

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 Having regard to the valuation originally made of £19,000 odd, why did you not oppose that?—Law says it is to be assessed on the values as decided by the Commissioner of Stamps.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.