred to the Survey Department and then to the Native Department. I have here a list of Native lands in Danevirke Highway District, with values entered by Thomas Mackay. (Part of Exhibit 7.) I have a copy of Mr. Mackay's letters and Colonel Preece's values. 'Letter of Mr. Mackay read, which is about Preece's going over Native lands and valuing in 1883.)

67. *Cross-examined by Mr. Sainsbury.* (Receipt of property-tax from the Tamaki Timber Company here put in.) From the receipt put in the Tamaki Timber Company do appear to have paid property-tax in 1888.

68. Is it an unusual thing for members of the House of Representatives to recommend valuers for different districts?—No; it is a very usual thing. It did not strike me as an unusual thing for Mr. Smith to do so in this case. I heard no objections to the appointment before it was made. The appointment was made on my own responsibility. I did not think that there were any large properties. I would pay far more attention to a private letter.

69. Is there any ground for saying that Mr. Cadman and Mr. Smith insisted on the appointment of Mr. Rose?—No; Mr. Cadman simply read the letter and made no request or recommendation. I would not have seen Mr. Cadman on the occasion unless I had gone to him about some other appointments to get his approval of those other appointments.

70. Of the three applications for the Danevirke Road District can you tell me the amount of the tenders?—The applications were—James Sanders, £50; Charles Nichols, £20; William Rose, £34 15s., for the Danevirke Road District only. Mr. Nichols sent me no recommendations, and I did not know him.

71. Did you get a letter from Mr. Rose on December 18th, 1892?—He wrote to the Commissioner of Taxes, "I have completed the assessment; should I see Mr. Kennedy before forwarding the note-book?" To which I replied by telegram, saying, "Please forward note-book to this office."

72. Take the Danevirke Town District, and see if any lands are valued at £8 an acre?—The rolls are in.

73. *Re-examined by Mr. Rees.* On 1888 roll lessees' interest is valued at £1,000.

74. Was property-tax assessed on the two leases?—I do not know. I have not looked out that.

75. RICHARD THOMAS WALKER, examined by Mr. Rees: I am the editor of the *Hawkes' Bay Herald*, and am personally acquainted with Mr. W. C. Smith, M.H.R. for Waipawa.

76. Do you remember early last year a change of members of the Government was announced?—I remember it was announced that Mr. Reeves instead of Mr. Cadman should be Native Minister. It was rumoured. The Press Association gave it as officially announced.

77. Do you remember after that—two or three months after—having an interview with Mr. Smith?—Yes; two or three months after.

78. Was there any conversation about the change of portfolios?—Yes; it had been abandoned at that time.

79. What was said?—I can only give you the effect of it: which was, that a number of Auckland members had approached the Ministry—signed a "round robin," I think,—stating that they would go into opposition if he were removed from being Native Minister, and that they considered him a proper man. Mr. Smith gave me to understand that he was one of those very strongly opposed to the removal of Mr. Cadman. The impression left on my mind was that he himself had taken a prominent part in getting the Auckland members to oppose the change of portfolio—I would almost say the greatest part. He told me that the opposition was successful, and that Mr. Cadman had again been appointed, or never removed, and the object accomplished of keeping Mr. Cadman Native Minister.

80. Are you acquainted with the land round Danevirke?—Yes, pretty well. I have very often stayed there.

81. Was your attention called to the last rating roll of the Danevirke Road District?—Yes, some time last year. My attention was called to the roll soon after it was made out.

[Mr. Rees asked that the witness could look at a volume of the *Hawke's Bay Herald*, for the purpose of fixing the time when his attention was called to the inequalities in the valuation roll for the Danevirke Road District, and leave granted.]

82. What is your opinion of the valuation of the properties in the Danevirke Road District made when the roll first came out?—The Umutaoroa Block seemed to my mind undervalued, and the adjoining properties of Tahoraite, Omataroa (not Umutaoroa), and Kaitoke were greatly overvalued. There was a very marked discrepancy in the valuation. I do not consider myself an expert. I know the Oringi Block.

83. Can you say anything about the relative values of the Oringi and the Umutaoroa Blocks?—I should say the Umutaoroa was of considerably more value than the Oringi, because of having more timber and adjoining the township; while Oringi is miles away. When I was speaking of Oringi, I spoke of it in its natural state. Oringi is highly improved, and might be worth more than Umutaoroa at present time. I know the Tahoraite Block; it is very poor land; it is shingle-bed. In its present condition Umutaoroa is of very much greater value than Tahoraite.

84. Then, if Tahoraite is valued at £3 and Umutaoroa at 25s.?—I should say there was a gross discrepancy.

85. *Cross-examined by Sir R. Stout.*] This is the first time you have been called as a land valuer?—Yes. I spoke of the Tahoraite occupied by Knight Brothers; the unimproved value of that is very little—I should say 10s. an acre; parts not worth that. Oringi, unimproved, is worth £1; if valued at 15s. it is under-valued.

86. If Oringi unimproved value is £6,760 and Umutaoroa at £6,216?—I do not think there would be a great discrepancy; I should think the valuation very even; I would not say any discrepancy. I think I know Tahoraite No. 2 Block as Omataroa. I think £1,400 for Tahoraite No. 1 is a high valuation. I should say unimproved value of Kaitoke would be over £1. As between Kaitoke and Umutaoroa, at the unimproved rates, there is no discrepancy; I speak of the improved values as being discrepant. I have been over the whole of the country in past years shooting, and over Umutaoroa. I have not been all over the block. I have not seen shingle, and it is principally clay. Have not been there since the year 1890. Oringi is highly improved, I should think over £2 an acre.

87. If Tahoraite put down at 10s., and Kaitoke at 11s., and Umutaoroa at 25s. per acre?—I should say that not unfair for unimproved values.

88. Who called your attention to the valuation? How did you come to mention Mr. Smith to Mr. Rees?—In a talk in my office about general politics before the memorandum. I am an Opposition paper. I and Mr. Rees talk about politics, but often differ. I thought Mr. Rees must have been one of the Auckland members who signed the "round robin." He said it was all nonsense. I then said I had a good authority—Mr. Smith. There is nothing in the article about the "round robin" or Mr. Smith. Mr. Smith was my informant. The conversation was at the Criterion. I had had a glass of whiskey with Mr. Smith. Mr. Smith most certainly told me. The greater part of this article was from shorthand notes made at the conversation. The conversation with Mr. Rees was after the public meeting Mr. Rees had about Native matters. I knew that there had been some friction between Rees and Smith about the Chairmanship of Committees and Native matters. I intended it to be confidential to Mr. Rees; it slipped from me. I objected to its being told to the Premier. Mr. Rees asked my permission to use Smith's name; this was months after the original conversation. I never said that the article was a good guess on my part.

89. Did you ever say that paragraph 14 of the first memorandum was a good guess of Mr. Rees?—I think that I, in commenting afterwards, said that of course this was an assumption of Mr. Rees. I said that was my attitude. I had told Mr. Rees. This was in a later article.

90. EDWIN BAMFORD, District Land Registrar, examined by Mr. Rees.]—Do you produce the Crown-grant certificate of the Umutaoroa Block?—I produce the register book, folio 160; that is the Crown grant, it is the same as a certificate of title, for 4,973 acres.

91. Do you see the pencil memorandum of certain figures?—Yes; it is £19,619; grant, £1; registration, 2s.; assurance on £19,632, £40 18s.; acreages, £5 1s. 6d.; total, £47 1s. 6d.

92. The item £19,632: is that to make it up to even shillings?—Yes, so that it would not want so many stamps. Stamps to the amount of £47 1s. 6d. were paid to Mr. Morley, clerk to Sainsbury and Logan. The lease (Natives to Monteith) was brought forward as an outstanding deed, dated 14th February, 1883. That was from eight grantees to Henry Monteith—ten grantees altogether. Then Monteith assigned to Cadman and Smith, registered 28th October, 1887; date of transfer was 31st October, 1885; stamp-duty was paid 12th January, 1886.

93. Can you explain the memorandum as to the valuations?—I cannot bring to my mind this particular assessment. I can only tell you how assessments of this nature were made. The chief clerk would take the Crown-grant to the Chief Surveyor, and ask him what he considered the value of the land. The Chief Surveyor would there and then say off-hand £3 or £4 an acre, the valuation he considered it worth.

94. Give dates and names of the different assignments of the freehold interests?—From the Natives to Mr. Smith?

95. No, to all of them?—(1.) Transfer dated 2nd October, 1889, to Irvine.\* Interest transferred from Irvine, to Irvine, Cadman, and Smith, dated 6th October, 1889. Transfer dated 15th April, 1891, Irvine to Cadman and Smith. (2.) Another share. Transfer dated 2nd May, 1891, to Cadman alone. (3.) Another share. Transfer dated 12th October, 1891, to Smith alone. (4.) Another share. Transfer dated 29th December, 1891, to Smith alone. (5.) Another share. Transfer dated 12th January, 1892, to Smith alone. (6.) Another share. Transfer dated 2nd July, 1891, to Smith alone. (7.) Another share. Transfer dated 23rd July, 1891, to Smith alone. (8.) Another share. Transfer dated 7th May, 1891, to Smith alone. (9.) Another share. Transfer dated 19th February, 1891, to Smith alone. Transfer dated 7th May, 1891, to Smith alone. (10.) Another share. Transfer dated 18th July, 1891, to Smith alone. (11.) Another share. Transfer dated 9th October, 1891, to Smith alone. (12.) Another share. Transfer dated 1st July, 1892, to Smith alone. (13.) Another share. Transfer dated 12th September, 1892, to Smith alone. That is all the transfers, by which all the shares are acquired. I produce mortgage deed, 14th June, 1892, Cadman and Smith to the Union Bank of Australia (Limited). The consideration is £2,491 16s. 1d. then due, and further sums due by us jointly to Union Bank. It recites the interests held according to the transfers. There is a covenant to assign future acquired interests. The land still stands in the names of Cadman and Smith. I produce the lease to Monteith.

\* Exhibit 8, for defendant. All land-transfer papers connected with Umutaoroa Block.

96. Is there a record of a caveat lodged by Cadman and Smith prior to the assignment of the lease by him to them?—There was a caveat lodged by Sainsbury and Logan, registered 1st October, 1883. This is the caveat produced: "Claims transfer from Monteith to them."

97. Was any caveat entered by Cadman and Smith prior to acquisition of last two shares?—Caveat was lodged by Smith alone on 21st September, 1892. That would be before the acquisition of last two shares (by registration)—that is, registered before the registration of the transfers of the last two shares. The caveat is by virtue of the alleged transfers of the two last shares. The two last shares were registered on the 5th of December, 1892. I was Registrar when the money was paid to the Assurance Fund. I cannot remember whether any objection was made by Messrs. Cadman and Smith as to the amount. It was paid to the clerk. Nothing was said about it.

98. On what was the £10 per centum Native duty paid on the acquisition of the last two shares?—On the Land-tax Assessment of 1891, £6,316. I took last share as a tenth. The block was not granted under the Native Land Acts.

99. Having regard to the valuation originally made of £19,000 odd, why did you not oppose that?—Law says it is to be assessed on the values as decided by the Commissioner of Stamps. He always took the property-tax valuation—unless the amount paid more, then he took the price paid. I had the advice of the Commissioner of Taxes as to the values.

100. Do you produce the lease from Cadman and Smith to McLeod and Knight?—Yes. It is from Irvine, Cadman, and Smith to Mackay, McLeod, and Knight, dated 14th June, 1887. The term is eight years and two months, from December, 1887.

101. That lease has been assigned to Mr. Knight?—Yes. It is vested in B. L. Knight at present time. It is in consideration of a royalty of 2s. for every 100ft. of good marketable totara, and smaller sums for other woods; 6d. for every 100ft. of pine, rimu, and matai.

102. Have you any note in register of transfer of original lease from Irvine to Cadman and Smith?—It seems to have become vested in Cadman and Smith by exercise of power of sale in mortgage. Transfer registered 4th December, 1890, from Bank of New Zealand to Cadman and Smith.

103. *Cross-examined by Mr. Sainsbury.*] It was the leasehold that was mortgaged by Irvine to the bank and transferred by the bank to Cadman and Smith. The memorandum on the Crown grant was made by Kelly, then chief clerk. The memorandum ought to have been put on when the grant was registered. The grant was registered 17th July, 1883. Presumably the memorandum put on, then as soon as grant is presented for registration we calculate the tax and put a note on.

104. As to the valuation, would it be considered by you to be authoritative or hap-hazard?—Nothing really, only a guess of the Chief Surveyor for the purpose of fees.

105. Have you known cases of valuations overvaluing?—Yes. You see that was one of the habits. As the fee is only one halfpenny in the pound the parties do not generally quarrel about it. I have known of cases when the value of land has been very much lower than the amount on which the land was assessed for the Assurance Fund. The transfer from Haromi to Cadman is attached to transfers from Manahi and Marai Raukaki.

106. Have you the Crown grant of Tahoraite?—Yes.

107. Compare Crown grants of Umutaoroa and Tahoraite Blocks Nos. 1 and 2, and say what names in Umutaoroa grant appear in either of the others?—Ihaia te Ngarara, Hohepa Paewai—both in Tahoraite No. 1.

109. Look at register of Umutaoroa, and say when Hohepa Paewai died?—It appears to be before September, 1883.

110. *Re-examined by Mr. Rees.*] How many are included for Hohepa Paewai's share?—Five successors—Hapuku Paewai, Hakuera Paewai, Roia Paewai, Aparata Paewai, Ruta Paewai.

111. You say you have known cases of ridiculous valuations, and, as people only pay one halfpenny in the pound, they do not growl?—I have known of ridiculous over-valuations. I do not say the department makes ridiculous over-valuations. All I say is we take the Chief Commissioner's valuation. He no doubt would be able to show if he gave the matter consideration.

112. Have you any reason to believe that this land was over-valued by the assessor?—I cannot say from my present information that it is over-valued. I do not know.

113. *JAMES IRVINE examined by Mr. Rees.*] I am a commission agent. I was formerly in partnership with Cadman and Smith. I entered into the partnership at end of 1884; it continued till 1890, about August.

114. Had you dealings with the firm of Cadman after that?—No, not till now. I had nothing to do with the shares they acquired. When the partnership ceased I made no arrangement with them—none at all.

115. Have you had any transactions with Cadman and Smith recently?—None whatever.

116. Have you had any conversation with Cadman and Smith about the partnership?—No.

117. You have not made any arrangements with them, or they with you?—None.

118. *CHARLES MELVILLE CROMBIE recalled by Mr. Rees.*] Take valuation roll under Land and Income Tax. Can you say who made the alterations by which Smith's name was inserted for the Umutaoroa, and the name of the company altered?—No. I do not recognise the handwriting. I think it was done soon after June, 1892. I consulted the chief clerk; he drew my attention to it. It was made by, I think, without doubt, one of the permanent officers. I believe the alteration is correct. I should have instructed it to be made if my attention had been called to it. I tried to explain why the entry is corrected. The alteration was made because it was understood after there was no leasehold interest, but that the freehold was in the Tamaki Timber Company and Natives. The Assessor had made a mistake in stating that the Tamaki Timber Company had a leasehold; and he valued that at £3,000.

