

1886.
NEW ZEALAND.

PUBLIC ACCOUNTS COMMITTEE

(REPORT OF THE), ON THE PURCHASE OF STARK'S PROPERTY, NORTH SHORE, AUCKLAND, FOR DEFENCE PURPOSES; TOGETHER WITH MINUTES OF PROCEEDINGS AND EVIDENCE, AND APPENDIX.

Report brought up 30th July, 1886, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

THURSDAY, THE 17TH DAY OF JUNE, 1886.

Ordered, "That the papers relative to the purchase of Stark's property, North Shore, Auckland, for defence purposes, laid upon the table this day, be referred to the Public Accounts Committee."—(MR. G. F. RICHARDSON.)

WEDNESDAY, THE 30TH DAY OF JUNE, 1886.

Ordered, "That power be granted to the Public Accounts Committee to call for persons and papers."—(MR. F. J. MOSS.)

REPORT.

THE Public Accounts Committee, having carefully considered the papers referred to them on the above subject, and taken the fullest evidence which they could obtain (appended hereto), have the honour to report—

1. That the Government were justified in paying for the property the price they did.
 2. That the weight of evidence goes to show that the property could not have been obtained for a less amount in the Compensation Court.
- 30th July, 1886.

F. J. Moss, Chairman.

MINUTES OF PROCEEDINGS.

THURSDAY, 24TH JUNE, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Barron, Mr. Dargaville, Mr. Montgomery, Dr. Newman, Hon. Sir Julius Vogel, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

The order of reference dated the 17th day of June having been read,

On the motion of Dr. Newman, *Resolved*, That a sketch-map of the property and neighbourhood be obtained for the Committee; and that the property-tax valuation for the past four years, and the valuation for local rates for the same period, be also obtained.

Moved by Mr. Dargaville, That Mr. H. M. Brewer, Land Purchase Commissioner, and Mr. Seaman, Valuator, be called to give evidence before the Committee.

On the motion of the Hon. Major Atkinson, *Resolved*, That the consideration of the above motion *re* Messrs. Brewer and Seaman be deferred till after Mr. Sperrey has been examined.

On the motion of Mr. Barron, *Resolved*, That the Chairman requests Mr. Sperrey, Land-tax Commissioner, to ascertain, by telegraph, the name of the person who is referred to in Mr. Seaman's letter of the 13th January as having offered Stark £16,000 for his property, and, if possible, the date and particulars of such offer.

On the motion of Dr. Newman, *Resolved*, That Mr. Sperrey, Property-tax Commissioner, be called before the Committee for examination at the next meeting.

On the motion of Dr. Newman, *Resolved*, That the policies of insurance referred to in Mr. Brewer's report be produced to the Committee.

The Committee adjourned till Friday, the 25th June, at 12 o'clock.

FRIDAY, 25TH JUNE, 1886.

The Committee met pursuant to notice.

Present : Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Cowan, Mr. Dargaville, Dr. Newman, Mr. Peacock, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

Mr. Sperrey, Property-tax Commissioner, was in attendance, and produced plan of Devonport and telegram of this date from Mr. Seaman *re* offer of £16,000; also reports from Mr. Seaman dated 18th and 24th March, 1886.

Mr. Sperrey was examined.

Resolved, That the Chairman telegraph to Mr. John Ross for date and particulars, &c., of his arrangement to purchase from Mr. Stark the house and part of the land in question; to Messrs. Cochrane and Sons for name of party who offered £16,000; to Mr. Seaman for name of gentleman who had seen written offer of £16,000, and name of gentleman who knew of an offer of £450 per acre for six acres of northern portion of property, as reported by him in his letter to the Property-tax Commissioner.

The Committee adjourned till Tuesday, the 29th June, at 12 o'clock.

TUESDAY, 29TH JUNE, 1886.

The Committee met pursuant to notice.

Present : Mr. Moss (Chairman), Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Holmes, Mr. Peacock, Hon. Sir Julius Vogel, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

The Chairman reported that he had telegraphed to and received answers from Mr. Ross, Mr. Seaman, and Messrs. Cochrane and Sons, which were read to the meeting. Memorandum from Mr. Sperrey, and letter from Mr. Mason, dated 18th June, were also read to the Committee.

Resolved, That the Chairman telegraph to Mr. Mason to ask if he can state the name of the gentleman who made the offer of £4,000 for ten acres and house and £3,500 for five acres and house referred to in his letter.

Mr. Dargaville's motion, deferred from meeting on the 24th June, being withdrawn, the Hon. Sir Julius Vogel moved, That Mr. Brewer be asked, by telegram, to explain the reason why, in his letter of the 20th January, 1886, he advised the purchase at £17,100, and in his memorandum of the 22nd January, 1886, stated that he had no report to make; and that the Chairman, Mr. Peacock, and Mr. Dargaville be a sub-Committee to decide, after receiving Mr. Brewer's reply, whether it is necessary to summon him for examination.

The Committee adjourned till Wednesday, the 30th June, at 12 o'clock.

WEDNESDAY, 30TH JUNE, 1886.

The Committee met pursuant to notice.

Present : Mr. Moss (Chairman), Hon. Mr. Ballance, Mr. Dargaville, Mr. Gore, Dr. Newman, Mr. Peacock, Hon. Sir Julius Vogel.

The minutes of the previous meeting were read and confirmed.

The Chairman reported he had telegraphed to Mr. Brewer and Mr. Mason; Mr. Mason had replied [reply read]; Mr. Brewer had not yet replied, and he had sent him a second telegram urging a prompt reply [also read].

Mr. Mitchelson attended, and was examined.

The Chairman was requested to telegraph to Messrs. Ashton and Co., to Mr. Le Bailly, and Mr. Hammond for information.

On the motion of Dr. Newman, *Resolved*, That the Hon. Mr. Richardson be summoned for attendance to give evidence to-morrow.

On the motion of Mr. Dargaville, *Resolved*, That Mr. Brewer and Mr. Seaman be summoned from Auckland to give evidence forthwith.

The Committee adjourned till Thursday, the 1st July, at 12 o'clock.

THURSDAY, 1ST JULY, 1886.

The Committee met pursuant to notice.

Present : Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Gore, Mr. Holmes, Mr. Levestam, Dr. Newman, Mr. Peacock, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

The Chairman reported to the Committee that power had not been given them to call for persons and papers, and that he had asked for and obtained the necessary authority that day.

