

from a prudent money-lender?—If I had been called upon at that time for my advice as to how much might have been lent, I should not advise any one to lend more than £10,000 at the outside.

888. *Hon. Major Atkinson.*] Do you know Mr. Philcox?—Yes.

889. Is he a respectable man?—Yes.

890. Is he a man whose word could be taken?—Certainly; although I must say that he is one of a party who are very bitter, and are carrying their bitter feelings to very extreme lengths indeed. He has been carried away somewhat in personal animosities over this ferry company.

891. *Dr. Newman.*] You said that the value of the property would have been high at £10,000: then would you advise any one to lend money on mortgage up to its full value?—I was asked to name the extreme amount, and I mentioned that sum: as an ordinary precaution I should lend 25 per cent. less than that. I should mention a feeling that has arisen in my mind independently of my own opinion of the value of the property. In my opinion the ill-feeling in connection with this matter has arisen rather from the method of acquiring the property than in regard to the commercial value of it. If the property had been acquired in the Compensation Court, and even the full amount now given by the Government had been put upon it, there would not have been a word said about it. I think the system is a bad one, and tends to impugn the veracity of good officers. If the land had been taken in the ordinary way, and both parties had gone into the Compensation Court, and if the Court had awarded even £20,000, there would not have been a word of dissatisfaction. I believe the whole matter has been stirred up by the bitterness of feeling now existing. I do not want to impugn other people—I am on friendly terms with every one of them—but I do not think that this agitation is entirely patriotic on their part. My impression is that if the land had been taken under the Public Works Act there would have been no agitation at all about it.

892. Supposing it had been before a Compensation Court, do you think the Government would have got the valuation reduced?—I said before that I think the limit would have been £10,000. It might, however, have been above that.

892A. You think, then, that if the Government had fought the case they would have got the land at a less price?—I believe so.

893. And you are aware that there has been a great deal of agitation about it?—I am quite sure of it—the whole matter has arisen from local circumstances.

894. *Mr. Dargaville.*] Supposing that Mr. Seaman, Mr. Ashton, and Mr. Brewer had been called in as witnesses for the Crown in a Compensation Court, and were to depose that this property was worth from £15,000 to £20,000, what effect would it have on the Court's decision?—It is impossible to say. They might easily get rebutting evidence.

895. Knowing, as you do, the tendency of assessors and juries generally to favour the claims of individuals against those of large bodies, would you not be inclined to assume that the price awarded would be higher than your estimate?—I know it is generally accepted that a Government is fair game for plunder; but I do not believe in that doctrine myself.

896. But, assuming that the Government's own witnesses were to depose to the effect I have mentioned?—It would materially affect the case; but I do not assume that the Judge would be influenced.

897. I am assuming that those witnesses would give evidence in the direction in which they have already expressed their opinions; and I ask you, in view of that, whether quite a different complexion would not be put on the matter?—No doubt the Court would be influenced thereby.

898. *Mr. Peacock.*] You have stated that £10,000 would be the outside value. Would there be any difficulty in Auckland in getting competent witnesses who would have a similar opinion?—I think you would get scores.

899. *Dr. Newman.*] If the case were tried before a Court, and if the Crown tried to get evidence showing that the property was not worth so much, would they have any difficulty in doing so?—I do not think they would.

900. They could have got Mr. Philcox, for instance?—Yes, I suppose so.

901. *Mr. Cowan.*] From your knowledge, is there anything to warrant this property, valued at £3,500 in 1882, rising—twenty-eight acres of it—in 1885 to £15,600?—I think it is quite unwarranted by the general transactions in the neighbourhood.

902. *Dr. Newman.*] You are Chairman of the County Council?—I am.

903. What is the valuation of the property on the Road Board books?—I was a member of the Board in 1882, and the Board elected to make their own valuation. I did not sit at all its meetings; and it was afterwards that I heard that this property, which had been valued at £7,000, had been reduced by the Board one-half.

904. Was the valuation made by a valuer or by the Board?—By the Board. Stark and Allison were members of the Board at the time. The valuation of some other properties was reduced at the same time. They elected to make their own valuation, although I preferred that of the property-tax assessor.

905. *The Chairman.*] By whom was the property-tax valuation made?—By Mr. Seaman.

906. He had valued it at £7,000?—He told me so.

906A. He stated that it was put down by mistake as £3,500?—I understood him to say that his valuation had been reduced by the local Board by one-half.

907. *Mr. Wilson.*] Did you hear that Stark proposed standing for Waitemata?—I did.

908. Was there any likelihood of it?—I do not think he ever stood a chance against Hurst.

909. *The Chairman.*] Was Mr. Tanner mentioned as valuer?—Yes; but the Board, sitting as a Board, chose to direct him what to do. They made the assessment and he wrote it down.

Mr. E. W. ALLISON further examined.

910. *The Chairman.*] You stated that you had offered Mr. Stark £16,000 on certain terms. The Committee would like to know what you would have considered a fair offer if you had been