

126. I think I understood you to say that some time prior to the paying-over of the money you knew of the proposal to hand the freehold of a portion of the land to Mrs. Kissling?—Yes; it was in print prior to that.

127. Would you say therefore, then, that the Trustees had ample knowledge of that fact?—I cannot say.

128. Was it discussed at any meetings of the Board?—I do not think it was discussed.

129. Do you think some of the Trustees knew?—I believe some of them knew.

130. I presume you talk of Board matters, although not formally, at the meetings of the Board?—Yes; members talk over them at all times.

131. *Mr. Napier.*] But I think you are quite clear that, until the Board had passed the resolution accepting the £632, they were not aware that any negotiations were in progress for the transference of the balance of the freehold to Kissling?—I was not, certainly.

132. Why did the members of the Board not take some action for the purpose of recovering the freehold which was not required for defence purposes, seeing that they knew before the money was paid over that the balance of the freehold was to be transferred to Mrs. Kissling?—I am afraid you must ask the Trustees that question. I really could not tell you what reasons they had for not taking any action. I know at the time it was taken they thought the Government wanted it for public purposes, and they thought they ought to let them have it.

133. As a matter of fact, they had made this bargain with the Government, and hence they passed the resolution agreeing to take the money?—Yes.

134. And they could not back out of their bargain?—They did not think it was honourable to attempt to back out of their bargain.

135. Notwithstanding the concealment of material facts from the Trustees, did they consider it dishonourable to withdraw from the bargain?—The answer which I have made is only an opinion of my own, and I would scarcely feel called upon to go any further in the matter. The Trustees are all available, and can answer for themselves. The question was never discussed at the Board.

136. Did you make any formal communication to the Board, or make any minute of what came to your knowledge as to the projected intention of the Government to transfer the freehold to Kissling?—No; for it never came before myself in any way that you would call officially. It was all from the street or the newspapers.

137. There is nothing in the records to show that before the Board accepted the £632 they had any knowledge that the larger portion of the freehold was to be transferred to Mrs. Kissling?—Nothing whatever.

138. Can you state what was the impression made upon the Board or the members you came in contact with by the discovery of this fact?—No, I cannot. There are nine members, and the impression varied on each one, I have no doubt.

139. But was there no general sentiment expressed, either of surprise or satisfaction, at this material fact being concealed?—They did not consider that the Government were called upon to reveal all their secrets or movements to them.

140. They did not consider that the Government ought to have disclosed to them that they were negotiating with Mrs. Kissling to transfer to her the freehold over the heads of the Board?—I do not think they expressed any feeling of that kind.

141. From your conversations with the members, can you say whether they considered it was right or proper, or improper, to conceal the fact of those negotiations from the Trustees?—I do not recollect ever talking over it in that way.

142. At all events, they took no step, having discovered it?—No.

143. You have said there are instances which have come to your knowledge where the value of land forty years ago in Auckland was equal to or greater than it is now?—I said, many years ago—twenty-eight years ago, at any rate.

144. Do you know the prices which obtained for land in the vicinity of this place, also on the foreshore, at the land-sale in 1842?—You are referring to the Government land?

145. Say from the period of 1841 to 1845, at the Government land-sales—do you know the relation the values obtained for land then bear to the value of land at the present time in the vicinity of this land, or as near as land was sold to it: has the value increased or diminished?—The value has increased.

146. Enormously?—Considerably.

147. Has it increased as much as five hundred fold?—I should scarcely think so.

*Dr. Giles:* Do you mean five hundred fold or five hundred per cent.?

148. *Mr. Napier.*] I mean five hundred times in some instances [To witness:] Can you say what was the value of this land at the time it was granted to the Trustees by Sir George Grey in 1850?—I cannot tell you from memory just now.

149. Do you know about the sale that took place when the land was cut up?—No.

150. By the Trustees after it was granted?—I recollect the leasing of the land.

151. That is the original plan [produced] which the Trustees issued at the original sale?—Yes, I believe it is.

152. You have said that you consider the estimate you made, that £366 at 6 per cent. would amount to £6,000 in forty-eight years—with the rental of £17—making up the £632: do you consider that is a fair way of estimating the permanent interests of the orphans and children in that trust property?—I do not see that there is any other way to calculate it.

153. Supposing we take the whole of the leases and the trust properties now in the hands of the Board, and the Board had the statutory power to sell, would you consider that the interests of the trust would be properly conserved by taking a sum which would in forty-eight years yield the present value of the land?—I think so.

154. *Dr. Giles.*] In addition to another sum representing the rent capitalised?—Yes.

155. *Mr. Napier.*] Have you ever heard of the term “unearned increment”?—Yes.