The Chairman reported as follows: that he had telegraphed to and received replies from Messrs. Ashton and Co., Mr. Le Bailly, and Mr. Hammond, which were read to the Committee; that he had also telegraphed to Mr. Brewer and Mr. Seaman. [These telegrams, and Mr. Seaman's answer, and answer from Mr. Brewer to telegram sent in accordance with the motion of the Hon. Sir Julius Vogel on the 29th June were also read to the Committee.]

Letter from Mr. Mitchelson, dated the 1st July, 1886, read.

On the motion of Dr. Newman, *Resolved*, That Mr. Seaman be instructed to come to Wellington forthwith, and that the Chairman telegraph again peremptorily.

The Hon. Mr. Richardson was present, and, having been examined, was thanked, and withdrew.

On the motion of the Hon. Mr. Ballance, *Resolved*, That the Chairman summon Mr. Ewen Alison to Wellington forthwith.

On the motion of Mr. Cowan, *Resolved*, That the Chairman ascertain for Committee by whose recommendation Mr. Ewen Alison was appointed Reviewer, and what other persons were recommended at the same time, and by whom.

The Committee adjourned till Friday, the 2nd July, at 12 o'clock.

FRIDAY, 2ND JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Dr. Newman, Mr. Peacock, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

The Chairman reported the receipt and despatch of telegrams from and to the following persons: From Mr. Seaman and Mr. Brewer; to Mr. Seaman, Mr. Brewer, and Mr. Ewen Alison— which were read to the Committee. Memorandum from Mr. Sperrey, dated the 2nd July, also read.

On the motion of Dr. Newman, *Resolved*, That the whole of the papers before the Committee be printed for their information.

On the motion of Mr. Peacock, *Resolved*, That Mr. S. Vaile be requested to be in attendance at the next meeting of the Committee.

On the motion of Dr. Newman, *Resolved*, That the department be requested to supply any further papers they may have in connection with this inquiry.

The Committee adjourned till Tuesday, the 6th July, at 12 o'clock.

TUESDAY, 6TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Holmes, Mr. Peacock.

The minutes of the previous meeting were read and confirmed.

The Chairman reported and read the following correspondence: Telegram from Mr. Brewer to the Chairman; from the Under-Secretary, Public Works, to Mr. Brewer; from Mr. Brewer to the Under-Secretary, Public Works; from the Chairman to Mr. John Ross; letter from the Chairman to the Hon. Mr. Ballance, with memoranda from the Hon. Mr. Ballance and the Hon. Mr. Richardson; telegram from Mr. Ross to the Chairman, from Mr. Wilkinson to the Chairman, from the Chairman to Mr. Wilkinson; letter from the Hon. Mr. Richardson to the Chairman; copy of telegram from the Hon. Mr. Richardson to the Hon. Mr. Ballance, dated "Auckland, 7th January, 1886;" extract from telegram from the Hon. Mr. Ballance to the Hon. Mr. Richardson, dated the 7th January, 1886; telegram from Mr. Seaman to the Chairman.

Mr. S. Vaile attended, and was examined.

The Committee adjourned.

FRIDAY, 9TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Gore, Dr. Newman, Mr. Peacock.

The minutes of the previous meeting were read and confirmed.

On the motion of Mr. Dargaville, *Resolved*, That Mr. Seaman's evidence be taken on Monday.

The Committee adjourned till Monday, the 12th July, at 11 o'clock.

MONDAY, 12TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Gore, Mr. Holmes, Mr. Montgomery, Dr. Newman, Mr. Peacock, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

Mr. Thomas Seaman attended, and was examined.

The Committee adjourned till Tuesday, the 13th July, at 11 o'clock.

TUESDAY, 13TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Montgomery, Dr. Newman, Mr. Peacock, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

Mr. Seaman was present, and, having been examined, was thanked, and withdrew.

Mr. Ewen Alison was present, and, in the course of his examination, requested the Committee to name the authority for certain statements quoted to him. The Committee requested the witness to retire, in order to consider the question.

On the motion of the Hon. Major Atkinson, *Resolved*, That the name of the authority for the statements be given to Mr. Alison.

The Committee adjourned till Wednesday, the 14th July, at 11 o'clock.

WEDNESDAY, 14TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Montgomery, Dr. Newman, Mr. Peacock, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

Mr. Alison was present, and, having been examined, was thanked, and withdrew.

On the motion of Dr. Newman, *Resolved*, That the evidence of Mr. Oliver Mays, Chairman, County Council, Waitemata, be taken.

Mr. Mays presented himself, and, having been examined, was thanked, and withdrew.

The Committee adjourned till Thursday, the 15th July, at 11 o'clock.

THURSDAY, 15TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Gore, Mr. Montgomery, Dr. Newman, Mr. Peacock, Hon. Sir Julius Vogel; Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

The Chairman reported and read the following correspondence: Letter from Mr. Seaman to the Chairman; telegram from the Chairman to Professor Thomas; telegram from Professor Thomas to the Chairman; telegram from the Chairman to Mr. R. J. Roberts; telegram from Mr. R. J. Roberts to the Chairman; memorandum from the Hon. Sir George Whitmore; letter from Mr. W. J. Sullivan to Mr. Brewer.

Mr. Brewer attended, and was examined.

The Chairman was requested to telegraph to Mr. W. Aitken and Mr. Ross.

The Committee adjourned till Friday, the 16th July, at 11 o'clock.

FRIDAY, 16TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Gore, Dr. Newman, Mr. Peacock, Hon. Sir Julius Vogel, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

The Chairman reported and read telegram to Mr. W. Aitken, and reply; also letter from Mr. Stark to Mr. Brewer, dated the 20th January, 1886, put in evidence by Mr. Brewer.

Mr. Brewer attended, and was examined.

The Committee adjourned till Monday, the 19th July, at 11 o'clock.

MONDAY, 19TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Gore, Mr. Holmes, Mr. Montgomery, Dr. Newman, Mr. Peacock, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

The Chairman reported and read the following correspondence: Telegrams from Mr. Ross and Mr. Roberts, and letter from Mr. Brewer.

On the motion of Dr. Newman, *Resolved*, That Mr. Alison be examined, and, in the meantime, that Mr. Godden be telephoned to to be in attendance.

Moved by the Hon. Major Atkinson, That all witnesses examined before the Committee be examined on oath.

Upon the question being put, the Committee divided, and the names were taken down as follow:—

Ayes, 4.—Hon. Major Atkinson, Mr. Barron, Mr. Gore, Dr. Newman.

Noes, 5.—Hon. Mr. Ballance, Mr. Cowan, Mr. Dargaville, Mr. Holmes, Mr. Montgomery.

