1910.
NEW ZEALAND.

LAND AND INCOME TAX DEPARTMENT:

CHARGES AGAINST MR. PETER HEYES.

Laid upon the Table by Leave of the House.

THE following is the extract from the Report of the Board of Inquiry under the Civil Service Act in connection with the charges made against Mr. Peter Heyes, dealing with the Wellington Terrace and Karamea properties:—

Re ADVANCES TO PETER HEYES ON A PROPERTY IN WELLINGTON TERRACE.

"That the said Peter Heyes, in September, 1906, made an application to the Advances to Settlers Office, of which he was then Superintendent, for a loan of £1,200 upon a property situated in Wellington Terrace, which he had agreed to purchase for £1,560, and wrongfully procured a special valuation of the property to be made, so that he could obtain the full amount applied for. That in respect of this loan the said Peter Heyes claimed and took the benefit of the rebates provided for by section 35 of the Government Advances to Settlers Act, 1906, although not legally entitled to them."

In the year 1906 Mr. Heyes purchased a property on the Wellington Terrace for the sum of £1,560. He then requested an officer of the Valuation Department to sound the City Valuer, Mr. James Ames, as to the amount at which he, the City Valuer, would value the property for the purpose of a loan. The City Valuer said he could not go beyond £1,600. This conversation was repeated to Mr. Heyes. The next step was an application from Mr. Heyes for a loan of £1,200 upon the property; and it must be remarked that he could not obtain a loan of £1,200 upon the valuation which the City Valuer had stated he was prepared to make. It is fair, therefore, to assume that some other valuations must have been in Mr. Heyes's mind when he made the application for £1,200. We should mention that valuations for loans in the City of Wellington proper—*i.e.*, excluding the suburbs—were almost invariably made by the City Valuer.

Mr. Heyes's application was dated 29th September, 1906. The requisition to the Valuer to make the valuation is dated 13th October, and is addressed to Mr. Dugdale. Mr. Dugdale's voucher for travelling allowances and expenses shows that he was absent from Wellington from 27th August to 11th October. On the 13th October Mr. Dugdale came to the public office of the Valuation Department, bringing with him the requisition above mentioned for signature. It was the practice of the Chief Clerk to sign these requisitions on behalf of the Valuer-General, but on this occasion he refused to do so without the consent of the Valuer-General, on the ground that the proceedings were unusual. To use his own words: "It was unusual for Dugdale to do Ames's work." The consent of the Valuer-General was thereupon obtained by Mr. Dugdale on a false representation that there was some special reason why he should make this particular valuation. Mr. Dugdale denies all this, and asserts that the instructions to make the valuation were given in the ordinary course, but we say quite plainly that we do not believe him.

Mr. Dugdale valued the property at £2,040, and on his valuation the loan of £1,200 was granted.