

that this association established by the Government is based on beneficent lines and for the good of the people generally.

1266. Would it detrimentally effect the interests of this association to establish a fixed rate of interest—say, of 6 per cent.—on advances on land, with a 50-per-cent. margin, down to sums of £100?—I have always at the meetings of the Board advocated lending in small sums, and spreading our risks over the colony generally, thereby benefiting those who contribute most to our funds, as our average, if I remember rightly, of amounts insured is about £250. In my opinion, this institution might do great good in the direction indicated by the question, and I think with benefit to the association and the colony.

1267. *Mr. Levestam.*] You stated that any intimations given by Sir Julius Vogel from the chair were carried excepting one?—What I meant to convey was this: that I do not remember Sir Julius Vogel ever speaking in favour of a resolution but it was carried, excepting one.

1268. Then, do you give this piece of evidence to show that members of the Board can, and do, vote without restraint; or is it to show that his proposals are so good that they generally meet with the approval of the Board?—I give the evidence as a matter of fact, not as a matter of opinion. You have heard my evidence and can no doubt read between the lines.

Mr. J. B. BRADSHAIGH-BRADSHAW, M.H.R., in attendance, and examined.

1269. *The Chairman.*] The only questions we have to ask you are in relation to the Dunedin properties. We understand you once had the property purchased for the association placed in your hands for sale?—Yes; I have tried to effect the sale of that property on more than one occasion. I had a client who was inclined to purchase it.

1270. When was that?—It is three or four years since.

1271. What was then the price demanded for the property?—I myself recommended my client to give £40,000 for it.

1272. But the purchase did not eventuate?—The purchase did not eventuate, but I believe it went home to London for consideration.

1273. What was the price then asked for the property?—I never could get the owners to fix a price under £50,000.

1274. With whom did you deal? Who represented the owners of the property?—Mr. McLandress and, I believe, Mr. Kilgour. There were more than one interested in it.

1275. Was any one person a particular agent for it?—No; I believe Mr. McLandress was the agent, although Mr. Kilgour spoke to me. From memory I cannot say whether I had in writing the absolute sale of it; but I know they were willing that I should negotiate the sale if possible. I never reveal the names of my clients, and up to the present time I believe they do not know who my client was who desired to purchase.

1276. Did you hear in later times of this property being in the market, and of different prices being asked for it?—No, I did not. I was surprised when I heard it had been sold at the prices stated.

1277. Was it in the market for some time at £37,000?—No; I was not aware of its being in the market for £37,000.

1278. Would the difference of valuation account for any such large depreciation in value as between your estimate of what it would have fetched three years ago, and the value at which it was sold?—The valuations of property in that locality would depend very much upon the rents received.

1279. Have you known of any inquiry for the property except that of your client?—I was told at the time I recommended my client to buy it that a bank wished to purchase it. I am only giving you hearsay; I do not know this of my personal knowledge.

1280. You have no knowledge of any offer having been made by an insurance company for the property just before the association purchased it?—No.

1281. Would it, in your opinion, have been a profitable purchase at £40,000?—Yes; I consider it was worth more, considering the rents which were then obtained in that particular locality.

1282. Would the rents obtainable in the market now justify an expenditure beyond the amount which has been paid for the site?—I believe so. I should like to know what rents they are receiving now. I know what rents were being received, but I do not know the present rents. I do not know any value except that of the intrinsic value of any property and rarity of position.

1283. You say your valuation would be based on the rental obtainable from the property?—Yes.

1284. What interest would you allow in that particular locality?—5 per cent. I may explain that properties have been sold by public auction—not corner sections like the association's property—and have realized £6,000 on a rental of £300 a year.

1285. Can you particularize the property you refer to?—I can. Part of it is leased by a chemist, another part of it is leased by a broker, agents, and a lawyer. I know of another property directly opposite, not so well situated, on the same side of the street as the Government purchase, and which I had for sale subsequently to the purchase made by the Government. The rents were £1,000 a year, and the price was £20,000. I recommended a banking institution to buy it, but I had previously sold a property to the same bank in another locality, and they did not purchase it. Before the time had elapsed—the two months that I had it in my hands for sale—the owner withdrew it, and it was not disposed of. He had leased the property again, and therefore it was withdrawn from sale.

1286. *Mr. Montgomery.*] In what year did you recommend the £40,000 for the property purchased by the Government?—I cannot say the exact year without reference to my papers, but I think it was three or four years ago.

1287. Why do you consider 5 per cent. from rents for buildings a fair percentage for capital invested?—In that locality it is, and especially in that block.