

453. Can you tell us how long you remained under that impression?—For some months. For this reason: I never looked into it.
454. Nothing occurred to your mind to suggest looking into the law?—No.
455. You thought the matter was clear—that the Government could take the land and do with it what they pleased?—Yes.
456. Can you tell us what is your belief as to the knowledge of your brother-trustees on that point?—They knew less than I did.
457. They were quite under the same impression?—Yes.
458. It was owing to the relationship between your brother and yourself: that was the reason why you studiously avoided taking any part in the meeting?—Yes.
459. Mr. Napier has asked you why you did not feel it your duty to communicate to your co-trustees that your brother was going to get a part of the land back: you did not conceive it to be wrong for the Government to give a portion back?—I did not, at that time.
460. Once the Government took the land and paid the compensation they were masters of the situation?—Yes; I was under the impression at that time.
461. Am I right in concluding that, if you did not take any part in the discussion, you did not take any part in suggesting the offer of £632?—I did not.
462. *Mr. Mahony.*] You have been a member of the Board for some time?—Yes.
463. You have been a regular attendant at the meetings?—I have.
464. So that it was nothing extraordinary for you to be present at that meeting?—No.
465. Were you sitting there as a Trustee satisfied with the impression your co-trustees had come to—that that £632 amply repaid the trust?—It certainly was the impression on my mind.
466. Being satisfied of that, did it concern you to whom the balance of the land went?—No, it did not.
467. I suppose in your position there as a Trustee that day you were taking just as lively an interest as usual in conserving the trust?—In other matters. I took no part in this.
468. The fact of anything your brother had said to you did not affect you, otherwise than to make you a passive member of the Board?—No.
469. And I presume you did that so that nothing could be urged against you by outside persons?—Yes.
470. You took special care for that purpose?—Yes.
471. It was a good many months after when you and your co-trustees signed a receipt for the money?—Yes.
472. There was ample opportunity for the Trustees to have inquired into the matter?—Yes; nearly twelve months, I think.
473. Was the reason of that that they were satisfied with the arrangement made with the Government?—There was no expression of dissatisfaction at the meeting.
474. *Dr. Giles.*] Are we to understand that you have not formed any opinion or estimate of the value of this reversion to the Trustees?—None whatever.

JAMES DACRE sworn and examined.

475. *Dr. Giles.*] You reside in Auckland, Mr. Dacre?—I do.
476. And you are a member of the General Trust Board?—Yes.
477. You remember the transaction in 1885 connected with land taken by the Government from Mrs. Kissling's lease?—I do.
478. You have heard the evidence given already: can you state shortly what you recollect of what was done at the Board—what discussions took place and what knowledge the Board had?—The first official intimation we had was a letter from Kissling, and after discussing the matter we decided that it would be better for us to deal with the Government. Then the offer of £6,000 was made.
479. What do you mean by the offer of £6,000?—The £6,000 compensation was fixed as a basis.
480. How did that come before the Board?—The offer of £632 was made on the basis of £6,000, and after it was checked we agreed to take it.
481. Brewer's letter stating that that sum was fixed by the Government did not state anything about £6,000, did it?—We knew what the offer was.
482. Did you go into the calculation?—I calculated it.
483. And you made that sum right—£632?—Taking the £6,000 as a starting-point we could get no other conclusion, unless we altered the rate of interest.
484. You were satisfied with the estimate of £6,000?—Yes; I think it was a good price.
485. Do you mean then or at the end of forty-eight years?—At that time.
486. But in calculating your £662, or, at all events, that portion of it which represented the reversion, £6,000 was taken as the value at the end of the term?—But we were bound to the then value, not the prospective value.
487. Why?—The place being worth £6,000 at that time. It was hard to say what it would be worth forty-eight years after. It might be blown up.
488. How do you mean that you were bound to the present value? Your interest was the reversion at the end of forty-eight years?—We were supposed to take the place at what it was worth then.
489. Why?—It has been settled in the Supreme Court, I believe.
490. In the case of freeholds, but not in the case of terms of years expiring at a definite time, has it?—We started at the basis of £6,000, and we agreed that £632 was the sum.
491. Then, you appear to have thought that you were precluded from considering at what the total value of the freeholds might be at the end of the term?—I thought so.
492. If you had considered yourself free to take that into account, can you say at all what