119. *Cross-examined by Mr. Sainsbury.*] I had a letter from Mr. Smith about the matter.

120. WALTER HALLETT examined by Mr. Rees.] Am a surveyor. Am acquainted with the country round Danevirke.

121. Have you knowledge of rating prices of land round Danevirke?—[Sir Robert Stout objected as not material.]—I have a fair knowledge.

122. What, in your opinion, is the unimproved value of the Umutaoroa Block?—£3 15s. to £4 an acre. There is good bush on the land. Part is very good land, part rather inferior.

123. *Cross-examined by Sir R. Stout.*] The unimproved value of Oringi is £1 10s. to £2 an acre.

124. Do you know the Otawhao Block valued in the rates?—I know it; the unimproved value is £2 10s.

125. What is the unimproved value of Tahoraite No. 2?—£1 an acre.

126. What separates Tahoraite No. 2 from Umutaoroa?—Imaginary line. One runs with shingle terraces, the other side is good land. I know Kaitoke—the unimproved value of that is £2 5s.

127. You would not be surprised to hear that you have multiplied by four the valuations?—I do not know the valuations. I have valued for the property-tax for Hawke's Bay and Wairoa. I last valued in 1891. I valued for Wairoa County; it is not such good land as here. I mean by "unimproved," in its natural state. I have been all over those blocks, not for rating, but have been over. I took Mr. Campbell all over these blocks twelve or thirteen years ago. I have been to Umutaoroa dozens of times since. I have surveyed other blocks. Mr. Campbell was appointed to report on the forests. I showed him over it. I know the Campbell I took over; he was Inspector of Forests. I know T. M. Campbell. I think he is manager for some one at Kumeroa. I should say he was a good valuer.

*A. Exhibit put in by Mr. Sainsbury.*] Letter of the 29th June, 1892: Smith for Tamaki Timber Company to Commissioner of Taxes, stating owner's interest is valued at £6,000, and that Tamaki Company had acquired eight shares.

128. Mr. C. M. CROMBIE re-examined by Mr. Sainsbury.] Alteration was made before this letter.

129. *Re-examined by Mr. Rees.*] I have no voluntary statement of the acquisition of the two shares.

130. FREDERICK CARL WILHELM BIERRE examined by Mr. Rees.] I am clerk to the Danevirke Road Board amongst other things. I produce map of the Danevirke Road District. [Exhibit 9, for the defendant: Map.] I know the Umutaoroa Native Reserve. The middle portion is twenty chains from the station. The original block was 20,000 acres; 4,900 odd were cut off as a Native reserve.

131. Can you state about what distance the Umutaoroa fronts the township?—About two miles. It runs past the township, fronting the settled lands four or five miles.

132. Do you produce the valuation rolls?—Yes. [Exhibit 10, for defendant: rating-books and valuation rolls for the Board.]

133. Turn to land-tax roll for 1892?—The roll is signed by Mr. Crombie, 6th June, 1892.

134. Read entry opposite "Umutaoroa"?—Occupier: B. L. Knight, for Tamaki Saw-mills. Owners: Hawke's Bay Timber Company and Natives. Description of the land: It is about 4,973 acres of Native reserves, valued at £6,316.

135. I suppose you have knowledge of land in that district?—Yes, and what it sells at.

136. What in your opinion is the value of the Umutaoroa Block as it stands?—At least £3 an acre. I suppose you mean what I would have valued it at in 1891. It is worth a great deal more to-day. Different parts have different values if cut up.

137. What is the value of the land fronting the township?—£10 an acre for ten or twenty chains back, making small sections of it.

138. If all cut up what would the selling values average?—I can say what it has been selling at. I am told £5 an acre for the large sections—sections of 200, 300, and 400 acres. Small sections have been selling at from £10 to £16 an acre.

139. Is there any Government land to be obtained near Danevirke?—No; there may be some at the back on the Ruahines, but no one would take that.

140. Can you say what price the land about the township fronting the Umutaoroa Block has sold at?—Within the last few months one section sold at £5 10s. There was bush felled on that. The Umutaoroa Block is very good grass land, some parts better than others.

141. Is there demand for land about Danevirke?—Yes; but not many care to sell.

142. Do you know Oringi Block?—Yes.

143. In Oringi's present improved condition what is your opinion as to the relative values of that block and Umutaoroa in its present condition?—I think Oringi as it stands is worth £4 an acre. Portions of Umutaoroa have been sold recently. I know some of the people who have bought. They said they paid £5. These are farm sections. These two had bought 300 acres each. Farm sections have been sold in that part of the block. I have marked it with pencil. The smaller blocks are at the back of the township and adjoining. I have been five years Secretary of the Road Board.

144. Would it have been a benefit to the township if it had been bought by the Government and sold rather than by others?—I see no difference, so long as it gets settled.

145. Will you produce the first valuation of the land, that in 1882 or 1883?—I have not the one for 1883. I have the Rate-book. Umutaoroa then valued at £2 an acre.

146. *Cross-examined by Sir R. Stout.*] What was the 1885 or 1886 valuation?—

147. What is the other?—1889, that is £5,000; 1891, £6,916. The land on the township side of the creek and on the settled side of the creek is about the same character as the other side. I received circular from Land-tax Office giving assessments, and to object to values.

148. Why did you not object if you think values wrong?—
149. Will you tell me a single section valued at £2 on the township side of the creek in the rating district?—Section 1, of Block XIII., is valued at £200; also Section 2, of Block XIII., £500, unimproved value. That is my mistake; that is improved value. Section has 104 acres, value £182. Section 3, £179.
150. How does it come that if the land was undervalued the Road Board did not object?—I was not appointed to do so. I cannot say that I brought it before the Board. It was before the Board the valuation was. I thought Umutaoroa was under-valued.
151. Why did you not call the attention of the Board to that?—I did not. The attention of the Board was called. I talked it over with Mr. Knight; he was a member of the Board. I have only to do with the capital values. I had nothing to do with unimproved values. It was pointed out to Mr. Knight that the unimproved value was too low for Umutaoroa.
152. What was the unimproved value of Tahoraite No. 2?—£2 to £2 10s. an acre; that is, taking the whole block.
153. Are you aware that it was fixed by land-tax at 15s.?—I am not aware of that. I have been employed as valuer by the Town of Danevirke. We get the values from the Land-tax. Local bodies make their own valuations for rating purposes. Our rate is on annual values. I am clerk of the town district. The rate has always been on annual values in the towns. The township is now mostly quarter-acres; some are forty acres. The annual value of the forty acres I put £1 an acre. They are all improved land. Houses and fences valued only £1 an acre. I have been there nine or ten years. Block XIII. was taken up by an association—that was the Waipawa Small-farm Association, and Block XIV. by the Danevirke Small-farm Association.
154. When did the association take up the land?—I think in 1884. I was in the Danevirke Association. We paid £1 2s. 6d. an acre, and 2s. 6d. an acre to the Survey Department, and got ten years to pay for it in. Government made the roads and cleared the bush. I would not be surprised to hear that the Government had to pay 5s. an acre for the roads. That association was on the same terms. That land was as good as the Umutaoroa land at that time. It was a paternal Government.
155. *Re-examined by Mr. Rees.*] When I say Oringi is £4, it is. Its improvements bring it up to that. The unimproved value of Oringi is put down at 15s. an acre, [Part of the roll.—Oringi, 8,380 acres—total value, £33,520. Value of owners' interest, £6,760; value of lessees' interest, £26,760; value of improvements, £20,000.] The unimproved value is put down at the price of £6,760. It appears that part of the unimproved value is put down to the Maori owners and part to the lessees.
156. JOHN HENRY KERR, examined by Mr. Rees.] I am the manager of the Union Bank, Napier.
157. Have you an account in the books of the bank in the names of Cadman and Smith?—The account was opened 21st March, 1891. It was opened by lodgment of £1,050 by Mr. W. C. Smith. It was money of Mr. Cadman's, so far as I am aware.
158. Had you another account in which they were interested?—The Tamaki Timber Company.
159. Who were the partners in that?—Mr. Cadman, Mr. Smith, and Mr. Irvine.
160. When was that opened?—End of 1889, I think.
161. When was Tamaki Timber Company's account closed?—10th April, 1891. In its place came the account of Cadman and Smith.
162. Do you produce cheques, 4th January and 3rd February, 1890?—I produce cheques, 11th January, 1890, Irvine, £137 10s.; 16th January, 1890, Smith, £150; 3rd February, 1890, Cadman, £150, on the Tamaki account. [Exhibits Nos. 11 to 40 put in on behalf of defendant, being various cheques.] Either two of the three partners operated on the account.
163. Who operated on the Cadman and Smith account?—Cadman and Smith did.
164. Can you state what the three cheques were for?—The benefit of the payees.
165. Do you produce cheque, 24th December, 1890, Watini te Mapu?—Yes, for £400. That is drawn by Tamaki Timber Company, and signed by Cadman and Smith.
166. Do you produce cheque, 16th February, 1891, for Te Warikiri?—Yes, £400. Cadman and Smith (Tamaki Timber Company).
167. Do you produce cheque, 28th April, 1891?—There is a credit on that date of £300 to Cadman and Smith, paid in by Smith by cheques of Cadman on Bank of New Zealand, Wellington.
168. 28th April, 1891. Have you a cheque in favour of Natives on the account?—Yes; £875 on Cadman and Smith's account—not the company's. It is signed "Cadman and Smith." It is signed by Smith and written by him.
169. 2nd June, 1891. £450 in favour of Natives?—Yes; that is a cheque of Cadman and Smith.
170. Cheque, 29th September, 1891, to Fraser, £10 15s. 6d.?—Yes. Paid 29th October, 1891.
171. Cheque, 14th October, 1891, in favour of Tora Tanu, for £40?—Yes. Paid 14th October, 1891.
172. Same date, another Native, £300?—Yes.
173. Same date, Ruta Paewai, £106?—Yes.
174. 19th October, 1891, same Native, £10?—Yes.
175. 14th November, 1891, Ihaia te Ngarara, £5?—Yes.
176. 18th December, 1891, Rura Paewai and Apita, £240?—Yes.
177. Aparata, 12th December, 1891, £13.—Yes.
178. 21st April, 1892, Ihaia te Ngarara, £5?—Yes.
179. 27th April, 1892, Manahi Paewai, £10?—Yes.
180. 23rd May, 1891, Natives, £11?—Yes.
181. 4th July, 1892, Manahi, £150?—Yes.



182. 6th July, 1892, Manahi Paewai, £100?—Yes.
183. 15th September, 1892, Ihaia te Ngarara, £700?—Yes.
184. 28th November, 1891, Bank of New Zealand, £500?—Yes.
185. 20th April, 1891, Bank of New Zealand, £200?—Yes.
186. 23rd January, 1891, stamp duty, £44 12s. 9d.?—Yes. Tamaki Timber Company.
187. 4th March, 1891, stamp duty, £44 12s. 9d.?—Yes. Tamaki Timber Company.
188. 27th October, 1891, £116 10s. 3d., Native stamp duty?—Yes.
189. 23rd December, 1892, land-tax, £20 12s. 9d.?—Yes.
190. Can you state whether the cheques are all in the same writing, and whether both partners operated?—Cannot say. My belief is Smith has, principally or wholly, on the Cadman and Smith account. The account is still open. Any cheque signed by Cadman would be honoured as well as any by Smith, within the limits of the overdraft.
191. Are you aware whether Cadman and Smith received payment from Mr. Knight?—I cannot say. Tamaki Timber Company have.
192. Do you produce cheque July 17, 1891, to Duncan Guy, £600?—Yes.
193. November 17, 1881, Deputy Assignee, £85?—Yes.
194. *Cross-examined by Mr. Sainsbury.*] I believe all are signed by Smith that I have handed in. All Cadman and Smith's cheques are wholly in the handwriting of Mr. Smith.
195. BENJAMIN LEONARD KNIGHT, examined by Mr. Rees.] Am a sawmill proprietor.
196. You are the present holder of the lease of the Umutaoroa?—Yes.
197. How long have you been in possession?—Since 1886, about June.
198. Under the lease you have to pay royalties?—Yes.
199. Can you say what you paid in 1886?—Yes; £72 3s. 9d., to June, 1887; £318 15s. 11d., to December, 1887; £239 15s. 10d., to June, 1888; £483 12s. 9d., to September, 1888; £371 0s. 9d. to December, 1888; £445 16s. 1d. to June 30, 1889; £342 10s. 1d. to December 30, 1889; £812 7s. 1d., to March, 1890; £120 0s. 6d. to March 31, 1890; £54 12s. 8d., due that date, and paid; £277 1s. 10d., to September 30, 1890. Since that date I have not got the book. I think there has been, to end of last year, about £500. I have paid up to September, 1890, £4,302 10s. 5d. Since then royalties a great deal less. Since September, 1890, it has been about £500 a year.
200. Can you form an idea of the value of the timber to be cut?—I cannot. There is a small patch of totara; you cannot tell how that will turn out. Original lease to me was Cadman, Smith, and Irvine. The last, so far as I know, has now no interest in it.
201. Did Cadman and Smith apply to you as to sale of any part?—They asked me to release a portion. I refused till two or three months ago. The communication was verbal—with Mr Smith. All communications were with Mr Smith.
202. Who has paid property-tax on the value of your lease?—I do not know. I have not.
203. Could you give any idea how many years cutting for one mill or two mills?—Three years for one mill for ordinary timber, and one year for totara. I should think six months cutting totara alone.
204. *Cross-examined by Mr Sainsbury.*] Besides the timber, a lot of plant was leased to me, that was their property. There was a very valuable plant. I know what a mile of tramway cost me—£1,120 during the last twelve months. I have only the use of the plant. I do not know what the value would be at the end—very doubtful. I should like to get a quarter of what my own cost.
205. Captain WILLIAM RUSSELL, examined by Mr Rees.] Am member for Hawkes Bay; have been so during present Parliament.
206. Are you aware of necessity for remedying Native land laws of the colony?—I have no doubt there are many evils that want remedying.
207. Were you member of the Joint Committee to which Mr. Cadman's Bill was referred?—I think not. I was member of Committee set up to report on some Bill—that not a Joint Committee.
208. Do you remember Mr Ballance's suggestion, September 9th, 1891, [*Hansard*, Volume lxxiv., cited pp. 431, 429, and 429], that Mr. Rees should move the setting up of a small Committee of four or five members to draw Bill?—I remember there was a Committee. The Committee met and brought down a Bill. It did not become law.
209. Can you tell that efforts were made to?—I believe you were endeavouring in session 1891 to get provisions passed to give to Native committees the control and management of Native lands.
210. Were you aware that you were endeavouring to get exclusion of Native Equitable Owners Act?—I do not recollect that. The Premier's object in setting-up the Committee I have referred to was to meet some of the difficulties in past transactions.
211. Can you say whether in 1891 you were aided or opposed by Mr. Cadman?—I should say the general feeling of the Government was that Native matters ought to be left in their hands and not taken off the Government's hands. The tone was that Government were going to paddle their own canoe.
212. Do you remember the Tahoraiti Bill?—Yes, that there was a Bill. I have no doubt that in interest of races alterations should be made in Native land laws.
213. *Cross-examined by Sir R. Stout.*] It is difficult to agree on the alterations. I was not in favour of vesting the control in Native committees. I do not think the House had formed an opinion on that. I do not think it likely that such a Bill would pass. It is my belief, that I voted that the Tahoraiti Bill should be a public Bill. I attended the meetings of the Committee, and the Bill was brought up. It was brought in by Mr. Cadman. Clause 4 deals with past transactions.
214. Should you be surprised to hear that you opposed clause 4, and that Rees and Cadman supported it?—There is no doubt that is so.
215. Are you aware that Government passed a Native Lands Validation Bill?—Yes; but law has been tinkered, not a remedy attempted. I do not think Committees would be carried.

