

156. Do you think that such a thing has existed and is likely to exist in the future?—It has existed, and will exist again I have no doubt.

157. With the exception of intermittent fluctuations, has there not been a progressive, an absolute increase of land-values since the foundation of the colony, and especially at and around the City of Auckland?—Not all through. There are places where you will find exceptions.

158. But they are rare, are they not?—They are not plentiful.

159. You have said that the reclamation of that land, with the progress of the city, and the construction of the loop-line necessitated by increased railway-traffic, would deteriorate the value of that land?—I believe it would.

160. Or simply would deteriorate its qualifications for a private residence—which?—It would deteriorate its value as a residential site.

161. But would it deteriorate its value as a commodity in the market?—Yes; because I think its value is for that purpose only. I cannot foresee that its value would be for anything else but residence-sites.

162. Do you not think that the city is likely to grow?—Certainly.

163. Does the proximity of railways usually increase or decrease the value of land?—It does both.

164. Are you not aware that, if this line is to be constructed at all, there is to be a Parnell Station in the vicinity of this place?—I am not aware of any of the particulars of that.

165. Do you not know that from general knowledge?—It is very likely there would be.

166. There ought to be?—There ought to be.

167. Do you not know there was an agitation to get a station?—There was at Parnell.

168. Has the reclamation along the foreshore between old Fort Britomart and Freeman's Bay deteriorated the value of the adjacent lands?—No; but the reclamation between here and Mechanics' Bay has.

169. But that reclamation is not complete. The completed reclamation has not deteriorated the value: it has added to the value very considerably, has it not? Take the value of land along Customs and Fort Streets and in this neighbourhood: as a matter of fact, does not the Harbour Board derive an immense revenue from those endowments?—Yes.

170. Presuming the city extended in that direction, the land would be very considerably enhanced in value?—Yes; it ought to be. For business-sites it ought to be worth more than for residence-sites.

171. You say you think it is likely that 6 per cent. will be permanently obtained in Auckland—at all events, for forty-eight years: are you not aware that during the last two years interest has fallen?—Certainly.

172. From 2 to 3 per cent?—Two per cent.

173. And do you not know that a simultaneous fall, and to a greater degree, has taken place in the Australasian Colonies?—Money is always fluctuating.

174. Fallen, I am speaking of?—I do not know to what extent it has fallen there—scarcely so much, I think.

175. Do you not know that there are many investments where money is lent at 5 per cent. in consideration of getting real first-class security—freehold?—I think there are very few. I do not know of any.

176. I think it has been the practice, for the purpose of getting high interest, in Auckland, to lend considerably more than half the value of the land—in some instances two-thirds?—Between half and two-thirds.

177. Has that been a safe rule for investors—that in order to get high interest they should advance to that extent?—I do not think it is in order to get a high interest they advance to that extent, because there are many loans at one-half to two-thirds the value at the lowest rate, and they have proved very good securities.

178. But has it as a general rule proved a safe guide?—I think so.

179. Do you not know that during the last three or four years many properties have not realised the money advanced on them?—Yes; I know of a number of cases.

180. Do you not know that it has been the rule, where mortgagees have been forced to sell under their powers of sale, they have purchased in the properties themselves rather than let them go at the price offered?—Those cases are few in comparison to the number of mortgagees in question.

181. In comparison with the foreclosures?—During the last twelve months there has been no confidence whatever in land, and mortgagees have had to buy in; but that does not prove the land is not worth the money.

182. I presume trustees investing in freehold securities run some risk in investing that money that they will not realise their own money again?—They run the risk.

183. I think there are cases in which your Trustees have lost their money, or have had to buy in the land. I think we have knowledge of two cases very lately, where it was found impossible to get the amount which the Trustees had lent on the securities?—They did not realise the amount, although very nearly.

184. Do you consider that money is just as good a security as land—that is to say, that the interests of a person or institution are just as well safe-guarded by a grant of land as by a grant of money of equal value?—I think that money is the best income-producing grant, and if carefully managed would be the more profitable of the two.

185. If carefully managed, yes; but it is subject to more vicissitudes, is it not?—I scarcely think so. Land changes almost with the weather.

186. Do you not know that it has been the practice in the older countries of the world to endow institutions with land?—I know that by report, and I also know by report that many of