So it passed in the negative.

On the motion of Mr. Montgomery, *Resolved*, That all witnesses whose testimony is conflicting be re-called and sworn.

Mr. Alison attended, and was examined on oath.

On the motion of Dr. Newman, *Resolved*, That the Chairman telegraph to Mr. Melville, Mr. T. L. White, and Mr. Cooper, asking for particulars as to the various offers said to have been made to them of this property.

The Committee adjourned till Tuesday, the 20th July, at half-past 10 o'clock.

TUESDAY, 20TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Dr. Newman, Mr. Peacock, Mr. Wilson.

The minutes of the previous meeting were read, and, on the Chairman putting the question, That the minutes be confirmed,

Mr. Dargaville moved, as an amendment, That the minute referring to the Hon. Major Atkinson's motion *re* swearing all witnesses is incorrect, as his motion singled out one witness to be sworn; and that the minute be altered accordingly.

On the motion of Mr. Cowan, *Resolved*, That the question be deferred till next meeting.

The Chairman reported and read the following correspondence: Telegrams to A. Alison, jun., T. L. White, F. Cooper, and Mr. Melville; telegrams from G. Hedley and A. Alison, jun.; and letters from E. Mitchelson and Messrs. Ashton and Son.

The Chairman was requested to telegraph to Mr. W. Aitken for valuation of Stark's property in January last sold in one block for cash, and to Mr. Wilkinson for date and further particulars.

On the motion of Dr. Newman, *Resolved*, That the Hon. Mr. Richardson and Mr. Godden be examined to-morrow.

The Committee adjourned till Wednesday, the 21st July, at 11 o'clock.

WEDNESDAY, 21ST JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Holmes, Mr. Montgomery, Dr. Newman, Mr. Peacock, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

The Hon. Mr. Richardson attended, and was examined on oath.

Mr. Godden and Mr. Brewer attended, and were examined on oath.

The Chairman reported and read the following correspondence: Telegrams from the Chairman to W. Wilkinson, W. Aitken, T. L. White, and S. Cochrane and Son; telegrams to the Chairman from T. L. White, T. Melville, W. Aitken, Theo. Cooper, T. L. White, and W. Wilkinson.

On the motion of Mr. Cowan, *Resolved*, That the question of confirming the minutes of the 19th July be postponed until Mr. Holmes and Mr. Gore, who were present at the meeting, be asked as to their recollection of the facts.

The Committee adjourned till Thursday, the 22nd July, at 11 o'clock.

THURSDAY, 22ND JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Gore, Mr. Peacock, Hon. Sir Julius Vogel, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

Mr. Seaman attended, and was examined on oath.

The Chairman reported and read telegram from Messrs. Cochrane and Son.

The Committee adjourned till Friday, the 23rd July, at 11 o'clock.

FRIDAY, 23RD JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Montgomery, Mr. Peacock, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

Mr. Dargaville's amendment of the 20th July, 1886, was put, and the Committee divided as follow:—

Ayes, 1.—Mr. Dargaville.

Noes, 3.—Mr. Barron, Mr. Cowan, Mr. Wilson.

And the question being put, That the minutes of the 19th July, 1886, be confirmed, it was resolved in the affirmative.

The Committee adjourned till Monday, the 26th July, at 11 o'clock.

MONDAY, 26TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Holmes, Mr. Montgomery, Dr. Newman, Mr. Peacock, Hon. Sir Julius Vogel, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

The Chairman read a telegram from Mr. Ross.

On the motion of Mr. Montgomery, *Resolved*, That the Committee meet on Thursday, the 29th July, 1886, to consider the purchase of Stark's property.

The Committee adjourned to Tuesday, the 27th July, at 11 o'clock.

TUESDAY, 27TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Mr. Cowan.

There being no quorum, the Chairman adjourned the meeting till Wednesday, the 28th July, at 11 o'clock.

FRIDAY, 30TH JULY, 1886.

The Committee met pursuant to notice.

Present: Mr. Moss (Chairman), Hon. Major Atkinson, Hon. Mr. Ballance, Mr. Barron, Mr. Cowan, Mr. Dargaville, Mr. Gore, Mr. Levestam, Mr. Montgomery, Dr. Newman, Mr. Peacock, Hon. Sir Julius Vogel, Mr. Wilson.

The minutes of the previous meeting were read and confirmed.

The Chairman read a letter from Mr. Holmes.

Mr. Levestam moved, That the Government were justified in paying for the property the price they did.

Moved, as an amendment, by Mr. Peacock, That all the words after the word "That" be struck out, in order to insert the following: "the purchase was made without sufficient inquiry as to the value of the property; and, apparently from that cause, the price paid was much in excess of the rate at which the best part of the property had been offered to private individuals within a short time of the sale made to the Government, and at which time property in Auckland and suburbs was of equal, if not higher, value."

And the question being put, That the words proposed to be omitted stand part of the question, the Committee divided, and the names were taken down as follow:—

Ayes, 6.—Hon. Mr. Ballance, Mr. Cowan, Mr. Dargaville, Mr. Gore, Mr. Levestam, Hon. Sir Julius Vogel.

Noes, 5.—Mr. Barron, Mr. Montgomery, Dr. Newman, Mr. Peacock, Mr. Wilson.

So it was resolved in the affirmative.

And the original question being put, it was resolved in the affirmative.

The Hon. Major Atkinson stated that he would have voted with the "Noes" but for the unavoidable absence of Mr. Holmes, as explained in Mr. Holmes's letter (*vide* end of paper).

Moved by Mr. Dargaville, That the weight of evidence goes to show that the property could not have been obtained for a less amount in the Compensation Court.

Moved, as an amendment, by Mr. Peacock, That all the words after the word "That" be struck out, in order to insert the following: "there is reason to believe, after making all allowance for the alleged tendency of Compensation Courts to give decisions disadvantageous to the Government, that the property could have been purchased at a lower price in such Court."

And the question being put, That the words proposed to be omitted stand part of the question, the Committee divided, and the names were taken down as follow:—

Ayes, 6.—Hon. Mr. Ballance, Mr. Cowan, Mr. Dargaville, Mr. Gore, Mr. Levestam, Hon. Sir Julius Vogel.

Noes, 5.—Mr. Barron, Mr. Montgomery, Dr. Newman, Mr. Peacock, Mr. Wilson.

So it was resolved in the affirmative.

And the original question being put, it was resolved in the affirmative.

