

land in a very short time would be very much more valuable than it was before; but the valuers were told that they were to state what the present market-value of that land was, allowing for any contingent damages done by the public work.

209. *Dr. Giles.*] Was that a lease?—No; a freehold.

210. *Mr. Napier.*] Of course you are aware that the present value must be taken into consideration when the Government are taking land under "The Public Works Act, 1882." Do you think that, proceeding on the same basis, in the case of a permanent security to a trust, is just to the trust in the case of a leasehold such as this was?—I think so, if you allow a liberal market-value, because forty-eight years is such a long time to look ahead to that it would be very hard to say what the value would be then.

211. It is estimated that the sum received will yield £6,000 at the end of forty-eight years?—Yes.

212. Do you think it is a likely thing that there would be no diminution of that income—that the whole of that £366 would accumulate to that extent? Do you think, in practice, that would be the result?—I think so, if a body of trustees received the money for that purpose.

213. Is not interest on money frequently lost for weeks, and the money waiting security perhaps?—Yes; but when you invest it you may get 7, 7½, or 8 per cent. interest perhaps.

214. Do you think that is likely to be the future rate of interest?—I think it will vary from 6 per cent. to 8 per cent. I do not anticipate its being lower than 6 per cent.

215. Would you be surprised to hear that many skilled land-agents are prepared to state that, in their opinion, the interest on money is never likely to be again what it was—that there will be a permanent decrease—with the greater facilities of communication between England and New Zealand, and the greater solidarity of the Empire, there is likely to be a general fall in the value of money?—I have no doubt it will never reach the large figures of 8, 9, and 10 per cent. that could be got some years ago; but I do not see why it should not average 6 per cent.

216. You would be surprised to hear that some of the principal valuers in the city are of opinion that 6 per cent. will be the maximum interest which can be obtained in future?—I would not be surprised to hear that opinion.

217. You say that that was and is a favourite place of residence: have you noticed the expression in Mr. Brewer's letter to the effect that many men of wealth here would not consider the price at all if they could only get such a place? Do you think that is accurate?—I think those men have disappeared.

218. Do you think it was a fact, then, in 1885?—Prices were much better then than they are now.

219. As a matter of fact, would it not have elicited very keen competition at that time supposing it had been put up to auction?—It would; but it would never have reached the price which was given for it.

220. Were you aware of the provisions of the law with regard to the taking of land for public works in 1885, both before and after the Amendment Act of 1885 was passed?—In a general sort of way.

221. Did you know, for instance, this point: that, supposing the Government took a greater area of land than they ultimately found they required, the law said they were first to offer it back to the person from whom they took it?—I was not aware of that.

222. At a valuation to be made by an independent valuer?—I have never heard of that.

223. I suppose you did not know that the consequence of his refusal was that the land was to be put up to public auction?—No; I did not know that.

224. Supposing the Trustees had had the statutory power to sell at the end of 1885, say, or the beginning of 1886, and exercised that power, do not you think the land would have brought a greater sum than the Government paid for it, supposing the Trustees had had the power which the Government professed to have under "The Special Powers and Contracts Act, 1886"?—It was impossible to cut it up without removing the house and buildings and all the improvements. It could only be sold as a whole.

225. It is a wooden house, I think?—Yes.

226. I suppose in forty-eight years the house is not likely to be of very great value?—Very little, I think.

227. Under ordinary circumstances the timber would not last that time without rotting?—The chances are the timber would not last that time; but a house of less value would be erected, I think.

228. The fact that Mr. Heale erected a wooden house of greater value than was stipulated, seeing that it was a wooden house, it would not at the end of forty-eight years very much more benefit the Trust than if he had only carried out his covenant?—No.

229. As far as you know, would your Board have been prepared in 1885, at the time of this occurrence, to take for all their trust properties the then market-value of the land?—That question has never arisen, and I have never had an expression of opinion to be able to answer the question.

230. Speaking as a valuer and not as Secretary of the Board, would you consider that a just way of dealing with your trust?—I do not see any necessity for it. Circumstances might arise where it would be desirable. At that particular time there was no such talk, that I ever heard of.

231. Mr. Kissling, in a telegram to the Chairman of the Point Resolution Committee of the House of Representatives, alleges that you did know about the intention of the Government to transfer the freehold to his wife. Mr. Kissling, in a telegram of the 13th July, says: "The Trustees from the first declined to deal with Mrs. Kissling, and would only do so with Government. Whether Mr. Brewer acquainted them with the facts of my letter of the 20th November I do not know. I believe that they did know that proposal was that balance of the freehold was to be conveyed to Mrs. Kissling: it was no secret. Whether, however, they knew of offer to reimburse if they had to pay more than £632 for Trustees' interest I do not know." Do you say that is a fair statement of the facts? you have already told us that the Trustees and you did not know?—No; not at that time.