

The Hon. Sir J. Vogel, Wellington.

Dunedin, 20th December, 1884.

Am detained here till Monday, when project will have ripened. Stout strongly favour of larger matter, as by far the best in every way. Fully six per cent. certain. Several after it. Will have to close at once if negotiation satisfactory. Stout and partner strongly advise this course. Once settled could realize more. Will advise you on Monday for sanction or otherwise. Future prospects of position are declared to be excellent by best judge in Dunedin.

D. M. LUCKIE.

On the 21st, I sent the following telegram in reply :—

Wellington, 21st December, 1884.

I COULD not sanction purchase as a speculation with the view of resale, but only with view to occupation now or later on as soon as possible. Of course, rent from parts we do not want would be an important element, and when we build rent from portion of building not required will be equally important.

JULIUS VOGEL.

363. Did he give prices at this time?—The price, I think, was sent up by Mr. Pym—it was £37,000. There were two telegrams received from Mr. Pym on the 12th December, giving descriptions of the building before Mr. Luckie went down.

364. Where is the paper from Mr. Pym, dated the 12th December, 1884, containing a statement of the Dunedin property?—This is the report received from Mr. Pym :—

REPORT PROPERTIES, DUNEDIN.

Dunedin, 12th December, 1884.

(Memorandum.)
SECTION 39, Block IX., corner Princes and Dowling Streets. Full particulars and plan attached (marked A). Price, £37,000.

Section 53, Block IX., corner Princes and Dowling Streets. Particulars of tenancies: Vacant land not let, 30ft. frontage (in Dowling Street), worth £75 per annum; Samson and Co.'s auction-room, let by year at £2 10s. per week, £125; Peace and Co., per week, £1, £50; Peace and Co., office, per week, 10s., £25; Stone, publisher, per week, 10s., £25; Leask, dentist, per annum, £70; Cook, lawyer, per week, £1, £52; Wertheim Sewing Machine Co. (tenancy expires next year) per week, £6, £312; McKay, lawyer, per month, £8 6s. 8d., £100; Rose, barber, £1 15s. per week, £91; Craver, auctioneer, £16 13s. 4d. per month, £200; Smith, fishmonger (lease expires at end of 1885), £208; Aitken, labour agent, monthly, £2, £24; tailor's shop (unlet), rental should be £150. Price, £27,000. The particulars re terms of occupancy are, I believe correct, but are furnished without reference to deeds. The buildings are two-storied brick buildings. In margin you will see cutting from plan Dunedin, showing position sections with reference to the leading banks. I also beg to hand you (marked B) plan Dunedin, with the two sections coloured red.

The section I mentioned to you in my telegram opposite Grand Hotel and at the corner of High Street and Princes Street is only a church lease, with a few years to run, when it will have to go up to auction. Owing to its being leasehold only is the reason of its not being occupied by bank or insurance. Any private valuator being referred to me I shall be happy to furnish any further particulars.

MONTAGUE PYM.

This is a telegram from Mr. Pym on the same date :—

Hon. Sir Julius Vogel, Wellington.

Dunedin, 12th December, 1884.

SECTION 39, known as Wise's corner, frontage Princes Street, does not expire till '85, '87, and '90; however, immediate arrangements could be made temporary office Rattray Street, frontage Section 53, Dowling Street. None of tenants extend beyond end '85, and temporary office could be arranged for in the Princess Street frontage. All buildings brick and stone. Am posting you to-night full particulars both properties. There is vacant frontage 30ft. to Dowling Street back of Section 53,

MONTAGUE PYM.

Then, here is another telegram of the same date :—

Hon. Sir Julius Vogel, Wellington.

Dunedin, 12th December, 1884.

SECTION 39, Block IX., immediately opposite Bank of New Zealand, having frontage to Princess Street, 66ft., Rattray Street, 165ft.; price thirty-seven thousand, and rental now bringing in two thousand two hundred per annum. Section 53, Block IX., corner Princes and Dowling Streets, same block as all the bank; price twenty-seven thousand, produces rent thirteen hundred and twenty. These are two finest sites Dunedin. Only freehold corners available. Please refer valuer to me for particulars.

M. PYM.

365. Did Mr. Pym give you to understand those properties were under offer to him at those prices?—He simply gave me to understand that they were purchasable. I understood he could sell them at the time. I am quite sure that in the private letter I wrote to Mr. Pym I merely stated—probably attaching very little importance to it—that if he knew of any fine properties in Dunedin for sale, we might be able to buy one.

366. That, you think, was the initiation of Mr. Pym's proposal?—I think it was. He then sent up the particulars of the properties. He had the properties under offer to him, or he found he could obtain them, for the price stated. I suppose he was acting as agent in the matter. I had a succession of strong recommendations to consent to the purchase. I received a strong recommendation from Mr. Stout to do so. I would like to show that I acted as a prudent man. On the 24th December the following telegram was received by me from Mr. Luckie :—

Hon. Sir Julius Vogel, Wellington.

Dunedin, 24th December, 1884.

CONFIDENTIAL. Wise's corner under offer at thirty-five thousand five hundred. Sievwright and Stout advise close, and that the land is choicest allotment in Dunedin—most central and best adapted for our offices, also judicious investment for our money. It is absolutely necessary to close without delay, and I strongly recommend that you authorize the purchase. Possession given first January. Details in Sievwright and Stout's hands. Please reply urgent, as I propose leaving to-night. I think property splendid investment.

D. M. LUCKIE.

367. Was this not a purchase that was commenced and completed before the association dealt with these matters?—It was under strong recommendation that it was necessary to do so that I agreed to the purchase without waiting to refer it to the Board.

368. There was no Board then?—The Board was not to come into existence until January.

369. When Mr. Luckie was sent down to Dunedin, what did you instruct him to do in the way of dealing with these purchases?—I sent him the following :—

(Memorandum.)

Dunedin.

SEE Mr. Pym and Mr. Stout. Object is to get the best site and good premises. If you have to wait a little for tenants: lease to expire not of much consequence, because if we build it must take some time. Our present object is premises for immediate use and site upon which to put the finest building in Dunedin. Sooner or later freehold will be immeasurably best; price does not matter so long as you get good value for what you pay.

That appears to have been put down as a memorandum, but I think there were some verbal instructions as well.

370. Mr. Luckie eventually pressed upon you the completion of this purchase in various telegrams?—Yes.