The Hon. Major Atkinson stated that he would have voted with the "Noes" but for the unavoidable absence of Mr. Holmes, as explained in Mr. Holmes's letter (*vide* end of paper).

Moved by Mr. Peacock, That it is desirable that careful and deliberate inquiry should be made by the Government or its agents in the purchase of property for public purposes, especially as such property can always be acquired after full local inquiry in the Compensation Court.

Moved, as an amendment, by Mr. Levestam, That all the words after the word "That" be struck out, in order to insert the following: "in the opinion of this Committee, the Government exercised reasonable care in ascertaining the value of the property before purchasing it."

And the question being put, That the words proposed to be left out stand part of the question, the Committee divided, and the names were taken down as follow:—

Ayes, 5.—Mr. Barron, Mr. Montgomery, Dr. Newman, Mr. Peacock, Mr. Wilson.

Noes, 6.—Hon. Mr. Ballance, Mr. Cowan, Mr. Dargaville, Mr. Gore, Mr. Levestam, Hon. Sir Julius Vogel.

So it passed in the negative.

The amendment was, with the leave of the Committee, withdrawn.

The Hon. Major Atkinson stated that he would have voted with the "Ayes" but for the unavoidable absence of Mr. Holmes, as explained in Mr. Holmes's letter (*vide* end of paper).

Ordered, That the said resolutions be reported to the House this day.

The Committee then adjourned.

NOTE.—For Papers relative to Purchase of Stark's Property, North Shore, Auckland, laid on the Table of the House, 17th June, 1886, in return to Order of 2nd June, 1886, *vide* D.-7, 1886.

MINUTES OF EVIDENCE.

FRIDAY, 25TH JUNE, 1886. (Mr. Moss, Chairman.)

Mr. J. SPERREY examined.

1. *The Chairman.*] You are the Property-tax Commissioner?—I am.
2. You produce a sketch-map showing the whole of the property adjacent to that purchased from Mr. Stark at Takapuna Point?—I do.
3. The Committee wish to know what was the property-tax valuation for the last four years, and also the valuation of the local rates?—In 1882, 42 acres 3 roods were valued at £4,500; this includes a large portion of No. 1, on the other side of the road.
4. *Hon. Major Atkinson.*] Did that include the house?—There is nothing to show what is included, beyond the annual value of the whole property, £150. The improvements were not valued separately; but this year they were.
5. Do you know if the house was built at that time?—I do not know; I do not think it was. There was no report as to the value of buildings in 1883.
6. *The Chairman.*] What was the valuation for 1885?—28 acres 1 rood 16 perches was valued at £15,600.
7. Are there any details mentioned?—£4,500 is mentioned for improvements.
8. *Hon. Major Atkinson.*] Can you tell us the value of the other twelve acres?—Very nearly. Part of No. 1, containing 9 acres 3 roods 12 perches, is valued at £2,000.
9. Does that include any improvements?—No; only the value of the land. Then, sections 4 and 5 of No. 1 are valued at £225 for the two sections; they measure 100ft. by 150ft., equal to about a quarter of an acre.
10. *The Chairman.*] Are there any buildings on these?—No.
11. *Mr. Dargaville.*] There is only a road between these two allotments and the property we are speaking of?—Yes.
12. This property (Mr. Stark's) has a sea-frontage, while the others have only frontage to the road?—Yes, that is the position. Then, there are 5 acres 2 roods 20 perches, being part of 1 and 2, which is valued at £950, on the other side of the road.
13. *Hon. Major Atkinson.*] We want the other twelve acres accounted for?—The balance of the five acres are included in the small sections on the other side of the road. They are all differently valued.
14. *The Chairman.*] The land has been very much cut up about there, has it not?—Yes. The subdivisions are all shown on the map.
15. You have stated that the valuation was £15,600 for the twenty-eight acres and improvements. When was this valuation made?—In October, 1885.
16. Did you have any special report made on it?—Yes, I did.
17. *Hon. Major Atkinson.*] Why did you get a special report made?—In consequence of some remarks that were made in reference to the excessive value put upon the land by the Government.
18. *The Chairman.*] Were any objections made to the valuation of this property?—No, not to this property; but there have been to that of other property in the neighbourhood. They were never, however, brought forward.
19. Mr. Allison's name has been mentioned to the Committee as having made a large offer for this land. Is there any property in the immediate neighbourhood in his name as owner?—I do not think so. Block VI.A is the nearest. With regard to the local rating: the local rates were £3,500 for 1882 for the forty-two acres, and the property-tax valuation was £4,500.
20. *Hon. Major Atkinson.*] That looks as if there was £1,000 for improvements?—No; it is known that the whole of the district was greatly undervalued in 1882 for local rating.
21. *Dr. Newman.*] Have there not been revaluations for local rating since that time?—No; the property-tax valuation was adopted.
22. *Mr. Dargaville.*] You say it is well known that it was undervalued?—Yes; the whole of the county was undervalued.
23. *Hon. Major Atkinson.*] Did you suppose your valuation was under at that time?—No; for Mr. Seaman values pretty fully.
24. There was a sudden rise in the value of property in this district, was there not?—Yes, very sudden.
25. *Mr. Wilson.*] In what year did the local bodies accept your valuation?—In 1884.

26. There was something said about the full quantity not being purchased: can you state where these parts which were not purchased are?—They consist of eight small sections.

27. Is there a separate valuation for these sections?—Yes—£1,000 for three and a half acres—a little over £300 an acre.

28. Would you consider that, having a frontage to the road and not to the sea, they were more valuable, or about the same value?—I do not know enough about the value of property in the neighbourhood to be able to say. But I do know that Mr. Stark's land facing the sea is a high bluff, and that the eight sections are nearly level with the beach. I do not know whether that would mean an increase or decrease in value.

29. You consider them to be probably of the same value?—I should be inclined to fancy that the low-lying land was more marketable than the bluff facing the water.

31. *Hon. Major Atkinson.*] Do you know the date when the Government first began to treat for the property?—I do not know.

31. *Mr. Cowan.*] According to valuation of your department this property appears to be valued at £107 an acre in 1882, and in 1885 the twenty-eight acres had run up to £400 an acre. Is there such an increase in the value of other property in the district as to warrant such an increase in this particular property?—I do not know. It is impossible to say, for you cannot compare them. There is nothing to go by. There is so much difference in the sites and other surrounding circumstances that it is impossible to tell.

32. Have you, in your experience, come across any other instances of such an increase in value?—Any number, especially in Auckland and the suburbs.

