

DEAR SIR,—

Auckland, 24th June, 1886.

Private and Confidential.—At the request of the member for Waitemata I have, in company with Mr. C. Dacre, collected some information *re* Stark's property. In July, 1881, Stark purchased the twenty-five acres in question for £60 per acre, or, for the block, £1,500; he laid out in buildings £1,779; there are other improvements, two or three hundred pounds possibly. If we say, then, first cost £1,500, improvements £2,100, we arrive at £3,600 as the total cost to Stark. This is a pretty correct estimate. I will now trace what was sought to be done with it in the four and a half years that Stark had possession. First, there is a memorandum in Stark's hand, in Ashton's office, giving power to sell house, stable, and five acres of land for £3,000; or house, stable, lodge, and eight and a half acres of land for £3,500, or, with twenty acres of land, £5,000. This was in August, 1883. Ashton reports there was never the remotest chance to sell. The next case is one referred to in a letter addressed to the member for Newton by Mr. P. Mason, of Devonport. You will probably have got the particulars of this. I think the offer was, all buildings and improvements and ten acres for £4,000, or the same with five acres, £3,500. The next case is a very important one—viz., in March, 1884, *E. W. Alison, Stark's partner*, offered Mr. Roberts ten acres, containing all the buildings and improvements, for £3,500, or the buildings and five acres for £3,000. This was pressed upon Roberts with great pertinacity, even to the extent of misrepresenting facts in relation to other properties. The next important case is Mr. Ross, of Sargood's firm, who, as I understand, had agreed to purchase; but Stark afterwards, fearing Ross would cut some of it up into allotments, and offer them for sale, and thus come into competition with land still remaining on his hands, endeavoured to impose conditions upon Ross, who at once declared off. Stark abused Ross for backing out of his bargain, to me personally. I believe you will get the particulars of this case from Mr. Ross himself, which is better than second-hand reports. The next instance is, Mr. Melville states he had two properties valued at £1,200 and £3,000 respectively, or £4,200 for the two, and that an agent of Stark's came to him and offered Stark's property in exchange. This offer Melville refused to entertain; but, unfortunately, he has forgotten who the agent was. The next instance is that T. S. White offered Cooper, of Devore and Cooper, the whole block, as Cooper understood, for £5,000. He, White, made no reservation whatever, but spoke of it as being a large piece of ground, and intimated that an offer of £4,500 would probably buy it. This was in March, 1885. I do not quite understand this, because I know there was some preparation for coming events (I do not know at what particular date) by placing plans showing the whole block, as laid out into streets and allotments, in the hands of agents in town, with an enhanced value of two or three thousand put upon it. What better evidence can you have than the valuation for local rating purposes, and the *previous* property-tax valuation? Stark was rated, I am told, at £3,000 or £3,500, I forget which, and it is doubtful if this sum does not include other properties: he had another large property on the opposite side of the road. It appears, then, from the above narration of events in connection with this matter—I do not pretend that they are all absolute truths—that has to be proved—or that they are narrated in proper sequence; but it is quite plain, as I very well know, in fact, myself, that Stark and his partner Alison have always been trying their utmost to dispose of this property. They have apparently employed all the agents in the same work to assist them; and every gentleman coming here to settle, with means, has had this property forced on his notice; but no sale was ever effected. White now says he offered to a Mr. Kingsford, P. Mason's friend, the property for £7,500, reserving seven acres. In the face of the above narration you will know how much importance to attach to this, and what it means, without further comment from me. I observe that an offer of £16,000 was made for the property, and this appears to have settled the matter to everybody's satisfaction as to value. I will now give you reports current here (no one doubts their truth): It is asserted that the principal who made the offer was no other than the *partner of Stark*, the notorious *E. W. Alison*, who was also made Property-tax Reviewer for this district, thus adding insult to injury. It is also reported that the Government appealed to agents of Stark's for corroboration of the value. If the reports are true there was plainly conspiracy to defraud the Government, and severe punishment should follow as a warning to others in future. If the reports are not true, then it is due to those implicated that the truth should be known. In any case the whole thing should be sifted to the bottom. I hope you may be successful in exposing the whole shameful business, and thus add to many obligations the people of Auckland are under to you for valuable services rendered to them.

I have, &c.,

WILLIAM PHILCOX, Devonport.

E. Mitchelson, Esq., M.H.R.

I have also a letter from Mr. Ross, as follows:—

DEAR SIR,—

Auckland, 25th June, 1886.

In my wire of the 21st instant I promised to send you by this mail copy of draft deed of agreement between Mr. Stark and myself *re* his property at North Shore, Mr. Campbell, my solicitor, to whom it was submitted for perusal, leading me to understand he still had the draft in his possession; but, on looking through his papers, found the one he had his thoughts on referred to another property, and that Stark's one was returned to Mr. Coleman, solicitor. I have no letters referring to the transaction, negotiations up to drafting of deed being all by word of mouth. The fact is, I had no particular wish to purchase his property, and only yielded to his importunity and the easy terms offered. My reason for not completing purchase was in consequence of a clause inserted in deed, which did not affect price, but restricted me from cutting up the property should I so wish, as he thought of building on adjoining land—not that I had any intention of doing so, but would not purchase with any restrictions. As stated in my wire, the price was £3,500 for ten acres—the cultivated portion of the land—with house, stables, outhouses, &c., as they stood. The land he valued at £2,000, and the house at £1,500.

I have, &c.,

E. Mitchelson, Esq., M.H.R., Wellington.

J. Ross.

That letter is very important as bearing upon the report sent in by Mr. Brewer. I have made the following memoranda with reference to the adjoining properties: (1.) Professor Thomas has a property, with a good substantial house containing fourteen rooms erected thereon, and grounds beautifully laid out. For this property the Professor paid £1,600, and has expended about £300 upon it, and now offers to sell it for £1,800, and would in all probability take £1,700 for it. The house cost about £900 to build. The property fronts Cheltenham Beach, and has a most beautiful view. (2.) Mrs. Burgess has about ten acres in grass on the opposite side to Stark's, but nearer to Auckland, which is valued at £100 per acre; and allotments fronting on the main road are unsaleable at £1 10s. and £1 a foot. (3.) Mr. Hammond has five and a half acres between Stark's and Thomas's, which is for sale at £860; £800 has been offered for it and refused, £860 being the lowest price. (4.) Mr. Le Bailly had Stark's property offered to him at the same rate as Mr. Ross, and refused it, as he did not consider it worth the money.

71. You say that Mr. Hammond's property is for sale at £860?—Yes.

72. And that it is next to Professor Thomas's property, and adjoining Stark's?—Yes—between the two.

73. According to the official report, it is under offer at £1,500 for the lot, or £500 per acre; and it is entirely unimproved, and has no building on it?—Yes; that is Mr. Dacre's report—that the property is under offer for £860. I am quite satisfied that it is the same property, that his report is authentic, and that that is the value of Mr. Hammond's property at present.

74. *Dr. Newman.*] Have not Allison and Stark been partners up to just before the time of this purchase?—Yes; up to the time Mr. Stark left for England they were partners in land-transactions.

75. Had they been partners for a long time?—Yes, for many years. They have been in the habit of buying blocks of land, cutting them up, and selling them.