that any of them seemed satisfied; none of them expressed any opinion as to satisfaction or otherwise. They considered the Government wanted the land and they offered that sum, and they did not see any reason to oppose the Government.

74. *Dr. Giles.*] You do not recollect any one making any decided opposition to it?—No; I do not recollect any one.

75. You are pretty sure nobody did?—There was, of course, a good deal of discussion about it, but I am not prepared to say which individual trustees made any remark or not.

76. If any one had opposed the resolution or had moved an amendment it would have been recorded?—Certainly. There was no amendment moved.

77. Did you know anything of the negotiations that were going on through Mr. Brewer on behalf of the Government?—Mr. Kissling's letter was the first intimation. I had seen in the newspapers the action that had been taken in the Supreme Court.

78. Had you any knowledge as to an arrangement by which Mr. or Mrs. Kissling was to get the freehold after this settlement?—I did hear that the freehold was to be conveyed back to Mrs. Kissling, but I really do not know at what particular time.

79. Before this money was accepted by the Board did you know anything about it?—Not before this offer was accepted.

80. Do you know if any members of the Board knew anything about it?—I do not know.

81. You do not recollect anything of the sort being mentioned at the meeting?—No; I have heard it spoken of, but I do not think it was at this meeting, because the money was not paid until some time afterwards.

82. You do not think the arrangement by which Kissling was to get the freehold was mentioned at the Board until some time after their resolution was passed to accept the money?—I think not.

83. Did you ever hear of an agreement on the part of Mr. Kissling to pay more than the sum of £632 if it was found that the Board were entitled to it?—No; that was never mentioned in any way to the Board.

84. Did you hear of it afterwards?—Only a few months ago.

85. Do you know what basis was taken for the calculation of the Board's interest?—No, I am not aware on what basis this offer of Brewer's was made of the £632; but I have worked it out myself with a set of tables that I have, and I think I have arrived at some conclusion, in fact, as to the way it would be made up.

86. Yes? Have you arrived at a similar conclusion?—Yes, just about the same amount.

87. You can tell us, then, what data you have taken?—This land was leased at £17 a year, it had forty-eight years to run, and to secure that rental I calculated what sum of money would yield that, taking 6 per cent. as the basis. I made that come to £266. Then, taking the value of the property as a whole at £6,000, which was the estimated value about that time, valuing money at 6 per cent., I estimated it would take a certain sum to yield that in forty-eight years' time according to certain tables; and it would take £366 to yield £6,000 in forty-eight years: so that at the end of forty-eight years, if they invested it at compound interest, it would yield £6,000. The Board would have their £17 from the £266, and they would have the £266 at the end of the time as well.

88. Yes. Then that goes on the supposition that the value of the land at the end of forty-eight years would be £6,000?—Yes; land and buildings.

89. Was any estimate formed of what the present value was of the whole thing, including all the interests?—No; the £6,000 was thought to be a fair sum, because, although the land might improve in value, the buildings certainly would not. They are wooden buildings.

90. Was it considered that the then present value of the whole of the combined interests was equal to the prospective value at the end of forty-eight years—that the whole value would not improve at that time?—I do not know exactly whether that was the opinion of any one or not, but I worked it out on that basis.

91. Yes; that is the basis on which the Government Actuary worked it out: but, of course, he only went on data given to him—that was, £6,000 due in forty-eight years?—It is an impossibility to fix the value of land in forty-eight years' time.

92. Of course it is; but are you aware what basis was taken between the Government and Mrs. Kissling in negotiating as to the whole of the value?—I have no idea at all how that was arrived at.

93. Because the then present value seems to have been estimated at the same sum—£6,000. In your opinion, was it fair to take the then present value as equal to the probable value in forty-eight years' time?—Well, I think it was. We have experience now where land forty years ago in Auckland was more valuable in certain streets than it is now—at least, quite as valuable; and, without expressing an opinion, if that loop-line were to pass the house there [indicating on plan] and that were to become an intake, the value of the land might suffer considerably. Of course, that is only my private opinion. Of course, it is impossible to attempt to fix the value.

94. Can you tell us whether there was any feeling on the part of the members of the Board that anything wrong had been done when they heard that the lessee had got the freehold?—I could not express any opinion.

95. Nothing was said at the Board that you know of about it?—Not at the Board meeting.

96. With reference to this calculation: it was taken at 6 per cent.; do you think 6 per cent. is a likely rate of interest for the next forty-eight years to come? Could that be reckoned on all through that time?—That is a rather difficult question. It is very hard to say whether it would average that or not. In those days you could get 7 and 8 for it easily.

97. Of course, a trust fund would have to be in safe securities?—Yes; freehold mortgage securities principally.

98. If the interest were less, of course the sum payable to the Board would have been greater?—Yes.