33. In rural districts such as this?—Yes—any quantity of them; and there are many instances of a greater increase. The whole of the City of Auckland has been more than doubled. The property surrounding Remuera and One-tree Hill has risen quite as much in value.

34. In the land only?—Yes—for villa residences. There has been an increase in Eden Country alone of £1,000,000, irrespective of Auckland.

35. *Hon. Mr. Peacock.*] You are aware that reference is made in Mr. Brewer's letter?—I have never seen the letter.

36. It is stated, and it is well known in Auckland, that an offer was made for ten acres of the best of this land, with a house on it, for £3,500, at a moderate time before this sale took place. Do you know anything about it?—This is the first word I have heard of it.

37. The paragraph is this: "In conclusion, I would refer to an absurd report," &c. You are not aware of anything connected with this?—No.

38. If you found that within a year or a year and a half of the time of the sale these ten acres, including a house, had been offered (and the offer accepted) for this sum, would you not have hesitated to accept the valuation of over £15,000 as now quoted by you?—No, I should not. I should have been quite satisfied, if the owner was satisfied to pay the tax, and the assessor said it was a fair value.

39. What I mean is this: Do you not exercise any judgment in regard to the values that are put on property, if there are any circumstances that would warrant you in hesitating?—Most certainly I do.

40. If the land had been bought, namely, ten acres with the house for £3,500, and the land subsequently fell in value, would not that knowledge have made you go into the matter and have further inquiry made as to the correctness of the valuation?—Most certainly; but I never heard anything of the kind.

41. *Dr. Newman.*] In one of these papers you wrote asking for valuation as though you were surprised at the amount of the valuation?—Inquiry was made of me by the Public Works Department if I knew anything of it, and I gave the valuation, but said that I would make further inquiry to make sure. I was asked if I had any knowledge of Mr. Seaman, and if his valuation was to be trusted. I replied that I had known him for some time and had no reason to doubt him in any way, and that any valuation he made I was prepared to support.

42. When did he make the valuation?—In October. Since then he reported on the matter—in March.

43. Are you aware that Mr. Brewer values the property at £17,000 odd?—No; I do not know who Mr. Brewer is, or anything about him.

44. He is not an officer of your department?—No.

45. Have you an independent valuation of the house?—Yes; the house and other buildings are valued at £3,250.

46. Has any land round the neighbourhood been valued at £600 per acre?—Not in large pieces. In small pieces I dare say it will come to fully that, and some of it to more. 4 and 5 of I. (100 by 150) are valued from £255 to £600 an acre; 1, 2, and 3 of I. are valued at £425, including £200 for improvements.

47. *The Chairman.*] Can you tell us the valuation of any of the other blocks?—4 and 5 are valued at £225 without any improvements; 17, 18, 19, and 49 (one acre) are valued at £290.

48. *Dr. Newman.*] Are there any other blocks of, say, twenty acres, or something like that, valued at anything like that amount?—There is nothing of that size. The largest is ten acres, valued at £1,000—that is the adjoining block. The five acres adjoining are valued at £950, including £390 for improvements. But there is no comparison in the value of the properties at all.

49. Should you think that one acre in one piece was worth six in the other?—Yes, I should think so.

50. *The Chairman.*] There are some pieces in that neighbourhood, swampy ground, worth about £20 to £25 an acre, are there not?—Yes.

51. *Mr. Dargaville.*] Has it come within your official knowledge that between 1882 and 1885 the value of suburban property about Auckland has enormously increased?—Yes.

52. That in cases it has increased as much as three- and four-fold?—Yes.

53. Is it within your knowledge that lots adjoining the property in question, or only separated from it by a public road, have been valued at from £600 to £800 per acre, in subdivisions?—Yes.

54. Do not the official reports generally, with reference to this property, represent it as being exceptionally well situated?—I have no other information respecting it, officially, than that given by Mr. Seaman.

55. You have not read the correspondence between the Public Works Department and the Lands Purchase agent?—No.

56. Assuming that officer's report as to the situation of the land and its attractiveness for villa-sites to be correct, taken together with other facts in your knowledge, would £15,500 be an excessive valuation?—I could not say. I do not know enough, of my own knowledge, to express an opinion.

57. But, assuming that it is fairly correct, and that Mr. Brewer's report as to the situation of Mr. Stark's property is correct?—I do not know what it is.

58. With reference to Mr. Seaman, how long has he been employed as valuer?—For six years.

59. In what manner has he discharged his duties?—Very well indeed.

60. How does he stand as compared with the general run of valuers?—He is one of the best men I have, and the most reliable. He has a tendency to value highly. He has some property in the Takapuna neighbourhood, and he is inclined to be rather sanguine as to the value of it.

61. *The Chairman.*] About these five and a half acres, what was the valuation of it in 1882?—£830; and it is now valued at £950.

62. Were the improvements on it in 1882?—I cannot say; the valuation does not show.

63. Then, in that five acres there is an increase of £120 for the three years?—Yes.

64. Are they Mr. Seaman's valuation in both cases?—Yes; and for the 10 acres 2 roods 30 perches his valuation in 1882 was £590, and it is now £1,000.

65. These are the sections on the opposite side of the road from the property in question?—Yes.

66. *Mr. Wilson.*] When did you receive your first information that it was considered that the valuation was a high one?—Somewhere about March.

67. Did the Public Works Department seem to think so?—I do not know; they made no remark about it.

68. *Hon. Major Atkinson.*] Has the value of land in Auckland fallen since the valuation was made?—There is no question about it. It has fallen very much indeed. There is one point I might mention. There have not been, since the sitting of the Board of Reviewers, more than two or three applications to the Government either to reduce the valuation or to take over the properties; and those were for small sums under £500, so they could not have been much overvalued. A great deal of dissatisfaction has been brought about by the fact that in 1882 the valuations were too low.

WEDNESDAY, 30TH JUNE, 1886.

Mr. E. MITCHELSON, M.H.R., examined.

69. *The Chairman.*] Mr. Mitchelson, you have been Minister for Public Works, and know the district. Can you give the Committee any information as to the value of the land at Takapuna Point which was purchased from Mr. Stark for defence purposes?—Yes. Perhaps it would be better for me to give my personal opinion first.

