

22. Under what Act were the leases to Sections 46, 47, and 48?—The 1881 Act.
23. And the lease to Section 45?—Also under the 1881 Act.
24. What do the improvements on Section 45 consist of?—Nothing at all but grassing and fencing.
25. What was that land originally, open or bush?—It was flax and toitoi—rough.
26. What are the improvements on the other section, 46?—There is my house and sheds and grassing and fencing, and I live there.
27. What do you value the improvements at?—I should think, about £350.
28. Is Section 45 under mortgage?—I was under the impression that both were under mortgage, but apparently I have only a title to No. 45, and therefore the mortgage can only be over 45.
29. Who is it mortgaged to?—To the Advances to Settlers Department.
30. What are the improvements on No. 45?—Nothing at all but grassing and fencing.
31. What do you value the improvements at?—£30, I suppose.
32. You have given a mortgage to the Advances to Settlers Department over your land?—Yes. When I put the application in for the advance I put it in for Nos. 45 and 46.
33. *Mr. Kerr.*] But you had no title to 46. You did not give the Advances to Settlers Department security except over No. 45?—That is all the security they have got.
34. *Mr. Welsh.*] What is the amount of the mortgage?—£110.
35. And the acreage of No. 45?—10 acres.
36. And No. 46?—11½ acres.
37. Is this the Government valuation?—Yes, I have the Government valuation of the two sections. [Produced and put in: Exhibit B.]
38. Can you tell us when you acquired Section 45—what year?—1891.
39. Were you aware of any right of conversion?—Yes.
40. When did you become aware of that?—Some time towards the end of 1892.
41. And what did you do?—I made inquiries about the conversion, and I found that my financial position entirely precluded me from taking advantage of it.
42. Whom did you inquire from?—From Mr. Rennell, the Reserves Agent at the time.
43. Did you convert?—No.
44. After that had you any further right of conversion?—Not to my knowledge until within the last month, when you told me.
45. You had the right of conversion in 1900: your rent would have been fixed at 5 per cent. on the unimproved value at that time, and the rent would run back to the 26th September, 1896; you would have to pay the difference in rent from September, 1896, to the time you converted in 1900, and you would have to pay for all improvements over £5, and the costs of conversion, whatever they might be. Had you known of that in 1900 would you have converted?—I would have converted Section 45, but not 46. Of course, the improvements would have stopped me converting No. 46.
46. *The Chairman.*] Did you have those improvements on in 1900 of about £300?—I practically had the same improvements. I have had a couple of small rooms put up since.
47. *Mr. Welsh.*] Had you made inquiries of those gentlemen you spoke to as to what it would cost you in 1892?—Yes.
48. Are you sure it was Mr. Rennell?—It was the Reserves Agent; I believe his name was Rennell. It was the Reserves Agent prior to Mr. Fisher.
49. What is the rent of Sections 45 and 46?—For each section, 3s. per acre.
50. *Cross-examined by Mr. Bell.*] What did you pay Mr. Pennington for those two sections?—£40. I did not absolutely pay anything, but I took over a mortgage of £40 that was on them.
51. Can you explain this record on the file: "Joseph Pennington, of Inglewood, settler, being the registered proprietor of an estate of leasehold in Sections 45 and 46, Block IX, Opunake Survey District, containing 21 acres 1 rood, has by memorandum of transfer executed in duplicate, in consideration of the sum of £140, transferred the same to Edward John Dudley, of Opunake." Is that entirely incorrect?—It is not entirely correct. As far as my memory goes, I never paid him £100.
52. Was there a memorandum of transfer issued in duplicate?—I never saw one, and I never got one.
53. You said that Section 46 had not been transferred to you?—As far as I know, it has never been transferred to me.
54. *Mr. Kerr.*] To whom do you pay the rent?—To the Public Trustee.
55. In respect of Section 46 as well as 45?—Yes.
- [Public Trust Office records show that lease was transferred to Mr. E. J. Dudley.]
56. Both the sections are subject to this mortgage to the Advances to Settlers Department for £110: if you have 21 acres at £5 an acre, that comes to £105; therefore if you had improvements of more than £5 10s. an acre the Department would have ample security for the loan?—Yes.
57. When did you first know your improvements were limited to £5 an acre?—Well, I really knew when I took up land on the Eltham Road. When the first of this Native land was leased out I saw it on the prospectus of the land.
58. Any one could see it there?—Yes.

JOHN CLARK sworn and examined. (No. 11.)

1. *Mr. Welsh.*] You are a farmer, and live at Okato?—Yes.
2. Are you the holder of a lease under the Act of 1881?—Yes.
3. What is the section?—Section 20, Block V, containing 125 acres.
4. What is your rent?—3s. per acre.
5. When did you acquire that land?—In January, 1899.
6. Whom did you purchase it from?—From W. J. Gray, of Okato.