

the transaction. What steps did they take to give effect to their powers?—Messrs. Graham and Fisher went down to Christchurch, examined the property, and instructed me to buy it.

64. On their return?—There and then, at Christchurch. I was there at the time.

65. Did you go with them?—I either went with them or after them. I went down, I think, in the same boat with one of them.

66. Have you done anything in the way of occupation of the premises?—No.

67. What is it proposed to do?—It was proposed to put another storey on the building, and to erect some additional buildings on the vacant ground. Messrs. Graham and Shannon were down some time ago in Christchurch and recommended that this should be done, but the Board have delayed taking any action in the matter.

68. Has anything been done in the way of leasing or otherwise dealing with the property?—Yes; the whole of the property, with the exception of the vacant land, has been leased to Maling and Co.

69. That is, the whole of the property purchased from Maling?—Yes.

70. What are the terms on which it has been let?—For twenty-five years; five years at £500 per annum, the tenants paying all rates, taxes, and insurance; and for the balance of twenty years at £600 per annum, tenants also paying rates, taxes, and insurance.

71. Who keeps the building in repair?—I think the tenant is bound to do that. I have not got the lease finally completed, but the terms are those I have mentioned, and the tenants, I think, have to execute repairs. There is an engagement in the lease by which we are empowered to erect within a certain time—within, I think, two years—another storey; and we have a right to take from Maling two rooms which he occupies in the present building, provided we give him some additional accommodation behind in lieu of it.

72. Where is the agreement containing all the particulars you mention?—It is in Christchurch now.

73. Will the minutes of the Board give the details?—No; I do not think so.

74. So far as you know, you have given the main points as to rents, &c., in the evidence you have adduced?—Yes.

75. That agreement is now practically complete?—Yes; the terms were definitely settled by Mr. Bell, in Christchurch. The following is a copy of Sir Julius Vogel's telegram to N. Reid, Esq., dated the 26th November, 1885, which refers to terms of leasing to Maling, and also copy of Mr. Reid's reply thereto:—

N. Reid, Esq., Messrs. Turnbull and Co., Wellington.

Christchurch, 26th November, 1885.

MALING has offered, including unoccupied five hundred five years, then six hundred, we paying taxes. I consider this offer an affront, and propose replying not entertained, and give notice he must vacate premises without delay on expiration of tenure; meanwhile advertise Maling's premises to let, giving notice day we will give possession. This bring him to reason. Say if you approve, also on what day Maling's rights cease and bound to give up possession. He seems to think now he can do as he likes.

JULIUS VOGEL.

Sir J. Vogel, Christchurch.

Wellington, 26th November, 1885.

THINK Maling would give six hundred a year for ten years, and pay taxes. Anxious to get premises let, so that we can either build or get Grain Agency buildings. Plenty places to let in Christchurch, and Maling could get other premises without difficulty. Lease expires 1st February next.

N. REID.

This is another telegram from Sir Julius Vogel to Mr. Reid, Wellington, on the same subject, dated the 2nd December, 1885:—

N. Reid, Esq., Wellington.

Christchurch, 2nd December, 1885.

AFTER infinite negotiation Barnes has at length got following offer from Maling: Five hundred pounds per annum for five years, and six hundred pounds for twenty years afterwards, Maling to pay rates, taxes, and insurance. Association to pay cost of dividing upper floor and to receive six per cent. interest on outlay. This offer does not include spare bit of ground, and I think we should take it. I believe I have only got it because Maling wants to sell business and dreads my advertising premises to let. You must let me know at once—call special meeting. I fear delay, because Maling may draw back. Offer Maling made me was for same term and prices, only we were to pay insurance and to include the spare piece of ground. You will see the present offer is much better and makes the investment a good one, as we get between five and six per cent., and at the end of the lease the land will be worth a large sum.

JULIUS VOGEL.

76. Now, as to the vacant allotment, we have not got particulars as yet about that, only a mere reference to it. From whom was that allotment purchased?—From Mr. Phillips, of Christchurch.

77. Who commenced that negotiation?—That was included in the instructions of Sir Julius Vogel.

78. Did you commence it by instructions?—Yes.

79. Given you when?—In December, 1884.

80. Before you went to Christchurch?—Yes.

81. What was the instruction given you?—It was this: to inquire whether the allotment was good and if it was worth buying. That was included in the instruction from Messrs. Fisher and Graham for me to conclude the purchase on their behalf.

82. What did you do at Christchurch about it?—I just saw the property and got Mr. Matson to value it. He valued it at £1,200.

83. How many feet frontage?—23ft.

84. Into whose hands did you put the conduct of the purchase on behalf of the Government?—I did not put it into anybody's hands.

85. You simply made your own inquiries?—I made inquiries of the Messrs. Maling. They were authorized, on behalf of the association, by Messrs. Graham and Fisher to purchase from Phillips. Maling was acting on behalf of the association for that purpose.

86. When this authority was given them, had you come back from Christchurch and reported to the Board?—Yes.

87. Did they get any advice from you when in Christchurch?—I really cannot recall the fact at this moment. The matter was then in the hands of Messrs. Graham and Fisher.