

88. What do you think?—There was no regular authority beyond the letter sent by Messrs. Fisher and Graham, who saw Maling at the time, and subsequently instructed me.

89. At what date was that?—On the 31st January; but they had been negotiating the affair with Messrs. Maling and Co. and Mr. Phillips, and it was resolved that we should purchase the property.

90. With whom did you hold your communication in Christchurch?—With Maling. I never saw Phillips at all.

91. What was the date of the authority from Graham and Fisher?—The 31st January, 1885. It is as follows:—

Sir,— Canterbury Club, Christchurch, New Zealand, 31st January, 1885.

You are authorized to arrange finally for the purchase of Messrs. Maling and Co.'s and Mr. Phillips's property in Worcester Street, Christchurch, for the sums respectively of £10,250 and £1,500 net. Vendor to give a clear title. Purchasers not liable for any commission-charge of any nature whatsoever. Rates and taxes to be paid to date. All policies of insurance on the property to be transferred to purchaser.

D. M. Luckie, Esq.,

Acting General Manager, Government Insurance Board.

GEORGE FISHER.

G. S. GRAHAM.

P.S.—On reading Messrs. Harper and Co.'s letter, recommending the purchase of the equity of redemption of Mr. Maling's property, we approve of that arrangement, and authorize accordingly.—G.F. G.S.G.

92. And the purchase was then completed on the terms of the offer?—Yes; namely, for £1,500. That was the offer of Phillips to Maling. Matson valued the property first at £1,200, afterwards at £1,100, being £50 a foot; but I think he told me afterwards that it was under a misapprehension—that he valued it at the same rate of frontage as Maling's own property, which is only about one-half the depth, and does not go back to the right-of-way—to the new street.

93. Where are Matson's valuations?—I will read you a letter, dated the 2nd January, 1885, from Mr. Matson to me, also a minute made by him.

Sir,—

Christchurch, New Zealand, 2nd January, 1885.

In compliance with your request I have made a valuation of Mr. Phillips's section, Worcester Street West, and find the said value to be £1,100, equal to £50 per foot frontage on Worcester Street.

I have, &c.,

JOHN T. MATSON.

D. M. Luckie, Esq., Government Insurance Commissioner, Wellington.

Original letter quoted £1,200. The proper account is £1,100, at £50 per foot.

Minute.—I am of opinion that the sites under notice are very suitable for the purpose, being situate in a growing centre, around which many large buildings are being erected, close to post-office, customhouse, telegraph, and some day, ere long, opposite the new Union Bank, which institution owns the corner opposite.—J. T. M.

94. What do you say in explanation of the purchase being made in excess of the valuation put upon it by the valuer?—It was thought it would be well worth the money, as an adjacent property, for the purpose of building. The following is a minute, written by Sir Julius Vogel, in the early part of January, 1885. It was written on a rough sketch of the two properties: "I recommend Board to buy both properties for £10,250 and £1,500, but with no obligation to relet to Mr. Maling: that to be left for further consideration. His occupation might be extended for four months, during such consideration, at a rent to be jointly fixed; and, in event of dispute, to be subject to arbitration. Beyond the four months no obligation.—J. V."

95. Has it been at all the practice to buy property at different prices from the valuations recommended by your valuers?—No.

96. Any other case?—No. I do not know of any.\*

97. Was any other recommendation made to the Board to purchase the section at this place besides the recommendation which has been read from Sir Julius Vogel?—I did make a recommendation to the Board to purchase at that price, because I learned from Maling, and also from Mr. Scott, that it was impossible to get it at any less, and also because a property of a similar kind had cost the Australian Mutual Provident Society £1,400—a small section at the Worcester Street side of the new building they have erected, to be included in the site of the new building. It was a section equally large, and, I think, it was the same depth.

98. Can you say why it was that Harper and Co. ceased to be employed by the association, and Garrick and Co. employed?—I met Mr. Garrick in Sir Julius Vogel's place at Christchurch. They had talked together on the subject of this lease, and they were discussing at the time the question of a loan to Sydenham, of which Mr. Garrick had charge. Sir Julius Vogel suggested that he had better draw out the lease to Maling and Co., and Mr. Garrick consented to do so. That was the arrangement.

WEDNESDAY, 16TH JUNE, 1886.

Mr. D. M. LUCKIE in attendance and further examined.

*The Chairman:* Mr. Luckie desires to put in evidence the report of the Committee upon which the Board authorized to purchase the Christchurch property for the association.

*Witness* read the following report of the Committee, consisting of the Chairman (Hon. Mr. Tole), Mr. Graham, and Mr. Fisher, appointed by the Board to inquire and decide as to the purchase of Messrs. Maling and Co.'s and Mr. Phillips's properties in Christchurch (under offer to the Board), to reject, or ask for extension of time. "The Committee have to report that Messrs. Fisher and Graham, with Mr. Luckie, Acting General Manager, inspected the properties, and, with the concurrence of the Chairman, decided to purchase the equity of redemption of Messrs. Maling and Co.'s property for £4,000, subject to a mortgage of £6,250 (= £10,250), redeemable on six months' notice or on payment of three months' interest; and also to purchase the adjoining allotment, belonging to Mr. Phillips, for £1,500. The purchase was completed accordingly, and £500 paid as a deposit out of imprest-moneys in Mr. Luckie's hands.—Jos. A. TOLE, Chairman. 3rd February, 1885." At the Board meeting on the same day the Board resolved "That the action of the Committee be confirmed, and the report adopted."

\* I desire to correct this. In the case of the Wellington purchase the department paid a good deal more than the valuer named. £16,000 was the valuation: the department paid the Government £18,000.—D.M.L.