

£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.