

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