216. Now, as to Equitable Owners Bill?—I do not remember about that Bill.

217. Do you not know that you voted against the Horowhenua Block clauses?—Very likely; I should disapprove of the Committee clauses.

218. Can you name any other project that Mr. Rees had?—The Validation of Titles. I do not think the present Act goes deep enough. I was not content with the Native Land Court; we wanted a more powerful Court than the Native Land Court.

219. In 1892, do you remember the report being agreed to by you and Rees, and others, that Native Trusts should be first fixed?—Yes.

220. Did you see in the Native Land Bill, introduced by Mr. Cadman, that there should be a Board?—I do not remember. I should say that that was not Mr. Rees's proposal.

221. Do you remember the Board being talked of?—I objected to it; I should try to prevent the House agreeing to the Board.

222. *Re-examined by Mr. Rees.*]—I have heard that there is one case under the Validation of Titles Act. It has been on three months, and not finished, I understand.

223. About Native committees. Did you ever know of committees being proposed, except to be regulated by law and the Government?—I should say that was your proposal.

224. Do you know of anything being done about Native Trusts last session?—No; I have not looked the matter up.

225. ALEXANDER HERBERT MACKAY, examined by Mr. Rees.] Am clerk in the Native Land Court. I produce Court-book containing original hearing of Umutaoroa Block. [Exhibit 41 for defendant; two Native Land Court Minute Books, and file of papers *re* Umutaoroa.] It is under heading Manawatu No. 3, page 185, Volume ii. It is Mr. Courtney's book. It was the Gisborne District, though now the Wellington District. This is the order—10th September, 1870—made under the Native Land Act, 1865: No restriction on alienation. Piripiri formed part of the same block.

226. Can you state whether any proceedings have been taken under the Equitable Owners Act in regard to Piripiri?—Yes; on 17th September, 1892, at Danevirke. The case was heard by the Native Land Court.

227. What was the result?—123 names, including the ten grantees, were put on the order. That is 113, besides names, were admitted.

228. Was there application made under the Umutaoroa Block?—I think not. I have no note about the Equitable Owners Act; only partitions. I did not go so far back as 1889.

229. Do the books show why no Crown grant was issued under the Act of 1865?—It would be delayed because of the plan wanting approval.

230. The proceedings as to Manawatu No. 3—whole block, 27,000 acres.

The Registrar read documents:—

Application for removal of restrictions, December, 1888. Majorities of owners under clause 5 of Act of 1888, Umutaoroa Block.

Letter accompanying application, April, 1889, by James Irvine to Native Minister.

Telegrams: W. C. Smith, 23rd June, 1889—"Has Governor signed?" Reply to him from Lewis, Under-Secretary, 24th June—"Has been affirmed."

Lewis, memorandum to the Minister—"Equitable Owners Act does not apply."

Application to bring land under Equitable Owners Act.

Letters, Sainsbury and Logan, to Clerk, Native Land Court. Report of Mr. Locke, M.H.R.

Application, in Maori, to deal with land under Equitable Owners Act.

Documents produced by Mr. Stowe, Clerk of the Legislative Council.

Minutes of Committee meetings.

231. WILLIAM LEE REES, examined by Mr. Lusk.] Am Member of the House of Representatives for Auckland City. Have been so since December, 1890. Am Chairman of Committees.

232. Will you tell us your chief reason for entering the House?—I have been attempting for years to get some order out of the confusion existing in regard to Native lands. After the appointment of the Commission, I became still more fully aware of the state of the Native land laws. The first session there was no time to do anything as to Native land laws; but in that session a promise was made that there should be a Commission. A Commission to myself, Mackay, and Carroll, was issued. Commission visited the whole of the tribes of the North Island, and took evidence of the chiefs that could give evidence, and also Europeans. There is a copy of the report in the Appendices. There is a plan attached to the report as to where we went. We examined all the members of the legal profession and ex-Judges. We examined all we could. We were occupied four months. Travelling-expenses were paid, nothing further. We presented report 23rd May. Mr. Mackay's report substantially same as other. Carroll put a foot-note objecting to the pre-emptive right being vested in the Crown. That report was sent to the Governor.

233. Was effect given to that report?—Not the slightest. I do not believe it has been considered. It has not, so far as I am aware. No discussion evoked in the House. At the opening of the session of 1891, a statement was made in the Governor's Speech about the report.

234. Were any Native meetings held during the session?—Yes; and passed resolutions about their lands and disputes. They are summarised in the letters read before the Joint Committee, and read to the jury. In session of 1891 a Native Land Bill was introduced by Mr. Cadman. I think this is the Bill: 227 clauses. It was referred to a Joint Committee of both Houses. I was member of the Joint Committee. So far as Maoris are concerned, they did not like the Bill at all. I thought it made matters worse. It put more arbitrary power in hands of Judges and Ministers. All the Maori members spoke against it. The Joint Committee protested against the Bill being passed; but if a Bill embodying their suggestions were brought in, they would support it. The Bill made

matters worse, that is why I opposed it. I have the Bill here. I see Part XV. That is called "Administration by a Board." That was not in accordance with report of the Commission. Commission proposed a Board, but partly elected by Natives. This Bill provided for three members—it does not say how many. My name was mentioned by Sir Patrick Buckley. Mr. Ballance spoke to me about being a Commissioner, and afterwards about being on the Board. I told him I did not think the Board would work. The appointment was not seriously spoken of. During the second session of 1891, I was continually waiting on Mr. Cadman about these reforms. Mr. Ballance pressed on Mr. Cadman the advisability of effect being given to the recommendations of the Committee—at any rate, to some extent. On one occasion I was asked to attend a Cabinet meeting, which I did. Then Mr. Ballance asked Sir Patrick Buckley to meet me and the Chief Judge and frame clauses for the management of Native land, and also dealing with those claiming as equitable owners, and also relative to past disputes. Mr. Cadman asked me to frame clauses, which I did, and gave them to Mr. Cadman. They are substantially comprised in the Bill introduced next session by Mr. Carroll. My scheme of reform was not limited to management by Native committees, but claims of equitable owners and past transactions. When the report of the Joint Committee was brought up, Mr. Ballance suggested in the House that I should move to set up a special Committee. He indicated the persons that should be on it—I and Captain Russell and others—and that we should bring down a Bill. I gave notice of motion, and next day brought down notice of motion and moved it, consisting of Captain Russell, Mr. Mitchelson, Hone Taipua, myself, and Mr. Carroll. I submitted names to Mr. Rolleston and Mr. Cadman, I believe. When Mr. Ballance made the suggestion, Mr. Cadman said nothing; I assumed he assented. Next day Mr. Cadman said if the House was determined to carry out my plans as set out in the Commission, it was time for him to pack up his swag, and leave the Government benches. The Committee was appointed, and met every day, and we brought down a short Bill. The Bill was read a second time, but it was evident Mr. Cadman and Mr. Smith especially against it; many clauses left out, and it was knocked all to pieces. There was evidently no intention of carrying it. It passed second reading and went into Committee. In 1891, nothing was done except to stop Natives bringing actions; subsequently to throwing out Mr. Cadman's Bill, Natives were perpetually—and Europeans also—pressing him to do something, but nothing was done. Promises were made that during recess something should be done, and when Parliament met should be done. During the recess Mr. James Carroll was appointed member of the Executive Council. He had taken an active part in desiring reforms. I thought that meant that something was going to be done. He knew all the phases of the Native question. All the newspapers had the statement that Mr. Cadman was to cease to be Native Minister and Mr. Reeves to be so. After some little time things reverted to their former position. Before the session of 1892, there were large meetings of Natives about the management of their lands. They were unanimous in asking permission to manage to some extent their own property. At the beginning of session 1892, it was understood something would be done. He introduced the same Bill he had before brought down, and few clauses altered. I think it was somewhat worse. It passed first reading, was referred to a Committee, and was not brought on to a second reading. It was rumoured Government would not allow it to be brought on to a second reading. There was a general desire that something should be done. I again interviewed Ministers and saw them. Again clauses were prepared and drafted by me. Then Mr. Cadman agreed they should be carried into law—I understood in a measure of his. Next thing was that Mr. Carroll and Mr. Cadman told me it was thought advisable Mr. Carroll should introduce the clauses in the House, not in Mr. Cadman's name. I supposed it was because Mr. Cadman had opposed them. Mr. Carroll drafted the Bill; it was read the first time, but not carried then. Our Bill was to extend the Committees and the Equitable Owners Acts. That Bill was read a first time. At that time Mr. Cadman was called away to Auckland. I can tell what Mr. Carroll did. Mr. Carroll shwed me a telegram, and in consequence he would not go on with the Bill. After that Mr. Carroll did not go on with the Bill. Sir George Grey introduced a Bill on the same lines—a Native Empowering Bill. That went to a first reading, then to the bottom of the list, and was seen no more. I remember also introduction of Tahoraiti Bill, 1892. Mr. Cadman introduced that. It was to rectify an error of the Native Land Court putting in wrong names into order. It was referred to a Classification Committee—that and other Bills—to say whether it was public or private. I was on that Committee. I objected to all these Bills that they were dealing with private property, and notices ought to be given. I admitted this Bill to be a correct Bill in itself. I urged on members to bring in a general Act, and not to put out one or two things. At first the Committee was against me, and the Bill passed as a public Bill. As to several Bills, the Committee yielded to my arguments, and threw them out as private Bills. When report of Committee was brought up I moved it should be referred back. When that debate was going on Mr. W. C. Smith took a prominent part in supporting the Bill—he spoke of it as "his" Bill. Mr. Rhodes complained that Mr. Smith threatened him. There was a scene. Mr. Rhodes wished to bring it up as a question of privilege. It was July 19th. [Volume lxxv., *Hansard*.]

235. CHARLES M. CROMBIE, recalled by Mr. Sainsbury.] I produce letter from C. D. Kennedy to me, dated 19th April, 1893, and certain telegrams attached. [Exhibit C for plaintiff.] Admissibility held over till plaintiff calls in reply.

236. EDWARD ALGERNON HAGGEN, examined by Mr. Rees.] Live at Woodville. Editor of *Examiner* at Woodville. In 1885, was living at Woodville; was then member of Hawke's Bay Land Board and Education Board.

237. While member of the Land Board, did Board have anything to do with sale of Maharahara Block?—The Maharahara Road District is far up in the Ruahines, and comes down to the Napier-Woodville Road. The nearest part of district is eight or ten miles from Danevirke by road. The land was sold at prices running as high as £5 an acre; that did not include totara bushes; it was not totara land. Totara land ran up to £10 to £15 an acre, so far as I remember.

238. Is that better, or worse, or equal to Umutoaroa Block?—I know portion of that block; it is much of the same class. If anything part of Maharahara is inferior. It is clay hill of considerable area and poor. Price was reduced as to some of the deferred-payment settlers. I was not in the Commission. Large reductions were made to them when they represented they tendered under misapprehension. I know Mr. Cadman, Mr. Smith, and Mr. Rose.

239. Do you remember seeing Mr. Smith after the meeting at Danevirke on the 1st March last?—I asked him some questions after the meeting at the Masonic Hotel. I understood that Smith and Cadman were selling the Umutoaroa Block, and I wished to ascertain the particulars as to how far the sale had gone. Mr. Smith told me they had arranged with the lessee to release 500 acres, which they had arranged to sell; and Smith explained that the reason for selling was to pay off the mortgage of £2,500 to the Union Bank, which would leave the rest of the property clear. He mentioned Mr. Tansey had bought 150 acres for dairying, and Rev. Wallace. Names and areas making up 500 acres were mentioned. I have had conversation with Mr. Rose after the memoranda.

240. Did you before?—I have often spoken to him. I understood from general reports, and from him at the end of March last, that he was agent for Cadman and Smith.

241. Is property at Danevirke improving in value? Undoubtedly.

242. Good deal of public money spent there?—Public buildings: it is the key of the East Coast as soon as the Weber Road is completed.

243. What do you believe to be the value of the Umutoaroa Block?—Do you mean now?

244. Last year?—I do not feel in a position to give a value. I do not know what timber has been removed—not been over the lands.

245. Can you give the value in 1885?—I should say about £4 an acre. Timber was then on it.

246. *Cross-examined by Sir R. Stout.*] Maharahara is about equidistant from Danevirke and Woodville. It was deferred-payment settlers who had price reduced. I do not know it was reduced as low as 30s.; also the perpetual-leasehold—I believe some sold originally at 30s., and ten years to pay it in. I cannot say whether any of the 30s. sales were reduced. I do not know the Piripiri Block intimately; I know the Tamaki Block. Tamaki is poorer than Umutoaroa land. Land varies: in places a great deal of shingle. I have been to the Tamaki Block, where the tram is about one mile. Portions I was over were poorer. On Tamaki Block only, about the mill. I could not say how many acres I saw; 200 acres just edge of block. I can give no opinion of Piripiri Block. I have been along the tramway in the Umutoaroa Block. I can only give a general opinion. I know Mr. C. M. Campbell; he is manager for Mr. Ormond. He is a good man to value. I should be surprised at his valuing the Umutoaroa Block at £5,000 in 1888. I had conversation with Rose before the letters, but not about this matter.

247. *JAMES HENRY CLAYTON, examined by Mr. Rees.*] Am proprietor of the *Bush Advocate* at Danevirke. I live at Danevirke. I know the position of the Umutoaroa Block Native Reserve.

248. Did you make application to purchase any portion?—I did, to Mr. Rose; he lives at Danevirke and is commission agent. He gave me to understand I should get a small part of it: £12 an acre was the price. I knew by refusal that land belonged to Smith and Cadman. I think the arrangement was that I should have a piece when the land was surveyed.

249. Was any area mentioned?—Area understood was about 20 acres. I understood he was acting in selling. Nothing reduced to writing.

