

far as that particular property is concerned?—As a matter of income, it is better to have money than unproductive land; but for the future, I say land. Keep your land.

660. Therefore, you do not consider, as a Trustee, you have done a satisfactory business-stroke in accepting that which is doubtful for that which is more certain?—I do not think that at all. I object to selling land, and I do not think it is a good thing for an endowment to be robbed of its land, no matter what the price is. But, as a matter of income, I have no doubt the Trustees are better off than they were before this transaction took place. At the present moment they are.

661. Did you not know that you could go to the Compensation Court?—Yes; Brewer said we could go to the Supreme Court.

662. But I presume the reason you did not elect to take that course was that you considered £632 a fair value, and you and the others, by checking, were satisfied with it?—For one thing.

663. Several months elapsed, did they not, after the time the Board agreed to that £632, and before the money was paid?—Yes, I believe so. I was not aware of it till quite recently. I am sure I did—and I think the other Trustees did also—look upon the matter as settled when the decision was arrived at. It was quite an astonishment to me to learn that the money was not paid.

664. But there were subsequent steps. Was it not February, 1886, when the Proclamation was issued of the intention to take the land?—I have no recollection of that.

665. Were you present at all the meetings of the Board about that time?—I think I was generally present.

666. You are quite aware that there was ample opportunity to go into the matter afresh if you were dissatisfied?—That was not my impression certainly.

667. You could have refused to join in that receipt for the moneys?—If you say so I have no doubt it is so, but I was not aware of that.

668. You were one of those who signed the receipt?—Was I? I am not aware of that.

669. *Mr. Napier.*] At any meeting, or otherwise, had the Trustees expressed any wish to sell the land?—Certainly not.

670. The land-purchase agent who was negotiating this matter wrote a letter to the Under-Secretary for Public Works telling him what he was doing, and for the purpose, apparently, of inducing the Government to approve of the arrangement he had made with Kissling he makes this statement: "Now the Trustees cannot sell, although they would like to." Can you say was there any foundation for that statement?—I should say, certainly not. Certainly not in my mind.

671. Were you present at the meeting of the Board at the end of November or beginning of December when a letter was read from Brewer, in which he said, "*Re* land required for battery at Point Resolution: I am directed by the Hon. the Defence Minister to state that it is proposed to take the whole of the land at present in the occupation of Mr. G. S. Kissling. The land being let for such a long term to that gentleman at a nominal rental, the principal part of the compensation will be awarded him. As, however, the Government wish your Board to be treated with every consideration, I am requested to state that the sum of £632 will be awarded for your interest. Will you please let me know at your earliest convenience if you accept this offer, so that arrangements can be made for paying over the money. If you do not accept it the case will have to go to the Supreme Court"?—Yes.

672. Did you understand from that letter that the Government were taking the whole of the land for defence purposes?—Yes, certainly.

673. It is headed "*Re* land required for battery at Point Resolution"?—Yes.

674. At that time, and at that meeting, had you any reason to suppose that the Government did not, in fact, intend to take the whole of the land for defence purposes?—We had no reason for supposing anything whatever except what was in the letter.

675. And the letter conveyed the impression to your mind that the Government were taking the whole of the land for the purposes of the fort?—Yes, undoubtedly.

676. Kissling, in July of the present year, sent a telegram to Mr. Reeves, Chairman of the Point Resolution Committee of the House of Representatives, and in that letter he says this: "I believe that they [meaning the Trustees] did know that the proposal was that the balance of the freehold was to be conveyed to Mrs. Kissling: it was no secret." Is that a fact?—It was not a fact as far as I was concerned.

677. When did you first hear that the Government intended to reconvey 3 acres 2 roods to Mrs. Kissling?—I could not tell you.

678. Was it before the money was actually paid over?—Yes; although at the time I heard it I did not know that the money was not paid over. The Board arrived at its resolution, and they looked to the money being received by the secretary.

679. You said you were astonished at the allocation of £6,000: were you astonished at the smallness of the Trustees' interest?—Yes; at first sight.

680. In your calculation, what you calculated as the Trustees' interest was the present value of £6,000 paid forty-eight years hence?—Yes.

681. In his letter, Waymouth speaks of the £6,000 as being not the present value, but the value forty-eight years hence: did you so understand it?—No; and he does not mean that either.

682. Assuming that £6,000 was a little too high for the 1885 value, in the ordinary course of events that land would be worth very much more than £6,000 at the end of forty-eight years?—But supposing the population did not increase and the city did not grow.

683. Taking into consideration your past experience of Auckland, and eliminating anything in the nature of a catastrophe?—You mean, if the city is twice the size in forty-eight years the land would be worth very much more.

684. Do you think the colony has come to a state of stagnation?—I have no opinion on the subject. When the Bank of New Zealand writes off £800,000, then it is time to reflect.