

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 Tanaki 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 Umutaroa 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