250. Did you after see Mr. Smith?—Yes, when the land was surveyed; he told me the plan was ready, and asked me to go to the Survey Office and look at it. I understood Mr. Smith it might be a little less—paid about that. I mentioned the price to him. I think I told Smith I had spoken to Rose about it.

251. Beyond your own seeing Mr. Rose, can you say whether he was an agent for the owners for sale?—I do not know of my knowledge. Transaction not completed, possession not got yet. Smith said he would execute my conveyance. The tramway runs through the section.

252. *Cross-examined by Mr. Sainsbury.*] I think that is the pick of the land.

253. As to agency of Rose: did you get a letter to look up on the subject?—There is no such advertisement.

254. Do you remember a meeting of the Road Board, when Mr. Rose's last valuation was the subject?—Yes; I was present. The Board agreed to the valuations.

255. *Re-examined by Mr. Rees.*] There was no advertisement in the paper. He had never said that Mr. Rose had been negotiating for sale of particular sections of Umutoaroa to Mr. Charles Baddely—a large section of 300 acres at £5 an acre.

256. *WILLIAM LEE REES, examined by Mr. Lusk.*] What was the date of third reading Tahoraitei Bill?—On 19th August, 1892, in House of Representatives, and in Upper House on 1st September, 1892. [Page in *Hansard*, Volume lxxvii., page 204: Upper House page 47.]

257. Had the proposals of the Commission been carried into effect on the Native land purchase?—Native lands, where more than ten owners, could never have been dealt with—land would have to be dealt with as by the whole—as a body corporate. Land would have had to be cut up and sold like Native land. As to equitable owners, all who were at present shut out would be entitled to assert their claim. In all ways would have applied to Umutoaroa Block. The Natives shut out by the block having been given to the ten, would have been entitled to urge their claims as beneficiaries, and the land cut up—everybody placed on the same basis. A portion of the original block, Piripiri, had been dealt with under the Equitable Owners Act, and 103 beneficiaries put in; and the same would have been so with the Umutoaroa Block. September 29th, 1892. I was in the House of Representatives, the debate was on the Native Titles Validation; it was being read a second time. Sir George Grey spoke on that debate and Lawry after spoke. [*Hansard*, vol. lxxviii.,

page 520. Cadman not interested in Native land.] After that Mr. Shera spoke for five minutes. Then Cadman spoke—he had charge of the Bill—he did not deny what Lawry had said, or qualify it. In the House it was generally understood and believed what Lawry had said. [Paragraph 31 of first memorandum objected to by Stout.] Sir George Grey on more than one occasion has told me frequently that he was assured by Mr. Seddon, on the authority of Mr. Cadman, that Mr. Cadman, while Native Minister, had nothing to do in the purchase of Native land.

258. During the taking the evidence in the Commission did you have sitting at Danevirke?—Yes; not a regular sitting, but the Commission being there, we took evidence. [Commission Report, page 136.] We examined Mr. James Alladyce. He said all the land was Maori land, held in large blocks, and that the land ought to be obtained by the Government, and cut up for the settlement of the people, as the young people were leaving the district, as they could not get land to settle upon. He stated that for moderate-sized farms people would give £1 10s. per acre, while land close to the town would fetch £5 an acre at auction. That there was no Crown land available nearer than Weber, twenty-three or twenty-four miles away. That nearly all taken up. He said that there was a great demand for land.

259. Turn to page 167 of the report?—Sir Robert Stout's evidence thereupon: He spoke strongly in favour of Committees and Boards. The clauses in the Bill were framed on his evidence. At page 168 his words were much stronger. Almost the words of Sir Robert Stout's suggestions, at page 170, are contained in the clauses. Sir Robert Stout also spoke strongly as to the equitable owners—that that should be immediately attended to.

260. As to the sale of Umutaoroa to Cadman and Smith. Did you have any conversation with any one about it?—Mr. Rose spoke to me, about six weeks ago, after the memorandum. [Objection made as to Rose's statement to Rees as to agency.] I was anxious to assist the Native Minister in passing Native measures. I assisted him in a Bill for purchasing land for the Crown, and also the West Coast Settlement Reserves of Mr. Ballance. I opposed Mr. Cadman's Bill; it was a most pernicious Bill.

260A. 10th September, 1891. Did not Mr. Cadman say you were opposing the Government?—[*Hansard*, vol. lxxiv., p. 494.] Mr. Carroll and Mr. Ballance upheld what I had done to assist the Government.

261. You spoke?—Yes; about the appointment of the Committee. [See speeches of Carroll and Ballance, pages 494, 495.] As to proposing Special Committee to draw Bill.

262. July 12, 1892. [*Hansard*, vol. lxxv., p. 393.] You again showed your desire to assist?—I said I regretted that Cadman had spoken against me. Spoke as to treating private Bill on Tahoraiti. I went out of the Committee so as not to appear that I was acting on personal grounds as to the Tahoraiti Bill, and so that passed. I objected to a few cases being picked out, because that would prevent any general measure. I had no personal feeling. I knew if I did not accept portfolio Mr. Cadman would be appointed. The Native-land difficulties are now greater than they were; difficulties have come to light from cases before the Court of Appeal. I sent a memorandum to the Government—the Government distributed this to the legal profession, pointing out that things were getting more and more serious.

263. At present time?—Yes.

264. At the end of last year and beginning of this year, you had been in communication with the Premier as to Native-land reforms?—Yes.

265. And proposed a special session?—Mr. Ballance did not agree to that. He favoured reforms. I consider the matter of first importance to the people and Natives of New Zealand.

266. In reply to a letter from you to Mr. Ballance, did you get this letter from Mr. Ballance?—Yes; 3rd March, 1892.

267. Did you take any other measures to get reforms?—Yes. I started the Native Land Laws Reform League. I started that in Auckland, and held meetings elsewhere.

268. What is the reason of your writing the first of these letters to the Premier?—After the Tahoraite Bill passed, and just towards end of the session, two or three of the members of the House—Mr. Buckland one—sent up to Napier, and had searches made in the register, in consequence of a paragraph in the *Hawke's Bay Herald*, that Smith and Cadman had completed their title to the block of land in Danevirke. On the last day of the session Mr. Buckland was showing the result of the search in the lobbies of the House, by which it did appear that Smith and Cadman had obtained interest in this land. But I found that Mr. W. C. Smith and Mr. Shera were accusing me of opposing the Tahoraite Bill. There was a speech of Mr. Smith's at Danevirke, that he had succeeded in passing the Bill in spite of all opposition. I held a meeting at Napier, at which Mr. Smith attended; and he strongly opposed the Native Land Laws Reform League and its proposals, and I felt there must have been some object in opposing—that there must have been some motive all through for such peculiar opposition. I then inquired as to the alleged land transactions. I was perfectly under the belief that Mr. Cadman while Native Minister had had nothing to do with Native lands. If I had known it during the session, I would have taken proceedings in the House at once, because I think it highly improper for a Native Minister or any member to do with such acquisitions. I made inquiries. I had searches made, and found that the title to the block had been completed, nominally in Mr. Smith's name. The later shares his—but evidently the joint property of both, as appears by the mortgage to the bank. Then I saw the figures of the valuation in the Land Transfer Department. Mr. Horace Baker was not likely to make excessive valuation, and I heard what this land was selling for, and what land at Danevirke was selling for. I then wrote to Mr. Ballance a copy of the letter of 10th March, and sent copy to Mr. Cadman same day. I state fully the reasons I had for sending the memorandum to Mr. Ballance. I received answer from Mr. Ballance on 13th March: "You are misinformed." This confirmed me in the opinion that Mr. Cadman had denied the acquisition of Native land to his colleagues. After the receipt of the reply from the Premier I had asked for inquiry. I waited for a fortnight; from what I could gather from members, no inquiry was going to be made; that Mr. Cadman denied the acquisition

of Native lands for his own benefit. I saw that nothing would be done. I thought there ought to be further inquiry. I then published this letter. I then wrote the letter of the 24th March. I merely received acknowledgment of letter of 24th from Premier. I searched for myself. I doubted some of the things I heard reported. I found how the pencil memorandum was made about value; that valuation was made in usual way; in department I found those further transfers. I then sent letter to Premier and asked for inquiry, and published those letters. I was aware that if I waited till Parliament met I could have had those letters produced, and made any statements I liked without fear of actions for libel; but holding the position I did, and being in the relation I was to Native-land matters, I believed it my duty to make the statements public. I have no more interest than any of the public. I never bought or leased Maori land. My object was to draw attention to what I considered a gross public scandal, in a Native Minister, while Minister, was purchasing Native land while absolutely Native land legislation was delayed and defeated.

269. *Cross-examined by Sir R. Stout.* Is it not the fact that my proposal was that a Board should manage Native lands?—Yes. In the Act of 1886. Your evidence is in. I did not say your evidence was.

270. Is it not the fact you did not think of making charges against Smith and Cadman until Smith opposed you at Napier meeting?—No; that is not so. I became very suspicious before the end of the session.

271. Is it not the fact that you threatened Smith because he opposed you at the meeting—Land League meeting?—I cannot say I had any intention of attacking before that. Purpose first formed in my mind when I formed the circular, that was after the meeting. I cannot recollect when the meeting took place. It would be the 3rd March.

272. Did you start on the 4th March? Had you information on the 4th March?—I cannot say. I cannot say I was angry with Smith for attacking me at the meeting, and spoiling the meeting. I did say the opposition came from those who dabbled in Native lands, and had vested interests. No one seemed to have spoken but Mr. Smith at the meeting. I cannot say whether I searched on the 4th March. I gave instructions to have searches made. I was not aware that Duncan was searching. I gave instructions for searches. I believed at the meeting that Cadman and Smith were interested. I wrote this letter to the *Hawke's Bay Herald* on the 4th March as to Mr. Smith. I must have had searches made on the 4th March. Having heard Mr. Smith at the meeting, I then was satisfied there was some cause, and I had searches made. I did not know then about the Umutaoroa. I believed about the Tamaki; but that was not while Cadman was Minister. I acted for one of the owners in Tahoraiti and Tamaki. I did not know about Cadman. Transactions by Cadman in Tamaki during last session. I know all these matters could be discussed in the House. I sent it to every paper in the colony; all the papers. I got the whole register of the papers. The object was to show the necessity for Native-land legislation, and to show that the Native Minister and Whip were purchasing Native lands. I will not say the Natives ever saw Mr. Cadman put his name to deeds. There are six or seven Natives in Tahoraiti interested in Umutaoroa Block. The names are—In Tahoraiti No. 1: Ihaia te Ngarara; five successors of Hokepa Paewai. There are others who are interested by relationship. Ihaia te Ngarara only person interested at time of passing the Tahoraiti Bill. As to Rose's appointment, I had reason to believe that he had been appointed by Cadman and Smith; that Rose was not fit person; that there was great dissatisfaction at his appointment; and since the valuation I believed that the valuation was improper. He had all to do with Native land; I had not.

273. Who told you that some of the land had been valued at £8?—Mr. Walker, of the *Herald*.

274. Will you name one section that is valued at £8 an acre?—I cannot mention any particular block; there is a part of Oringi at £5.

275. Did you find out what Piripiri and Tamaki were valued at?—I found Tahoraiti was valued at £3. I saw valuation of Tamaki; it was divided into different parts. The unimproved value of Tamaki—part of it—5,000 acres—valued at £6,250. Of that part Smith received £5,000 for a lease. When land is owned by Natives I do not think same care taken. Before publishing, I did to some extent make myself acquainted with the valuation. I cannot say what rolls I examined. I cannot say I examined any rolls. I made myself acquainted with the main facts. The highest I can ascertain is £5 on Oringi. I did not know that the £5 included improvements. I was advised that the Umutaoroa were of greater value by Walker and Bierre. I was not aware that Bierre. I found at the time value to be greater than Maungatoro Block.

276. Before making the charge as to Tahoraiti, that Native owners made it a condition, did you interview the Natives to see if it was true?—I did not see Natives, but several people.

277. Who? Name one?—I can hardly recollect any distinctly. I knew where Ihaia lived.

278. Why did you not see him about it, and ascertain the facts?—I believe I have it from some members of the Hawke's Bay Timber Company. I think, Mr. Jensen.

279. Is it not the fact that during the past you and Jensen went to see Ihaia?—Yes. I can tell you what I have said.

280. You were asked for apology?—Yes. This is my reply: "I shall not withdraw or apologize. Use all diligence in proceeding." [Exhibit B, letter dated the 11th April, 1893, to Sainsbury and Logan.] The writ was served on the 15th April.

281. Are you aware that similar Bills as the Tahoraiti have been passed as public Bills?—Yes. Similar Bills in other sessions. I, as Chairman, brought up report that this was public Bill. I moved it should be referred back to Committee. House refused. I then supported the Bill.

282. You considered it a private Bill. Parliament disagreed with you. Did you not promise to get the Bill passed to remedy the defects in this case, and to urge the Government to get it through?—I was not spoken to about a Bill. I promised to get Government to bring in a Bill to give the Native Land Court the power. Mr. Fraser told me the Umutaoroa Natives wanted it rectified. I was not aware that Ihaia te Ngarara was the only person interested. Hapuku's successors were interested. I knew that all but one had transferred their interests before the Bill was introduced—the Tahoraiti Bill.

283. As to session of 1891, a consolidating Act was introduced?—Yes. I believed the Bill a bad Bill. I approved the Bill going to a Committee—a Joint Committee. [*Hansard*, vol. lxxiii., p. 84.] The Bill went to a Committee, of which I was a member. The Committee received deputations from Natives against this Bill. I did not, that I remember, take any part in the discussion of the Natives during the sitting of the Committee. The resolution of the Natives submitted to the Committee I had nothing to do with. I moved the resolution in the Committee. I cannot tell whether Mr. Smith voted with me on these resolutions. It seems he did; but Mr. Cadman opposed. [Lists of members: Stout refers to the second of the votings: two Natives for; two against; Cadman against.] On Mr. Taiaroa's motion for postponement I voted for postponement. Cadman and Smith voted against postponement. We voted against that legislation. Report must have come up. This is a Committee set up to deal with past transactions. I was Chairman. We reported that Native Trusts should be postponed till next session—that is, same as Equitable Owners. Committee prepared a Bill to deal with past transactions. There was a difference as to the method of dealing with past transactions. I considered the Native Land Court was not proper, as it had made the mistake. I wished a special Commission. Mr. Cadman introduced a Bill and it went before Committee of whole House. Test division was to be taken. Mr. Cadman did not try and get that Bill passed. He moved it, but it was evident that W. C. Smith was working against it secretly. [Mr. Cadman's speech, page 973.] The Bill was not pressed by Government; they ought to have made it a Ministerial question. Sir George Grey objected to illegal transactions being validated. I never saw the Validation Bill before it was brought in giving the power to the Native Land Court. [Rees's speech.] The Bill was to have given power to the Court. Very likely I voted for section 4; better than nothing. I believe I and Cadman urged that the Bill should be passed. It seemed to me that there was no desire to pass it.