70. Give your own opinion, and state anything you know as to the value of land in that locality?—My own opinion is that the value of the property is, at the outside, about £8,000. As far as I am able to judge, the whole thing has been a cleverly-contrived conspiracy to defraud the Government. That is the generally-received opinion in the Auckland District. Unfortunately, the Government officials aided as conspirators to some extent, through having allowed themselves to be let into the trap—I mean the Property-tax Valuer and Land Purchase Commissioner, Mr. Brewer. The ugliest feature that I see in the case is that one of the principal conspirators in the transaction, who is partner in land-transactions with Mr. Stark, was appointed Reviewer for that particular locality; and, as far as I am able to understand the question, it was through him that the bogus offer was made to Mr. Stark. The offer was made through Mr. Dacre, the senior partner in the firm of Cochrane and Son, and who is one of the most reliable men I know.

MY DEAR MITCHELSON,—

Auckland, 19th June, 1886.

I have your telegram *re* Stark's purchase. I am informed that prior to its being thought of for a battery-site this property was offered for sale for £7,000. Actual negotiations were proceeding, and the buyer had offered £5,500, when Stark withdrew from treaty, giving no reason. A large plan was drawn out, but cut up into very small lots, with any quantity of road-frontages. On seeing this plan I told Stark he would never sell it in that way; nor would he. Subsequently we had written instructions to make Stark an offer—I think £15,000, but am not sure of exact amount, as I write this at home. This offer Stark declined. Seaman then appears to have seen Stark *re* property-tax value. Stark mentions this offer, and Seaman values the property accordingly, Stark not objecting. This action of Seaman's did the business, as the Government could not give less than their own valuation; but Seaman would just as soon put it down at £20,000, his valuations being excessive. But there is no doubt that the Government had no need to purchase all the property. When we made Stark the offer I did not think the land was worth it, but we had on several occasions acted in making purchases for the same person. I do not think that Stark could have got more than half the price paid by Government from outside buyers here. The house was a very poor concern. Stark himself told me they could not keep the rain out. You must bear in mind, too, that the main road has been diverted.

I have, &c.,

JAMES DACRE.

This is also a very important letter, written to me by Mr. Philcox, who is well known as a most reliable man:—

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.

76. Have you a knowledge of the value of land in that district?—Yes—an ordinary business-knowledge.

77. Has there been any land sold there at the rate of £600 per acre?—No, I think not.

78. Or anywhere near it?—No.

79. What is the highest rate you know of actual sales being made at anywhere near there?—I do not know of any land being sold there of late years by the acre at all—only by the foot; and any land sold by the foot was far above that price.

80. You know Stark's property yourself?—Yes, well.

81. How much of it is level?—It is all tolerably level.

82. Some of it is on the cliff?—Yes, it is on the cliff, and slopes gradually from the shore.

83. *Mr. Gore.*] Has land there increased very much in value since 1881, the time of Stark's purchase?—I should think it did increase between 1881 and 1883, or up to about the middle of 1883; since then it has been depreciating.

84. *Mr. Peacock.*] Do you consider that property has depreciated, or has it increased in value since the date referred to by you—May, 1884?—Since the end of 1884 property round Auckland has depreciated considerably, and this property has certainly not increased in value, except from the fact that it was required by the Government for defence purposes. I have been informed by an authority on whom I can rely that the furniture offered for sale by Mr. Stark to the Government, and refused by them, has since been divided between the Allison brothers as a present. There is great dissatisfaction at Mr. Allison's appointment as Reviewer in the district; because I understand that prior to this purchase being made a great many people in the district who had objections to the valuations placed upon their property, when they heard of Mr. Allison's appointment as Reviewer, refused to state their objections.

85. Was it because of Mr. Stark having put a large valuation on this property that they thought it was hopeless to get the Reviewer to reduce theirs?—Yes.

86. *Hon. Sir J. Vogel.*] I believe Mr. Brewer has been in the service some time?—Yes.

87. Do you know anything of him?—No, nothing personally.

88. Has he not been engaged in large purchases for the Public Works Department?—Yes. I was always led to believe when I was in office that he was a very reliable and efficient officer.

89. Did he occupy the same position in the North Island as Mr. Calcutt does in the Middle Island?—I think exactly the same.

90. Do I understand that the hints thrown out in the letters which you have read apply to him as well as to Mr. Seaman, or more especially to Mr. Seaman?—To Mr. Seaman only, I should think. My opinion is that Mr. Brewer arrived at his valuation in conjunction with Mr. Seaman.

91. You think this applies more to Mr. Seaman than to Mr. Brewer?—I think so. My impression is—and it is the general impression in Auckland—that the whole matter was a conspiracy got up to defraud the Government.

92. And that Mr. Seaman was in it?—I do not know; I will not say that.

93. *Mr. Barron.*] From your experience as a Minister, and from your local knowledge, would you be able to express an opinion as to whether this land might have been purchased for the Government to better advantage by taking it under the Public Works Act rather than by private negotiation?—Yes; I have no hesitation in saying that it could have been purchased at much less cost by arbitration—at least half the cost.

94. You say that, from your local knowledge and from your experience as Minister for Public Works, the cost is high?—Yes; and, further, I have no hesitation in saying that, if the purchase had not been so hurried and rushed, it might have been had for considerably less even by private negotiation.

95. Have you any opinion why the purchase was hurried?—No, I have not. In my experience these things were not generally hurried.

96. The Minister for Public Works was in Auckland at the time that this purchase was made?—Yes.

97. Do you know was it the object of his visit to Auckland?—I cannot say that it was.

98. Did you hear that Mr. Stark was probably a candidate for election to Parliament?—Yes.

99. A candidate for Mr. Hurst's seat?—Yes. I should like to state, Mr. Chairman, that my sole desire in giving evidence before the Committee is not to cavil at the action of the Government so much as to object to the undue haste with which the purchase of the property was made, and also to bring before the Committee what I think was clearly a conspiracy to defraud the colony.

THURSDAY, 1ST JULY, 1886.

Hon. E. RICHARDSON examined.

