

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.