284. Why did you not accuse Mr. Cadman of insincerity?—I said to him: "I do not think I did so in *Hansard*." I did not want to break with the party. [Transfer of last share, 12th September, 1892. Bill brought down, 16th September, 1892.] If the Committee Bill had passed that would not have interfered with the sale of Umutaoroa. It would have if introduced in 1891. Our report was in 'by end of May, and full report 27th June. [Only four shares left when Rees's Bill introduced.] Equitable Owners Bill would not effect any interest legally sold. I say it could. Umutaoroa Block at June, 1891. In my resolutions before the Committee I used the Maori resolutions. The illegal purchase is notice of a trust. The Bill then, in 1892, introduced by Mr. Cadman I gave a qualified support to. It was simply for Land Court to report. I thought Mr. Cadman did the best to get that Bill passed. Court was only to report; that would be no harm. It was something to get the cases reported on. I believe Sir George Grey was opposed to the Bill, though I think he withdrew opposition when it was only to report. I did not attend before the Native Land Court, and contend that the Court had no powers to report at all. I argued that a particular case before Baxter, J., was not within the Act of 1892. There was a Bill dealing with purchase from Natives by Crown and the validation past transactions. No Bill for Native Committee or Equitable Owners; these were from Mr. Carroll. Mr. Carroll had them to deal with. It was not mentioned that I should be member of the Board. I did not suggest it. I do not recollect that I suggested to Cadman that Wi Pere would make a good colleague to me. I did not see Mr. Cadman about my being appointed. I spoke to Mr. Ballance. Mr. Fisher may have been mentioned. I do not recollect that Mr. Tole was mentioned. Sir P. Buckley said the Committee clauses and the Central Board should be put in the Bill. When I saw the Chairman of the Board he said it would not work. I did not read the note prefixed to the Bill. No one ever told me that the whole matter of the recommendations of the Commission could be dealt with in the Bill. The Board in Part XV. is not the Board recommended by the Commission: it is not elective; powers not the same. Maoris were not represented on the Board. Board ought to have had powers to deal with trusts. The main point was that the Board was not elective.

285. *Re-examined by Mr. Lusk.*] Mr. Cadman got the second Validation of Titles Bill passed. He wished it passed, and it was passed. All the Native members were against Mr. Cadman's general Bill. I did go across and speak to Mr. Cadman and other Ministers, and implored Mr. Cadman and them to prepare the thing. They would not interfere with Mr. Cadman. Government could have passed that Bill. It was a good Bill, very useful, and could have done no harm. If Mr. Cadman had wished to pass it, they could whip up.

286. Mr. HORACE BAKER, examined by Mr. Rees.] Between 1892 and 1895 I was Chief Surveyor and Commissioner of Crown Lands. I think at that time both offices combined. I know the Umutaoroa Native reserve. As Chief Surveyor, the Transfer Office were in the habit of sending to me for valuations of blocks. I have a recollection of the Umutaoroa Block. I have seen Mr. Bamford's evidence. I think there is no doubt it was my valuation. I surveyed the blocks bought by the Government. If I did not survey them, I had a good deal to do with them. In my opinion, beginning of last year, and the present value is about £3 or £4 all through. The timber is pretty well off.

287. Do you know the land sold by the Crown in the original Umutaoroa?—Yes. The Native land reserve was much the most valuable part. I know the value of land in Hawke's Bay. I put what I considered to be fair value of the property.

288. The special settlement, at what price sold?—They were not sold in open market; they were given to the people who took them up.

289. *Cross-examined by Sir R. Stout.*] I should say the roading cost a good deal; between £2,000 and £3,000 spent on the main road dividing the two blocks. I should think the two blocks would be 5,000 acres. I do not think it was so large as Umutaoroa Block. It would be 10s. an acre spent on roads. I know the Piripiri Block; it takes in a great deal of mountainous country.

290. I mean the lower part of the Piripiri Block, not in the special settlement?—The part in the Danevirke? I should think that part, without a road, is £1 10s. to £2 an acre. Tamaki has a lot of useless land in it.

291. Take the 21,000 acres of Tamaki?—What do you mean, with totara on or off? I certainly knew what was totara or not in Umutaoroa when I valued it. I should say I put 300 to 500 acres of totara; the rest ordinary bush-land. The totara is mostly gone. It would cost from £2 to £2 10s. to bring it into grass.

292. Would it bring £6 10s. an acre?—

293. What is its value as agricultural land?—In grass, fenced, it is worth £5 to £6, and £7. I know there have been sales on the Umutaoroa at that price.

294. What would you value special settlement at, if bush cleared?—£5. The special-settlement land, uncleared, worth £2 to £3 an acre; in grass, £5.

295. When did you cease to be Land Commissioner?—Five or six years ago. I had nothing to do with the revaluations of the block; I had ceased to be Commissioner. The making the roads would increase the value of the special-settlement land.

296. I refer to the village settlements?—I put them at £1 to £2 an acre, without roads. The Umutaoroa had about the best totara on it. If no totara on it, I should not put it much higher than the village settlement. I cannot tell you what I valued the totara at. I put the totara at £10,000; it would come out that way. I have valued for companies. I have valued some of the settlement block. That would include improvements. I think it was on Piripiri Block. A good man. I do not think there was any totara in the village settlements. [Rees says he has to put in some papers by Kelly, Clerk of Native Land Court.]

Rees closes his case.

297. WILLIAM FREDERICK KNIGHT examined by Sainsbury.] Sheepfarmer at Danevirke. One of the lessees of Tahoraiti Nos. 1 and 2 Blocks. I took possession in 1881. When I became lessee I found grantees in No. 1 were put into No. 2, and *vice versa*. It was an error of the Court. Our leases were wrong. Signed by the wrong owners.

298. What did you do?—Nothing till 1886; then I endeavoured to get the titles put right. From then I made continual applications to Mr. Lewis, the Chief Judge, and Mr. Mitchelson. In 1891 I went to Wellington. I interviewed the Chief Judge and Mr. Lewis and Mr. Cadman, and asked could they not take some steps to have it validated—put right. Chief Judge thought, under a section of the Act, he had power to do it. I got forms of application. I interviewed the Natives, and in October, with the assistance of Mr. Fraser, I got the applications sent to the department—I believe, to the Native Minister. I sent first application in July, 1891. [Letter 2nd July, 1891, to Mr. Cadman.] Eventually a Court sat at end of year. Chief Judge came up himself and took evidence at Danevirke. [Sainsbury says that report from Chief Judge to Native Minister, if it be found, no powers. Memorandum of Cadman to Solicitor-General. Solicitor-General's opinion: Recommends legislation to deal with all existing interests.] After this I saw the Chief Judge, and heard his decision; and he told me a Bill ought to be brought in. I got a letter from the Native Minister informing me. [1st February, 1892.] I then saw Mr. W. C. Smith, and asked him to assist me in bringing in a Bill. I went to him because he was member for the district. He said he would. The next I heard was a copy of the Bill being sent to me by Mr. Smith during the session of 1892, and I was asked if it would meet the case. The Act was passed, and a sitting of the Court held, and the whole matter disposed of. The Natives live within a mile of my house.

299. When did you see the first memorandum of Mr. Rees?—About the following, day in the newspaper.

300. Up to that time had you ever heard that the completion of the Umutaoroa Block purchase was to be dependant on the passing of the Tahoraiti Bill?—No. I never heard that Cadman and Smith had any pecuniary interest in getting that Bill passed. I know the Natives in the Umutaoroa Block. One of them offered to sell me her share in the block. That was some time in 1891. It was Akuera Paewai, a successor. I did not entertain it. I would not interfere with another person's property. It was under lease to Cadman and Smith. It was well known in the district that they held a lease of it. I am lessee of Kaitoke Block, and part owner: we have acquired some interests. It lies on the other side of Umutaoroa—to the south-west, on the other side of Manawatu. Part of it is similar to Umutaoroa—some clay, some loose stone. I should say the Kaitoke is superior to the Umutaoroa. I am buying shares in the Kaitoke. We are paying now £1 an acre. We have paid less than 10s. I have had experience in buying Native land. We look upon it purely as a speculation. We do not know what will be awarded to us. I know the Umutaoroa Block. I was a member of the Danevirke Road Board; now Chairman. I remember the last valuation being dealt with by the Board. I saw Rose's valuation: 4,973 acres, at £6,000.

301. Did you consider that fair valuation?—As the block was we did, and do.

302. *Cross-examined by Mr. Rees.*] I consider £1 5s. a fair value. I would not give more than £1 5s. an acre for it—the whole block. I would not entertain the offer of a share to me because land was under lease to Cadman and Smith and my brother. I had heard Cadman and Smith had bought shares. It depends upon circumstances whether I would buy a share in any block.

303. What is the minimum size cut for milling?—Nothing under 2ft. diameter generally. Totara and matai under 2ft. is useful for posts, &c. I do not know that they would take smaller for sleepers. I think it was end of 1891. Chief Judge said he had not the power.

304. Were you present when any petition or assent given by them for Bill to pass?—No, I think not.

305. Are you aware about the prices of land that is being sold on the Umutaoroa Block?—I was consulted by an intending purchaser.

306. ALFRED L. D. FRASER, examined by Sainsbury.] I live at Hastings. Am Native Agent. Have been since 1888. Was licensed in 1890. As to Tahoraiti, in 1891 the matter was referred to me by the last witness, Mr. Knight. He asked me to look into the matter and give my opinion upon it. He said it had been suggested to him that an application under section 13 of the Act of 1889 would meet the case. I looked into the matter. I found there had been some conveyance, and,



while thinking this might prevent it being under that section, I advised him to send in application under that section, and get a ruling from the Court. I drafted application and submitted it to Mr. Knight and the Natives. I got their signatures. It was subsequently I forwarded it to Chief Judge, in October, 1891. It was duly gazetted. I acted on behalf of the Natives, and called all leading owners as witnesses. Chief Judge reserved his decision. In February, 1892, I received written opinion, in which he said he wished to refer it to the Cabinet. He said it would need special legislation. He said he would press upon Cabinet to bring in special legislation to meet this case. Subsequently he said it would need special legislation, and it would possibly be brought in next session. I did all in my power to see it was brought before the House. I saw Mr. Rees about it. I explained the state of affairs to him. He expressed sympathy with the Natives and Europeans in the matter. He said if I sent him a memo. he would forward it to the Minister. He promised me all the assistance he could. I most certainly did not tell Rees that the Umutaoroa Natives desired the passing of the Tahoraiti Bill. Umutaoroa was not mentioned in connection with the Bill. Eventually the Bill was passed, and the case came again before the Court in 1892 Act. I appeared on behalf of all parties—the Hawke's Bay Timber Company and Mr. Knight. I was employed by Mr. Smith to negotiate with Ihaia for the sale of his interest in the Umutaoroa.

307. Was anything mentioned to Ihaia or Mr. Smith about the passing of the Tahoraiti Bill in connection with the purchase?—No, nor to Mr. Cadman.

308. Was any mention by Ihaia to you about it?—Never a word to me.

309. *Cross-examined by Mr. Rees.*] I am not aware that the Natives did apply to have the Bill passed. I recollect, after the Chief Judge had informed me of the necessity for the Bill, I informed some of the Natives in Tahoraiti. Hore Herehere is the only one I can recollect. His mother is in each grant of Tahoraiti. I had no other conversation with the Natives about the Bill. I got no consent of the Natives to the passing of the Bill; but at the hearing before the Chief Judge the Natives showed their desire to get the matter put right. I did not get their consent to the passing of the Bill. As to the Europeans, I only spoke to you. I do not remember speaking to either Mr. Smith or Mr. Cadman about it. I think I received a draft of the Bill from Mr. Gilbert Mair. I took no other part than what I have said in the passing of the Bill. I look to the Natives to pay me for my services on the first application. I remember an application being made by the Natives to be admitted into the Umutaoroa Block, under Equitable Owners Act. I think it was after 1889; I think, in 1891. I appeared in opposition to the application of the Natives for Mr. W. C. Smith. I was instructed by Mr. Smith alone. I did not know Mr. Cadman at that time. I got paid for that ten guineas. That is signed "Cadman and Smith." Cheque is 24th September, 1891. The view I took is that the Equitable Owners Act referred to "Native Land Act, 1865," and that grant was under the "Volunteers' and Others Land Act, 1877." I cannot say that I was aware that the certificate of the whole block was issued under "The Native Land Act, 1865." Ihaia returned to Tahoraiti. I could not leave, so I had to throw up the negotiations. Ihaia knew I was acting for Mr. Smith. The application under Equitable Owners Act was about the end of 1890 or beginning of 1891.

310. WILLIAM ROSE, examined by Sir R. Stout.] Reside at Danevirke. Land and commission agent. Been so seven years. Before that shepherding and managing station part of the time. In 1891 I applied as valuator to Land- and Income-tax, Road Board and Town District of Danevirke. I tendered. I got Mr. Mackay, who was Chairman of Town Board of Danevirke, and spoke to Mr. Smith to recommend me. I got the appointment. I only know Mr. Cadman last few days; never spoken to him yet. After securing appointment I went round every one of the properties without exception. I had been over them several times previously too. This is the notebook I made up.

311. What did you value first?—Danevirke Special Settlement, Section 1, Block XIV., Norsewood. Block XIII is Waipawa. I commenced 11th December, 1891, to value. I valued Umutaoroa Block on the 22nd December, 1891. I commenced on the 11th November, 1891.

312. The valuation of special-settlement block, Block XIV.: what are the unimproved values you fixed?—The section fronting the railway-station runs from £1 15s. Section No. 1, 72 acres. I only in the bush to fall, not for tendering. The land has been improved. It costs about £1 15s. to get bush down, and 10s. for grass and fencing besides. I valued some further away from station at £1 5s.; that was poor land.

313. Then you valued Waipawa Special Settlement, Block XIII.?—Yes.

314. What values of that?—Just about the same; those next railway-line higher than further back. None up to £2; £1 15s. the highest.

315. You valued Oringi next?—I did; unimproved value £13,520—£1 10s. an acre.

316. How did you value Oringi?—Same as I valued other properties. I went first to Mr. Gaisford, the lessee. I had no difficulty in valuing the place as a whole. It is sheep-station: mostly in grass; but it was the different interests. I saw Mr. Gaisford also. I could not define the Native interests and his interest in it. No difficulty about the total values.

317. Look at Oringi, and compare with Umutaoroa for grazing purposes: which is the most valuable?—Oringi; because highly improved, and all in grass. Umutaoroa would not carry a goat. I valued Umutaoroa at £1 5s. 6d. an acre, and Tamaki at £1 5s. an acre (that is, Native land), and Piripiri at £1.

318. Did you know what Umutaoroa had been valued at three years before?—I did. At £1 an acre. Mr. Campbell was valuer then.

319. How did you arrive at £1 5s. 6d.?—I considered that at that time property was going to rise in value. Before being used for grazing purposes, bush had to be fallen and grass sown. Tamaki is not quite so good as Umutaoroa, but it has totara on it. It is being used by sawmillers.