100. *The Chairman.*] The Committee is inquiring into the purchase of Stark's property, and among the papers have received a telegram from the Land Purchase officer in Auckland in which he states that the purchase was settled between Mr. Stark and a Minister: will you tell the Committee if you are the Minister he refers to?—Presumably so; but it is absolutely incorrect to say that he had nothing to do with it. The history of the matter is this: Immediately on my arrival in Auckland I was informed by one of our engineers that there was a heavy claim going to be made against the Government for damage done to this property at Takapuna. Before taking any action I made it my business to go out, unknown to the Land Purchase officer or anybody else, to look at the place and see what the position was. Next day, or within a day or two, I had a visit from Mr. Stark, who was a stranger to me. He stated that his property had been interfered with, and wanted to know what the intentions of the Government were—whether they were going to take the whole or a part of the property; at the same time he stated that the claim would be nearly

the same for a part as for the whole. He told me on that occasion that nothing would induce him to take less than £20,000 for the whole property. I then communicated with the Minister of Defence, in whose department the matter was, and told him the circumstances of the case. He asked me to endeavour to settle the thing before I left Auckland. Accordingly I took it in hand. I had several long interviews with the Land Purchase officer, Mr. Brewer, and he gave me practically all the information which is contained in the correspondence. I may say that, after two or three conversations with him, I instructed him to pick up all the information he could and prepare himself for going into the Compensation Court, and to be able to go fully into the matter on my return from the Waikato. I was a few days away, and he then laid the information before me; and Mr. Stark called on me to know what the intentions of the Government were. Mr. Brewer told me that, if he were called into Court, his evidence would be in accordance with the details he laid before me—that the property was worth about £17,500. I was very much astounded at the amount at the time, and took steps to ascertain what the property-tax valuation of the property was. I telegraphed to the Property-tax Commissioner; and, as there was some discrepancy in the figures, I took steps to ascertain what sort of man his valuator was. I was told that I might thoroughly rely upon his valuation—that was, the valuator for the Devonport District. The result was that the valuation I had been given was confirmed as being a fair valuation for property-tax purposes. I then consulted two or three gentlemen, who gave me their opinions confidentially, to confirm the valuation. After this, with the consent of my colleagues, I made an offer to Mr. Stark, informing him, at the same time, that he would not get any better terms from the Government; and that, if he demurred to these, the Government would go into the Compensation Court. I think it was the next day that he accepted the offer I had made him. I may state that I am not aware of any single case that has been taken into Court where we have been able to induce the Court to fix any sum below the property-tax valuation, as a rule we have had to pay more than the 10 per cent. above the property-tax valuation.

101. *Mr. Gore.*] What was the property-tax valuation in this case?—£15,600.

102. How much did you pay for the property?—£17,100—exactly 10 per cent. more. I may say that when Mr. Stark first came to me he brought a plan showing the way in which, before there was any talk of the matter at all, he had proposed to cut up the property and sell it; and, on Mr. Brewer's valuation of the prices of land selling in that district at the time, the property would have sold for a much larger sum than that which we offered him.

103. *Mr. Holmes.*] Do you know what instructions are sent to Property-tax Valuers—are they allowed to take any valuation that is given them, or are they bound to inquire whether the land is overvalued or not?—I am not aware what instructions are given.

104. *Hon. Major Atkinson.*] I understand that you bought the property after communication with Mr. Brewer as to the valuation?—Certainly; I had several interviews with him.

105. Then Mr. Brewer's telegram is incorrect in that respect?—I think the explanation of this telegram is this: After I had several interviews with him I told him to put down in writing the information he had given me. I think he was ill for a day or two—at all events, something took him away—and, as my confidential clerk had taken notes of what he had told me, and I had myself, I did not wait to get the information from Mr. Brewer in writing. I think that is the interpretation of that part of his telegram.

106. He says in the papers that he had no responsibility?—He must take his own view of that. He is paid a salary by the Government for procuring information and giving advice. It is a matter of opinion whether he is responsible or not.

107. Clearly that telegram would imply that he had not any responsibility?—It is quite wrong, at that rate.

108. *The Chairman.*] Are you aware of any letter sent to Mr. Brewer from Mr. Stark? Mr. Brewer states in his telegram that Mr. Stark wrote him a letter on the 19th January saying that he had settled with the Minister. Your offer was made on the 21st?—The offer was practically made to him verbally a day or two before the letter containing the offer was written. I did not know at the time whether he was going to accept or not. He had evidently made up his mind to do so.

109. Then Mr. Brewer is so far right in saying that an offer had been made preceding the formal offer, or that you had told him what you were going to do?—Yes, no doubt.

110. *Mr. Dargaville.*] You referred to several interviews you had with Mr. Brewer prior to taking any decisive action: were those interviews at intervals of a day or two?—Yes, longer than that; because the first interview was before I went to the Waikato, when I gave him instructions to pick up information. I was eight or ten days away, and saw him again when I came back.

112. It was, then, after you came back from the Waikato, and before you made the offer to Mr. Stark, that Mr. Brewer gave you the detailed particulars as to how the value was arrived at?—Yes.

113. These interviews as between Mr. Brewer and yourself were verbal?—Yes.

114. You said just now that you had your confidential clerk present?—Yes.

115. Did he take notes of these conversations?—I cannot say whether he or I took the figures down: I had them, at all events, because I quoted them to my colleagues.

116. There were memoranda made of these conversations, and the important particulars?—The information which he picked up and gave me is pretty fully set forth in the correspondence—in his letter at the time, and in a more formal letter written at my request in the following April.

117. There is likely to be a conflict of evidence between yourself and Mr. Brewer, and I want to ascertain whether there were any memoranda made at the time, by either yourself or your clerk, which would corroborate the particulars that Mr. Brewer then gave you?—I think not; because, in order to have an official record of the information given me, I directed Mr. Brewer to put the result of the interview of the 20th in writing, which he did on the same day.

118. Then, this letter of the 20th was the result of the numerous inquiries he had been making during your absence as to the value of the property?—Yes.

119. *Dr. Newman.*] You said that the value of the property was £20,000?—I did not say so.

120. I think it is in your writing?—I said that I was told so. I was told that nothing would induce Mr. Stark to part with the property for less than £20,000.

121. What made you change your mind and buy it yourself, instead of taking it into the Compensation Court?—Because our paid officer was ready to go into Court and swear that the property was worth £17,500. Not only that, but I got his opinion verified by the Property-tax Department, and I took steps to find out whether the property-tax officer's valuation was reliable; and, further than that, I made inquiries myself from outside people. I was led to suppose that there was plenty of evidence forthcoming by reliable people who would go pretty close up to Mr. Brewer's valuation.

122. You made no inquiries as to the fact that the property had been under offer for some months previous at a much lower rate?—I was told that the balance of the property, leaving out ten of the best acres, had been on offer, and nearly sold for £7,200 or £7,400.

123. Can you tell the Committee why so much land was bought, when six acres only was required for the battery?—Simply because the place was utterly destroyed. The battery stands in the middle of this land, and there is a road right through it to the battery; and when I went to see it first, the battery-fence was only about 15ft. away from the door of the house, almost cutting it off altogether. It will be seen from the memoranda made at the time that it was thought far better to buy the whole, and trust to being able to sell part of it again, than merely to buy the piece we absolutely required.