320. What are improvements on Umutaoroa?—None; in fact, spoilt. A whare or two.

321. Did you see Mr. Smith while you were valuing?—No. I never spoke to him but once, then at railway-station, when I asked him to recommend me. He never knew from me what value I was putting on. Before I fixed the values I had conversations with Mr. Kennedy—the Inspecting Assessor. I did first, 13th November. He came to my place that day after I started rating. I showed him the book—the valuation of the special settlement had begun. I saw him again when it was about finished.

322. What was said?—On the first occasion he looked over the book—13th November—and said it was all right—that I had to remember in valuing large blocks that I had to value them as they would sell, as a whole. The whole in one lump.

323. Nothing more then?—That I was right in putting the special settlement high.

324. On second occasion you saw Kennedy had you any conversation with him about values?—I did—all the large blocks were mentioned. He saw that the valuations were right. The Umutaoroa was mentioned as one of the large blocks.

325. Did you ever see Mr. Smith on the matter at all of the valuations?—No. The first time I knew of it was a note from Mr. Crombie, stating an objection made by Mr. Smith. As objection, I omitted their names out. That was the first time I knew Mr. Smith had to do with the land. [Mr. Smith's letter to Commissioner of Taxes, 29th June, 1892.]

326. Did your assessments come before the Revision Court?—Yes. I attended before the Court.

327. When?—Some time in June, I suppose. They sat in Woodville. Only one amendment made by the Reviewers. I was the cause of that. Some objections were made to my valuations. Jensen did, on account of the Hawke's Bay Timber Company—5,000 acres in the Tamaki. I think that the whole. Knight was not an objector. I understand Carkin had to pay part of the rates. Objected. I explained to Reviewers I understood all had to pay share of land-rates. In Jensen's case no alteration was made. In Tahoraiti amount of value not altered, only division of interests.

328. Is there any unimproved value of any in the road district valued by you at £8?—No.

329. Have you sold any of the Umutaoroa Block?—I introduced one purchaser to Mr. Smith, Mr. Charles Baddeley. I did not make the agreement. I have not made any arrangement for any of the land. I have introduced several. I have made no written contract for the sale of any of it. I left Mr. Smith to complete. I am not aware that they are completed. If any completed I expect commission.

330. Have you any power from Mr. Smith about Umutaoroa Block?—I have the power to let him know if I have a customer; no other power.

331. Have you any power to sign contracts?—No. Land about Danevirke has risen very much. There are several reasons: The main road to the coast; £7,000 spent on the road. Danevirke going ahead fast. I bought a property for £160. I refused £350 in the town. I bought it three years ago. I bought another in Block XIII., Section 18; 105 acres. I paid £220 for it, my own valuation. I bought it after the valuation. It was improved—20 acres in grass, and 20 or 25 acres fallen, not burnt; and whare valued at £10; and some fencing. Unimproved value, 30s. an acre; improvements, £65. There was money to pay to the Government, £40. It was deferred-payment section.

332. *Cross-examined by Mr. Rees.*] I only got one memorandum from Mr. Crombie about Umutaoroa Block. I cannot say at what time I got it. I got it after I sent in my report, my valuation. I was to rectify Mr. Smith's interest in it. "That I put down, Tamaki Timber Company," but did not note their interest in the block.

333. Look at your note-book?—It is down here, but not definite. What I had to do was to define Mr. Knight's interest and the company's. The note-book entry is in form I sent it in, except red ink. I never had the book back; the black ink is all my writing. I valued the leasehold at £3,000. [Smith's letter to Commissioner of Taxes, 29th June, 1892.] Had eight interests out of ten; willing to pay on that. I did not see Smith about amendment. I knew that Tamaki Timber Company had interest for years. I knew that Knight had lease. As to Smith's interest in freehold, I had got information from Mr. Crombie. At the time I made the return I did not know that Tamaki Timber Company had any freehold interest.

334. How did you assess the value of Tamaki Timber Company on leasehold?—It had three and a half years to run. I saw that the timber was worth that for that time—£3,000. I thought freehold, less leasehold, worth £3,300.

335. Are you not working for Smith and Cadman as agent for them?—No; the same as anybody else. If I have to do anything for them I do it. I get no directions as to surveys. I know nothing of Mr. Cadman as owner. I heard of it. I do not remember hearing that Mr. Cadman was owner. I knew that it was always called Cadman and Smith's bush. I knew Tamaki Timber Company was composed of Mentetooth at one time, and Mr. Smith and Mr. Cadman. I introduced purchasers to Mr. Smith—Mr. Baddeley, 300 acres, at £5 per acre; Dennahey, 300 acres, at £5 per acre; Tansey, 100 or 150 at £5 per acre; Rev. Wallace, 100 acres at £5 an acre. I cannot remember any others; not Mr. Clayton. I saw him—not about this land—that is a different part of the land. The large blocks are behind a shop in front. What Clayton spoke of was in front. I mentioned £12; it was a fancy price. I do not know that a larger price was mentioned.

336. Did you mention £15?—I did not that I know of. I could not. I did not to Mr. Hunter, nor make any arrangement. I have spoken to a good few about this land. Mr. Smith was in Danevirke. I told him if he had any land for sale I thought I could get him a purchaser. I cannot recollect when this was. Not the slightest idea. It was this year. About fortnight before sale to Baddeley—I should suppose three or four months ago. He said he would let me have the same commission as anyone else if I introduced a purchaser. I was in treaty with some one else before Baddeley. I was talking to several before Baddeley about it.

337. Who fixed the price?—Mr. Smith fixed the price. I was not sure of the price till after first section was sold. That was Baddeley's. Smith fixed that price. Baddeley paid me no money. I gave him no receipt for £40. I heard Baddeley paid £75. I heard he paid £75. I know that others have been talking about the land. I do not know that they have sold any. No sheep on Umutaoroa last year. There has been timber cut that has been sold by Smith. With that done will cost more to put in grass than if timber not cut there. I was surprised at the values these people were prepared to give for the land. I must have seen Mr. Bierre after I sent in my application to value. I did not think it likely for him to tender. I did not tell him it would be useless for he would not have got it. I have put down £100 for improvements, house and buildings. I cannot tell whether there is more of the land for sale. I was told that there were about 800 acres for sale. That is all sold. I introduced all the purchasers for that 800 acres. I mentioned £12 for the front land. I mentioned it as a guess. I knew it was not for sale. There were two years to run of the lease. I did not say Reviewers altered the assessment on Tahoraiti. The value of Tahoriti No. 2 in my book is—[Refers to his book, and reads]. As to Tahoraiti No. 2, the apportionment was altered in the rate-roll and assessment-book after the Reviewers sat. [The Reviewers altered both rolls sent to the Road District.]

338. On what other occasions than the first did you see Mr. Kennedy?—As he was going through by train, I was talking to him on the platform. I saw him again; he stayed the night at the hotel. He was going to his own place. It was during the valuations. I talked to him when going through by train about the big blocks. I cannot say when it was he went through by train.

339. *Re-examined by Sir Robert Stout.* Something was said?—Bierre asked me if I would let him have it, as he could know it all sitting down in his office. I did not agree.

340. You have been asked about the piece Clayton was after?—Tramway was on it. So long as the tramway is there it cannot be sold. [Rees does not object to telegrams between Kennedy and Crombie going in.]

341. CHARLES LOUGHNAN, examined by Mr. Sainsbury.] Solicitor, Hastings. I formerly acted for representatives of the estate of Hapuku. He was one of the owners of Umutaoroa Block. I took steps to sell his interest in January, 1890—early in year. I had meetings with Smith and Irvine on the 10th of October, 1890. Smith offered £300 for Hapuku's share. I do not know who spoke first. I fancy Smith did to me. He spoke first, I think. Subsequently, I saw the trustees, and offered it for £400. It was accepted, and transfer drawn. I made the bargain, not the Natives. I acted for the trustees of the minors and administratrix. Sale completed, December, 1890.

342. WILLIAM COWPER SMITH, examined by Mr. Sainsbury.] Live at Waipukurau; am member of the House of Representatives; have been since 1881.

343. You were partner with Mr. Cadman and Mr. Menteach in the Umutaoroa Lease?—Yes. The legal partnership was Irvine, not Menteach. We bought from Menteach. The sum paid was £1,250. We entered into deed of partnership. This is it. [Exhibit.] Term of partnership fixed for the term of the lease—ten years. The partnership refers solely to the lease—to working the timber on the block. We worked the timber for a short time.

344. What expense were you put to for the plant?—£2,800 was the cost of the plant. It was nearly all outside the block—on the road. That is the whole plant. Subsequently, we let the timber-cutting rights to Mr. B. L. Knight, Mr. McLeod, and Mr. McKay. That is the plant in the schedule of the lease to Knight. Irvine went bankrupt. That put him out of the partnership. We acquired his interest about the middle or end of 1891 from the bank. We paid the bank £500. The plant was let to Mr. Knight. My first registration of freehold was September, 1889, with the Natives. First interest was Karamena te Aorangi. He came to me and said he wanted money, and wished to sell his share, and said if I did not buy he would sell to some one else. I then consulted with Irvine and with Cadman, and asked what they thought about it. Cadman wrote saying he would leave it to us. There was no secrecy about it. Every time I purchased there was a paragraph in the paper, that we were advancing towards the cutting-up of the block. We arranged that the purchase should be left to Irvine, in his name, and it was arranged that we should have a new partnership; but that was not completed because Mr. Irvine went bankrupt. Watene Hapuku was mentioned by Mr. Loughnan. These interests were undefined. I was doubtful about going in for it, because I knew the risk enormous. The cheque for the first purchase was made out by two members of the Timber Company. Cadman signed some cheques in blank; I did so also. We paid £200 also to the bank for Irvine's interest in the freehold. That was middle or end of 1891. The plaintiff became Native Minister in January, 1891. At that time we had purchased Karamena and Hapuku's shares.

345. Was anything said to you about purchase of future shares?—Yes. The same evening he was appointed he said to me that, having been appointed a Minister, that though there was no legal objection there was an objection. Objections might be raised, from his position, that he should not continue purchasing interests in this block. I pointed out to him that he was, as usual, over-cautious. I felt at the time that he ought to have been a Scotchman. I said, Very well, I would try and purchase the rest; that I had promised my constituents at Danevirke that I would; that the difficulty I would have to meet would be the question of funds; and I asked him, supposing I was unable to raise the funds in any other way, whether he would be willing that the interests he then held should go as security with the other interests in raising the necessary money. He said he would agree. He said, after some consideration, on condition that all receipts should first go towards paying any amount that was raised before I took myself anything from the proceeds. I then told him, if he ever wanted a full interest, to make his interest equal to mine, I would let him have it. I am quite willing to let him have it now on payment of the same amount as I paid. He said, in reply, that it might stand over; and he might not be in office for any but a short time, and there might be no purchases at all. And he mentioned, on no account would he have anything to do with the purchase. So that it could not be said he had used his influence in it.

345A. After Cadman became Native Minister, in whose name were shares taken?—In mine. He had nothing to do with purchase of shares after he became Minister. I never consulted him. I mentioned, naturally, to him when in Wellington what business I was doing.

346. Cheque, February, 1891, was signed "Cadman and Smith"?—That purchase was arranged in the beginning of January. I had a number of blank forms signed by Cadman and stamped by Tamaki Timber Company.

347. In negotiations with Natives was Cadman's name mentioned?—No. So far as I know he did not know any of the Natives. I produce the bank pass-book. The account opened with £1,050. While Cadman would only go into the transaction on condition that I joined him because I would be on the spot, and he, being at Coromandel, he could not be. He said, if I did he would advance all money necessary for the firm at £7 per centum. Money being required in December, 1889, he lodged £1,000 on deposit in Union Bank at Auckland as security against any money required by the Tamaki Timber Company. In December, 1890, the year after, it was relodged with interest. That brought it up to £1,050; and in March, 1891, the manager of the Union Bank, Napier, advised me to open a fresh account in the name of Cadman and Smith, as Irvine was in financial difficulties. I then drew the £1,050 from the deposit in Auckland, and lodged it to our joint names here, and opened account in name of Cadman and Smith.

348. Tamaki account and Cadman and Smith went on for a time?—I drew a cheque, £915, 21st March, the day we opened the account. That was the same day the £1,050 lodged. When account of Tamaki Company closed there was £124 transferred to Cadman and Smith—No 7.

349. Take all royalties, and all you put in, how does it work out?—We have very little for our £1,250. We have plant left which is worth very little of what it cost. The money was £2,250 for plant, £150 for man for measuring timber, and £100 rent, and small expenses £50, and property-tax and interest on capital about another £100 a year. It was a good thing for Danevirke. Employed twenty or thirty men. We paid £4,610 for freehold and £478 for stamp duty, £450 for interpreters' fees and other expenses, and £300 for survey of boundary. It totals £5,900; and loss of interest on £5,900 for three years—for lease has three years to run—the purchase will have cost £7,300. It is not correct to say that the purchase has been paid for out of royalties. All the transfers bear the certificate of the Trust Commissioner. In nearly all cases payment in cash, and paid through Magistrate.

350. As to the duty assessed by the Land Transfer Office—£47?—All I know is, seeing it in Mr. Rees' circular. I then looked up bank book and found that the Tamaki Timber Company had never paid it. I had not debited it to the Tamaki Timber Company. I gave my cheque for registration fees. I heard that fees were required from Sainsbury and Logan. I did not know what they were for; had I known what it was for I should have objected. There was nothing said about what the £47 was for. [Paragraph 14 of memorandum of 10th March.] I had no communication with the Cabinet about keeping Mr. Cadman in office—in writing or otherwise—or with any Auckland members as to change of portfolio, except that I saw Mr. Kelly at the railway-station. He spoke to me about the change of portfolios. He said he did not think it would be agreed to, as the North Island members would not be willing that a South Island member, who knew nothing about Native matters. I said nothing about a "round robin" to Mr. Walker. I never wrote to the Government or any one else on the matter. As to Mr. Walker's statement as to meeting me at the Criterion Hotel, he seems to have misunderstood the drift of what I told him. He asked me about the question of change. I said the papers were wrong, that no change had taken place, and that if he looked at the *Gazette* he would see I was right. I said, in my opinion no change likely to take place, because North Island members would not be willing that a South Island member should hold the portfolio. I never said I should leave the Government side if the change was made. I am aware that Mr. Cadman did not leave. What I know about Tahoraite is that Knight, the lessee of the block, came to me three years ago and asked me if I could assist him in getting in right. I heard Mr. Knight's evidence about this. What he has stated is correct. There is not a word of truth in paragraph 25. I did not know that any Umutaoroa Natives were in Tahoraite. I had no communication with any Natives as to passing the Tahoraite Bill. [Paragraph 27.] I am not interested in any other blocks—was not at the time of the memorandum, and have no intention of doing so. In 1884 I had interest in Tamaki Block in cutting timber. We sold that in sixteen months. As to Rose, appointment in accordance with my practice. I recommended nine persons at the last valuation; five appointed and four not. I never heard of the slightest objection to Mr. Rose's appointment. The Chairman of the Road Board was satisfied with the valuations; it gave them £300 a year extra. I wrote to Mr. Cadman because I saw 150 names come out, and some for my district. I wrote to Mr. Cadman, and said I knew three names I mentioned were good men. Rose was one of them; it was to my disadvantage to have a low rate put on, (1) because Mr. Knight had to pay the rates, and (2) because I purposed cutting it up, purchasers would quote the low valuation. The Native duty is assessed on the purchase money. As to the £10 per centum that made no difference. Mr. Crombie sent the usual notice, that the Tamaki Timber Company was assessed at £3,000, as lessee. It was the usual printed circular. I then wrote this letter. I wrote and told Mr. Crombie that the company were interested in the freehold, and therefore we had a right to pay on that. I said we had acquired eight shares. In conformity with promises made to the people, I got Mr. Knight to re-lease part of the block, so that I could cut up portion and dispose of it. After long negotiations he agreed to release, on payment, about 1,200 acres, on which there was little or no timber. I then mentioned to some of the Danevirke people that I should be ready to receive offers; Mr. Hunter was amongst them. Mr. Rose came to me and asked if he brought any purchaser would I allow him a small commission. I said I would to him or any other agent. He had no authority to make agreements or take money—he had to consult me. The arrangement about re-leasing the 1,200 acres only nearly completed; but I acted on it since last February. Postscript to letter of 24th March is not true. Mr. Knight had not re-leased that part. I heard Mr.

Haggen's evidence; he seems to have a bad memory. He came and asked me what arrangements I had made for selling. I said I had not made an absolute arrangement, but I had partially arranged to sell three or four farms. I did not mention my banking account to him. He mentioned overdraft of £2,500; it was then £3,700.

351. *Cross-examined by Mr. Rees.*] As to letter of the 29th June, 1892, to Mr. Crombie: where did you get it from?—I got it from the notice sent me by the department. I think that was sent me some part of June. I saw the roll at the Waipawa County Office. I did not see the division of interest on the Waipawa roll. I have not got the notice. There was no division between Native owners and Tamaki Timber Company. That was first time I communicated with Commissioner of Taxes. I had sent in a return. It was made on 7th December, 1891. [Return put in.] I did not make return of my lease. We have paid property-tax ever since we leased the land. Mr. Irvine made a return of property-tax. To the best of my belief he did. I have bank books. There is an entry of property-tax. Last that was paid 7th December, 1891, £3 2s. 6d. It is £3 2s. 6d. a year. I suppose there would be represented property-tax on Knight's lease if I had to pay it. Tamaki Company still continues till end of lease. The shareholders are Smith and Cadman. The Tamaki Timber Company did not become possessors of the freehold, I made a return that the company did as a matter of convenience. Convenience was on a matter of account. Mr. Cadman had three-tenths and I the rest. I did not do it to conceal Mr. Cadman's name. I purchased the lease from Mr. Menteath. I do not think there was a registered lease two years before. We had paid something on account. The two leases were got about the same time—the Tamaki and the Umutaoroa. Mr. Menteath made the arrangements for the leases. I made no arrangement with Menteath to take the leases in his name. I think Irvine went out of the Tamaki Timber Company in the middle of 1890. Irvine had entered only into the first share bought. The first share was not bought for me and Mr. Cadman and Mr. Irvine. The second share Mr. Irvine notified he could not go into that his difficulties arose. I had no interest in the second share when it was purchased. The price of the second share came out of the account. I had no further arrangements with Mr. Cadman than that on the evening of his appointment as Minister. As to Mr. Cadman signing the mortgage, I said I could not purchase the shares unless he signed the mortgage. He agreed to sign the mortgage on condition that all the moneys from the sale should be first paid off the mortgage before I took anything out. I told him in Wellington what I was doing. I made no special report. We knew that we were each liable for the whole amount. He did so as an act of kindness, because he was not going on with the transaction. In September, 1883, the arrangement with Menteath was to pay £1,250 between me and Cadman. I did not pay any money for Menteath, except money paid to Grindell. Menteath started to get the lease in February; not completed till November. We paid Menteath £1,250. I know there was an application by equitable owners to be put on to Umutaoroa Block. If Sainsbury and Logan wrote, of course they had my authority to do it for me. I do not recollect it. In 1891 I saw that that there was another application, and opposed it. I thought my share in danger. I did not know my share was safe. I thought the Court would investigate the claim. The Natives withdrew their application on the advice of their solicitor. [Tahoraite.] In the early part of 1891 Fraser was acting for me in the applications under the Equitable Owners Act. I told Mr. Fraser that I would purchase Ihaia te Ngarara's share. Fraser said he would see him. I was not aware that Fraser was acting for the Natives in the Tahoraite matter. I was not acting for the Natives in the Tahoraite matter: not in any way; not attempting to get anything done for them. [Letter by Smith about subdivision of Tahoraite.] The interpreter is to see that the Natives wanted the Court held for the subdivision, and I wrote. Very likely I said the Natives assented to the Tahoraite Bill. Mr. Cadman introduced it. I did not call it my Bill. I said Bill for my district. I did speak about the Bill at Danevirke. I said I had assisted to pass it, being good for the district.

352. Can you explain £600 cheque to Duncan Guy in bank account, Smith and Cadman?—Yes; Mr. Guy told me he thought he could buy the share of Mata te Hapuku in the Umutaoroa Block. He succeeded in purchasing it. It is cheque of Cadman and Smith, drawn by me July 17, 1891.

353. Danevirke people wanted the block cut up and occupied?—Yes.

354. Did you advise Government to purchase it?—No. Government had attempted and failed, and there was a lease. I did it as a speculation, and my constituents approved. I do not know that my arrangement with Mr. Cadman has been made public. So far as I am aware, Ministers and the public not aware that Cadman was acquiring interest.

355. *Re-examined by Mr. Sainsbury.*] I only made one speech on the Tahoraite Bill. I did not refer to it as my Bill. [Kennedy's telegram put in.] Valuation of Rose fair—Rose only applicant for Danevirke. Umutaoroa poor land.

356. THOMAS HUMPHRIES, examined by Sir R. Stout.] Am Commissioner of Crown Lands for the district. There were two special settlements—one Waipawa, the other Danevirke. Mr. Baker Commissioner of Crown Lands when these made special settlements.

357. Was Waipawa Special Settlement valued by Mr. Baker?—Yes. I cannot say whether it was surveyed before valuation. I should judge it would be. This was in 1885. Mr. Baker valued the Waipawa Settlement at £3,223 15s. for 3,100 acres, about £1 an acre, and Danevirke at £3,048 15s. In that 2,000 acres. Danevirke valued at about £1 10s. an acre. This is in letters.

358. *To Mr. Rees.*—He has worked it out in detail. I have given the totals.

359. ALFRED JEROME CADMAN, examined by Sir R. Stout.] My business has been timber merchant and sawmill-proprietor most of my life. Have had timber business at Coromandel and Auckland best part of my life. My timber-cuttings mostly on Native lease. Kauri, mostly in Auckland. I became partner with Smith and Irvine in Tamaki Timber Company. I first knew Menteath in 1883. During one session Mr. Smith asked me if I cared to take interest in timber

business in Hawke's Bay. I think the session of 1883. I did not know Menteath before that, nor Mr. Smith, till that session. I told Mr. Smith I should have to inspect the bush. I did inspect the bush after the session. I came through on my way home to Auckland. I went with Menteath, and spent eight or ten days going through the bush. I made arrangements with Smith that he should take interest in it with me. The result was that I and Smith purchased Menteath's interest for £1,250. After that Irvine went in, and we leased to three, including Knight. I think I first heard in 1889 about purchasing interest in the block. I fancy I must first have had a letter from Smith, asking my consent to purchasing shares. I never saw the Natives on the subject of the purchase. I do not know any of the owners if I saw them. I have not personally had anything to do with the purchases. The first purchase was in Irvine's name. As to the customs about Tamaki cheques, it was customary for one to sign blank cheques, leaving the other two to fill in their signatures. In 1890 there was purchase through Loughnan in my name. I had nothing to do personally with that; it was for me. At that time Irvine was getting into financial difficulties. I took office 29th January, 1891. I had conversation with Smith when I took office. I told Mr. Smith that, having taken office as Native Minister, it would be unwise, though not illegal, to acquire Native land while in office; at the same time I did not know; but it was currently rumoured that the Ministry would not stand—perhaps not two or three months. After talking over the position with Mr. Smith, he expressed the opinion that he would be unwilling to do anything without my assistance. I then agreed to allow him to operate on the account in any way he chose, and, I think, some time later on, to give the bank security. And I agreed to give my interest to become security to the bank with any he might obtain, on the understanding that if I chose at any time to come in I might, to get half the shares he bought. Smith bought shares. He may have told me; at session time he did. He may have written; but he may have mentioned what he was doing. I did not bother about them, or my own business at Coromandel, because Ministerial business took up all my time. The arrangement at the commencement was, that Smith was to attend to all our business matters, and, with the exception of laying the tramway, I had nothing to do with the business. I should think the plant cost between £2,000 and £3,000. The first I heard of the Survey Department valuation was Mr. Rees's memorandum. I remember Rose being appointed valuer. I think I was the only Minister in Wellington at the time. I was acting for Colonial Treasurer and all other Ministers. I did not know Mr. Rose; I may have seen him. I had a letter from Mr. Smith.

360. Do you remember which names Mr. Smith recommended in that letter?—I think three names.

360A. Have you any knowledge of the value Mr. Rose put on this property after?—I think not; I never troubled my head about it after. I never heard of any objection to Rose's appointment. None came before me.

361. Is it true that you insisted upon his being appointed in spite of all objections?—There were no objections. I could not have insisted.

362. When did Tahoraite matter first come before you?—In 1891, early. Questions were raised whether the difficulty could be rectified under the 13th section of the Act. Mr. Knight came down and saw me at Wellington. I referred him to the Judge. I think that was early in 1891; after that Mr. Knight wrote me a letter, 29th July, 1891. Next thing in the file is the report from Judge of the Native Land Court. There is a mark of Mr. Sims, 9th August [letter says Chief Judge appears to suggest a way out of the difficulty]. I included it since 31st July, 1891. Chief Judge suggested "Legislation." This was dated 18th December, 1891. After that, the matter came again before me on minutes of Mr. Morpeth; he suggested opinion of the Solicitor-General whether engagement could be cancelled. I referred it to Solicitor-General as to how it could be rectified. Solicitor-General's opinion was that it was not capable of being dealt with under Crown Grantee Act; he recommended Bill. I then directed Bill to be prepared, and the Chief Judge prepared the Bill; I introduced it.

363. At that time did you know any of the owners of the Tahoraite Block?—Not then or now, nor did I know that any of the owners of Umataroa were in Tahoraite Block. I have never seen any Natives on the subject of the Tahoraite Block. I introduced the Bill. Mr. Rees raised the objection that it should have been introduced as a public Bill. It has been the practice for Government for years to introduce Bills where Native interests concerned. There are one or two instances of private Bills where Natives have been concerned.

364. Take year 1889?—Mitchelson, Minister, there then.

364A. How many of a similar kind in that session?—There are two or three—Waipa Order in Council Validation Bill, Ngarau Further Investigation Bill. It has been the practice with Governments to introduce nearly all Bills affecting the Native race. It was resolved by a large Committee that it was a public Bill, and the House passed the Bill. There used to be the Special Powers and Contracts Bill. Mr. Mitchelson altered that, and introduced the practice of Native Contracts and Promises Bill. [On final division on Tahoraite Bill, 23 to 39, Mr. Rees only Government supporter who was in minority.] As to Native Minister, I suggested a change in the portfolios of Ministers. This is the memorandum I sent to Cabinet. [Suggests abolition of Native Department, Justice to take over Land Court, and Land Department taken over.] Minister for Justice and Native Affairs to be conjoined. That was made in February, 1892; it was my suggestion. I then went to Auckland at end of February. Wife ill, and ultimately died. Towards end of April I wrote from Auckland to the Premier, resigning, saying I thought I could not return. I have the reply. [Letter of Cadman read. "Illness of wife, &c."] Mr. Ballance replied, and, in the meantime, my wife died.

365. Had you any desire to continue the office of Native Minister?—No. There had been strong opinions expressed in Auckland about the change of portfolios. I explained then that it was done at my request. On my return to Wellington, Reeves told me that he should not retain the position

of Minister of Justice and Native Affairs. I gave way and became Minister of Justice and Native Affairs. It was never contemplated that Mr. Reeves should be Native Minister and I Minister of Justice.

366. As to the legislation you attempted?—Report of Commission came in [commission to Rees] 23rd May. [Mackay, J., dissents to many propositions of report.] Mr. Mackay died a few days after the report from other Commissioner came in. I received some notes of Mr. Mackay's. I had got a note of Mr. Rees [8th June, 1891] urging that the report should go in at once. Mr. Mackay said he objected to Rees's report going in before his; says suffering from neuralgia. [Note, 9th June.] Mr. Mackay died a few days after. Parliament met on 11th June, 1891. His brother and nephew sent in the report on the 27th July. Judge Mackay compiled the report and sent it in on the 27th June. Mr. Mackay told me he could not agree with Rees's proposals. I had ready a Consolidation Bill. I cannot give the date it was introduced. [21st July, 1891.] It was translated and circulated amongst the Natives; ultimately read a second time, and sent to the Joint Committee of both Houses at the suggestion of Mr. Rees. All the Natives in Wellington were against the Bill; but they did not represent the Natives elsewhere. I have letters from Natives in King-country. This is the letter. [From Edwards; he said he would make suggestion.] I got them afterwards. They struck out Part XV. Their amendments were about selling lands. [Very few amendments.] Bill went to Joint Committee. It was moved to be postponed. I voted against that. I, Kelly, and Smith wanted the Bill to go on; the others against it. After the Bill was postponed there was a great outcry, at Gisborne especially. It was decided to bring in Bill to deal with past transactions. The Bill was introduced, and Mr. Rees raised objections to that; result being, to set small Committee to devise a scheme. They made a report and drafted a Bill. I do not think I agreed with it altogether. In the end I introduced a Bill of seventeen clauses. It went into Committee of the House, and division taken on clause 4. Objections raised to the Bill. I said I would take a test division whether the Bill should go on. Clause 4 was lost. I voted for the Bill, Rees with me. Hutchison moved that clause 4 should be retained. It was decided to retain Horowhenua clause. I was anxious the Bill should be passed. I think Mr. Mitchelson and Captain Russell voted against the Bill. A suspensory clause was added. I think no division was taken on that. In 1892 I introduced fifteen Native Bills. I got thirteen passed out of fifteen. The Premier introduced one, and that passed as well.

367. A great number of them were to remedy mistakes?—Yes, to remedy outstanding grievances. I determined to take them in hand and get them settled. I introduced two general Bills: one to deal with purchase by the Crown from the Natives, the other as to past transactions. I think Mr. Rees supported the latter Bill. [Rees said, p. 638, "I have no amendments to propose."] I do not know whether Mr. Rees did abandon the chair and take part in the debate. That Bill has passed. I think about fifty applications have come in.

367A. Were committees as proposed by Mr. Rees approved of by you?—Never. My opinion is that there may be some blocks where the committee scheme might do; but, generally, I think it would be a huge failure. I introduced the Board scheme. It was decided to put that in for the Commission, so that the House might have it before them. I afterwards saw Mr. Rees on the subject—the impression he left on my mind—he suggested that he and Wi Pere should be on the Board.

368. To your knowledge have there been as many Native Bills passed as in the last session?—Never so many; there may have been matters dealt with in Special Powers and Contracts Bill. As soon as Tahoraite Bill was introduced rumours went round the House that I and Mr. Smith were interested in that Bill. Mr. Seddon saw me on the subject, and I told him that neither I nor Mr. Smith were interested in the Tahoraite Block. I have been interested in timber leases from Native nearly all my life. I remember Mr. Lawry's statement in the House being referred to. His speech was on the Validation of Titles Bill. I had no transaction which it was necessary to validate. I had no personal interest in that Bill. It is known where I reside that I have had Maori leases. I did not think it necessary to explain after Lawry. I did not hear Sir George Grey make any statement about me in the House. I never heard of his doing so. I left Wellington for Auckland on 16th of September, 1892, during the session. I did not influence Mr. Carroll in dropping the Bill. I received a telegram from him while I was at Coromandel. It had no reference to these Bills. It had reference to dealing with Mangatera. The impression on my mind is that I sent a telegram to Mr. Carroll, that the Premier being ill it would be well not to introduce too many Bills.

368A. Look at 19th paragraph of memorandum?—It is incorrect to say that Carroll's Bill was dropped under my influence.

369. *Cross-examined by Mr. Rees.*] When was it that you saw Mr. Smith? What took place on that occasion?—As nearly as I can remember I said that, having been appointed a Minister, it was not admissible for me to have anything more to do with purchases of Native lands, and we had, I suppose, a general conversation about it. He said he would be unable to do anything in the matter himself, and the matter would probably end. He was referring to the purchase of the freehold of the land. Then he suggested I should assist him in the matter—give him monetary assistance. I do not remember what was said: I can only give the result. After, he said something about monetary assistance—what account was there?—that I decided to let him use our account in any way he chose: and I think nothing more was said. Something may have been said about bank overdraft or bank securities. My impression is that the question of the further security to the bank occurred after. We were living together, and the conversation may have been renewed.

370. Was it not finally arranged that he should use your name and you could send your money?—Yes. I was to sign any mortgages necessary, and to become bound to pay any money—that is, for the purchase of the freehold of this land.

371. For whose benefit was the land to be purchased?—Mr. Smith's, at that time.

372. What do you mean by "at that time"?—Because it was thought by many we should not remain in office many months—that we should be ousted from office at the next session. In making the arrangement it was left open to me to join him again if we went out of office—to take equal share, if I chose.

372A. Was that arrangement made for the Tamaki Timber Company?—It was made for Smith and myself. He and I comprised the Tamaki Timber Company.

373. Did not Mr. Irvine then comprise part of the company?—I think he was then dropping out of it. I do not know. I did not manage the business. It was about that time. He was in difficulties, at all events.

374. What was the object of the arrangement that Smith should go on purchasing?—To protect myself. Because of the one and a half share I had already acquired.

375. How would that protect the share and a half?—If Smith acquired the rest, I should have had no further trouble. If a stranger did, I might have lost all. There was no other reason.

376. Did you not say that, though it might not be legally wrong, persons might object?—I say my sole reason in allowing Mr. Smith to use my credit was to protect my share and a half. This was the sole reason for signing the mortgage of 14th June, 1892.

376A. When title was completed did you get your share and a half?—I should be surprised if not. The share and a half are mine, and not in partnership. The half-share was paid for by partnership money; the full share paid for by my money, at my special request.

377. Who made the contract?—

378. *Through Mr. Sainsbury*: Mr. Smith did all the transaction.

379. The cheque of the company paid for it?—I presume so. I did not see it. I still say the share and a half was mine, not partnership property; mine solely. Both paid for by partnership money—moneys out of the partnership account. All Smith's are private property paid for out of partnership account. It is open for me to go into the matter whenever I choose. I never made any statement to any of my colleagues about this arrangement with Smith. After the receipt of the memo. of the 10th March I saw Mr. Ballance.

380. Did not Mr. Ballance ask you if you had been engaged in acquiring this block?—No; he did not ask, but I made an explanation to him. No other Minister was present. I simply told him I had nothing to do with purchase of Native lands since I was a Minister.

381. That has been the understanding between you and your colleagues all along?—There has never been any understanding between us. Mr. Ballance accepted my answer. He asked very little about the matter at all [Rose's appointment]. I have not the letter of Mr. Smith; he mentioned this matter amongst others. I remember Mr. Crombie coming to my room. I remember reading the passage to him. Mr. Crombie came about the valuation. I would naturally give effect to any recommendation of Mr. Smith on his district matters generally.

382. Did not you and Mr. Smith make an arrangement with bank manager?—I did not; I left it all to Mr. Smith.

383. Do you think it a proper thing in a Native Minister giving his credit to another for the purpose of buying Native land?—I see nothing improper in it.

384. Then why did you not do it openly: why did you not purchase it yourself?—It was not advisable. Nothing improper. It might lead to a supposition that I was using my influence. If the fact of the Native Minister being concealed, I do not see how it could arise. Native Ministers cannot proclaim any land of Natives to be taken. Government has to acquire an interest in land first. I made no effort on the part of Government to acquire Umutaoroa. I would not have thought of such a thing.

385. Do you consider it to be the duty of the Native Minister to guard Native interests?—Yes, as a rule; not altogether.

386. If there were Natives who ought to be interested, but were not legally so, would it not be his duty to see their interests attended to?—I say, if title was in such a position that people were really beneficially interested, it would be duty of Native Minister to assist them. I was not aware that many Natives were claiming to be beneficially interested in Umutaoroa Block. I know that one or two were claiming. I was aware of one application that was being opposed by our solicitor. I suppose that instructions would be given to our solicitor to oppose. If it was a case requiring legislation I should require to consider it. The case of Umutaoroa never came before me.

387. Are you not aware that there are hundreds of cases of greater hardship than Tahoraite?—There may be many, not hundreds; very few have come before me.

387A. Can you say how it was so much attention was paid to the Tahoraite case?—There was not: I treated it the same as others. I attempted to clear off all long-standing grievances. There were many other complicated matters. I have looked through the correspondence.

388. Do you not see that Smith has been acting for Natives in the subdivisions?—Once in 1893; once in 18th August, 1892; from Smith I have seen the correspondence. I remember the Bill passing through. If same efforts taken to pass the Validation of Titles Bill as in Tahoraite Bill, I do not think the Validation Bill would have been passed. The Validation Bill was not made a party question. I did not treat the Tahoraite Bill as a party question.

389. Did not the whole of the Government party vote for the Tahoraite Bill?—I do not know.

390. Had you any conversation with any other member of the Cabinet about the memorandum? I had no general talk with any Minister. As soon as the letter was sent to the Prime Minister I was advised it was privileged. I then began to get information. After you published your letter I had very little to say to any one. I saw that an inquiry was asked for. I wrote also to Mr. Ballance assenting to retire while this matter was going on. The Bill I introduced was a consolidation Bill; it consolidated ten or eleven named Bills.

391. Has not the operation of these laws led to all sorts of opposition and confusion?—My opinion is that it is one law overriding another; it was to remedy that that I introduced it. I do



not think it introduces any new principle as to investigation of title. It does away with rehearings—the present method of rehearing; more simple and cheaper way. I went through the Bill a good many times.

392. Did you think clause 71 a proper clause—sending perjured witness to gaol?—I think that if that clause were introduced it would stop nine-tenths of the perjury committed there. The Cabinet decided on that Bill.

393. What done in 1892?—It was introduced, but did not get to second reading. We had too many heavy Bills. I was laid up two weeks. I was away last part of the session. I do not think I have given specimens of my signature, “Cadman and Smith,” to the bank. I may have done so.

394. For what purpose was new account opened in March, 1891?—I do not know; it was some arrangement of Mr. Smith.

395. Will you mention any occasion when I mentioned my name and Wi Pere as members?—I should say, a dozen times. I should say, three times in my office. You were seven or eight times in my office. I cannot give you any date when you mentioned it. I should say you mentioned it many times—that you and Wi Pere should be on the Board, and another. I never intended to get the Board up. I never communicated with any one about it. It may have been talked of to other Ministers by me, but not outside. Native Minister has power to buy Native land; but he would usually consult with other Ministers. Mr. Carroll is not a member of the Cabinet. He is a member of the Executive. I did not recommend it. Mr. Smith takes great interest in anything affecting his district; his perseverance is well known. I sign anything to give effect to sales of the Umutaoroa land. Maoris have not been in favour of any measures introduced for Native-land matters. I do not think the Natives have shown their desires. I do not think the papers sent before the Committee can be treated as expression of opinion of all the Natives. I do not think it likely that any measures will be introduced to give effect to what they say they want.

396. Is there any substantial difference between our report and Mr. Mackay's?—Perhaps not; but Mr. Mackay expressed himself as opposed to your report and your mode of extracting evidence. I believe he attended every meeting of the Commission.

397. Mr. Crombie says you read part of Mr. Smith's letter?—Yes. I did not know anything about Mr. Kennedy. He came to get me to sign notice of appointment for the *Gazette*.

398. Do you believe, that if it had been known by your colleagues they would have permitted it?—I do not think they would have objected.

398A. Do you believe, if it had been known by the House of Representatives?—Some, no doubt, would have objected, but I do not think the House would generally.

399. *Re-examined by Sir R. Stout.*] I do not know what the Natives' title was. No two lots of Natives agree about the matter. I do not think Smith remained in Wellington after the House adjourned—30th January, House broke up. [Mr. Baker's letter about special settlements' valuation, 12th August, 1885.]

NOTE.—Several of the expressions in these notes are incomplete or obscure, but they have been printed exactly as laid upon the table of the House.

#### ISSUES FOR THE JURY.

1. Are the publications, or either of them, defamatory of the plaintiff?—Yes.
  2. If so, is the defamatory matter fair and *bona fide* comment on the acts and conduct of the plaintiff?—No.
  3. Is the defamatory matter so far as not *bona fide* comment true?—No.
  4. If the defamatory matter is neither *bona fide* comment nor true, what damages, if any, is the plaintiff entitled to recover?—£1 sterling.
- Verdict for £1 damages, without costs.

#### CADMAN V. REES.

#### EXHIBITS PRODUCED ON BEHALF OF PLAINTIFF.

*Friday, 16th June.*

A. Native Land Court Acts Amendment Bill, 1891.

*Monday, 19th June.*

(1.) Letter of 29th June, 1892. Smith, for Tamaki Timber Company, to Commissioner of Taxes.

*Tuesday, 20th June.*

B. Letter from defendant to Sainsbury and Logan, dated 11th April, 1893.

*Wednesday, 21st June.*

C. Letter from C. D. Kennedy to Commissioner of Taxes, dated 19th April, 1893, and certain telegrams attached.

D. Deed of partnership between Irvine, Cadman, and Smith, dated 7th February, 1885.

*Thursday, 22nd June.*

E. Memorandum for Cabinet by Mr. Cadman, 8th February, 1892.

F. Draft letter from Mr. Cadman to the Premier.

G. Letter from the Premier in reply, dated 13th April, 1892.

H. Letter from Mr. W. L. Rees to Mr. Cadman, dated 6th June, 1891.

I. Letter from Thomas Mackay to Mr. Cadman, dated 8th June, 1891.

J. Letter same to same, dated 9th June, 1891.

- K. Thomas Mackay's unfinished report on Native Commission.  
 L. Letter from J. H. Edwards to the Native Minister, dated 19th October, 1891.  
 M & M. Native Land Bill, 1891, and Maori translation thereof.  
 N. *New Zealand Gazette*, No. 108, of 21st December, 1892.  
 O. Press copy letter from Chief Surveyor, Napier, to Surveyor-General, dated 18th August, 1885.

## EXHIBITS PRODUCED ON BEHALF OF DEFENDANT.

*Friday, 16th June.*

1. Native Land Bill of 1891.
2. Native Equitable Owners Act 1886 Amendment Bill, 1892.
3. Native Committees Act Amendment Bill, 1892.
4. Extract from Danevirke Road District roll, 1st October, 1888 (Property-tax).
5. Same for 1st October, 1885.
6. Same for 1st November, 1891 (Land-tax).
7. Property- and Land-tax, Danevirke rolls, and departmental papers *re* Rose's appointment, &c.

*Saturday, 17th June.*

8. All Land Transfer papers in connection with the Umutaoroa Block, 4,973 acres.

*Monday, 19th June.*

9. Map of Danevirke Road Board district.
10. Rating-book and valuation-rolls for same Board.
11. Cheque on Union Bank of Australia (Limited), drawn by Tamaki Timber Company for £137 13s. 10d., No. B 105119.
- 12, 13, 14, 15. Like cheques: two for £150 and two for £400, Nos. T 6751-2, T 15151, and T 15169.
16. Pay-in slip for £300 to credit of Cadman and Smith at above bank, 28th April, 1891.
17. Cheque on same bank drawn by Cadman and Smith for £875, No. T 23885.
- 18 to 34. Like cheques for £450, £10 15s., £40, £300, £106, £10, £5, £240, £13, £5, £10, £11, £550, £100, £700, £500, and £200 respectively, Nos. T 23889, T 23908, T 23897, T 23896, T 23898, T 23899, U 7560, T 23906, U 7559, U 7550, T 35313, T 35316, U 14282, U 14340, T 35322, T 23901, and T 23884.
35. Cheque on same bank drawn by the Tamaki Timber Company for £44 12s. 9d., No. T 15165.
36. Like cheque for £44 12s. 9d., No. T 15173.
37. Cheque drawn on same bank by Cadman and Smith for £116 10s. 3d., No. T 23900.
- 38, 39, and 40. Like cheques for £20 12s. 9d., £600, and £85 respectively, Nos. T 35327, T 3594, and T 23902.
41. Native Land Court minute-books Nos. 2 and 25, Gisborne District, and file of papers *re* Umutaoroa Block.

*Thursday, 22nd June.*

42. Declaration of Hepera te Wharekiri on transfer of interest in Umutaoroa Block, dated 19th February, 1891.

*Approximate Cost of Paper.*—Preparation, not given; printing (1,800 copies), £20.

By Authority: SAMUEL COSTALL, Government Printer, Wellington.—1893.