124. Did you think that the land was saleable?—I was assured that it was, and am now.

125. May I ask why it was taken out of Mr. Brewer's hands? In one of his letters he says that he washes his hands of the concern, because the Minister arranged the transaction?—I have never seen such a statement. I should have dismissed him instantly if I had.

126. It is in one of his letters, I think?—If I had left him to himself he was to have offered £17,500. I offered £17,100 after making inquiries.

127. Is it usual for a Minister to make purchases independently of the Government officers?—It is usual, if they think they are doing right.

128. Knowing the facts of the case, do you not think that, if it had gone into the Compensation Court, the property could have been bought more cheaply?—I do not know what facts are before the Committee, and have only read some written evidence and some letters which were put in yesterday.

129. Why were no Reviewers appointed? You recommended Mr. Aitken and Mr. Moss to be Reviewers?—Because at the time I thought it would go into the Compensation Court. Mr. Stark accepted my offer; so that it was not necessary. If it had gone into the Compensation Court, with our experience in Auckland I believe we should have had to pay as much, if not a great deal more, in spite of all that has been said about it.

130. *Mr. Cowan.*] During your communications with Mr. Brewer, did the circumstance of the value of this property in 1882 as compared with the valuation in 1885 come under discussion?—No, not at all.

131. Are you aware of the discrepancy in the value?—I see in one of the letters which the Chairman was good enough to show me this morning a statement to the effect that there was a tremendous rise in the value of the property; but it is not a larger rise than I have known in other instances.

132. It appears that forty-two acres, with improvements, was valued in 1882 at £3,500, and in 1885 twenty-eight acres of same property, with improvements, was valued at £15,600. Was this immense discrepancy not shown to you during your negotiations with Mr. Brewer?—No.

133. Was it pointed out by Mr. Sperrey?—I think not. I do not think Mr. Sperrey mentioned anything of the sort. All that took place between Mr. Sperrey and myself is in the correspondence before the Committee.

134. And, even with the knowledge of this immense rise, you still think that the purchase you made on behalf of the colony was a discreet one?—It is stated distinctly in these letters that there has been a conspiracy to defraud the Government. If I was the victim of a conspiracy, of course that might alter the question; but from all the information I got I have no reason to suppose that there was any conspiracy. I had the valuation given me by our own paid officer, as set forth in the correspondence, as well as the valuation of the adjoining properties; and I had a further statement from him that he was prepared to go into Court and swear that was the value of the property.

135. The Government, then, had confidence in Mr. Brewer?—He has always been looked upon by the department as a reliable officer, who has done good service in the district. He was promoted by myself from the Wanganui District about two years ago, I think.

136. *Hon. Mr. Ballance.*] It has been given in evidence that there was indecent haste in the negotiations: is that statement correct?—I should say that it most decidedly is not. It is a pure matter of opinion. I consider that there was no indecent haste in the matter. I was anxious, and all parties were anxious, to get the matter settled. If it had gone into Court the question would have remained open for a long while; and, as I was of opinion that if we had gone into Court we should have got very well punished there, I thought it better to settle the affair before I left Auckland than to leave it in the hands of a subordinate.

137. The subordinate was instructed to make inquiries while you were in the Waikato?—Yes.

138. How long were you there?—About ten days.

139. How long were you in Auckland altogether?—I was there about three weeks.

140. How long before the 19th January?—I think I was there from the 2nd until about the 25th January.

141. You say that you consulted several responsible persons in Auckland?—Yes.

142. With regard to the value of the property?—Yes.

143. Were these persons supposed to have a knowledge of the value of property there?—Certainly; I went to two gentlemen there who I thought had better information than anybody in Auckland; but, unfortunately, they held me to be absolutely confidential.

144. What was the advice they gave you with regard to the value of the property?—In one case I was told that if the property was put up to auction it would sell for £12,500—that is, a forced sale by auction. In the other case I was told that if we got it anywhere between £15,000 and £16,000 we should do very well. Those were the two principal opinions I took.

145. If the matter had gone into Court would that have been in evidence?—We should have confessed it at once. On our own valuers' evidence it was worth £17,500; and, of course, also the property-tax valuation.

146. *Mr. Peacock.*] I suppose you are aware that a good deal of dissatisfaction and indignation has been expressed in Auckland with regard to the price paid for this property?—I have heard so since the session commenced.

147. In the correspondence it is stated by Mr. O'Connor that it would be judicious if two or three gentlemen of experience were associated with Mr. Brewer in valuing property: can you tell the Committee why that was not done?—That was in view of going into the Compensation Court. If we had done so they would have been appointed.

148. I understand that offers were made for some considerable time before the sale took place to sell at a much lower figure than was paid?—I have not heard of any offer for the whole property. I heard that a reliable offer was made to sell at £7,200, leaving out ten acres of the best part.

149. We have it in evidence that all the property, including buildings, was offered for £3,500, and in another case that it was offered for £4,000: if you had made inquiry of some of the land-agents in Auckland it is probable that you would have heard of this: do you not think so?—I did make considerable inquiry, and the only offer I heard of was £7,200 or £7,400, leaving out what I consider to be the best part of the property.

150. If you had been made aware by any person of experience in Auckland that such an offer had been made a year or eighteen months before for ten acres of the best part of the property, including the house, would you have then considered it advisable to hesitate as to whether you should not take it into the Compensation Court?—I might have made further inquiries into the matter.

151. But, Mr. Brewer's evidence being so strong that the property was worth £17,500, you felt that going into the Compensation Court would have made the Government pay at least that amount, and probably more?—I think that, with our experience of Compensation Courts, if we had gone into Court with this case we should have had to pay £2,000 or £3,000 more, to a certainty.

152. But if you had been made aware of the fact that these offers were made a short time before, when property was higher than at that time, at a price which, if it covered the whole property, would have been less than half the money actually paid, you might have changed your mind about the Compensation Court?—The circumstances did not occur. I do not know what I should have done on the spur of the moment. If such a statement had been made to me—that the property had been offered for £3,500 a year before—I should have been incredulous about it.

153. Assuming that this evidence had been got, you would have felt in a much stronger position to contest the claim?—I should have made further inquiries about it.

154. Do you think now that, if these gentlemen mentioned by Mr. O'Connor had been consulted along with Mr. Brewer, the property might have been got for a great deal less?—No, I do not.

155. *Mr. Barron.*] Did you consult Mr. Allison about the value of the property?—I never heard of him.

156. You say that you consulted your colleagues on the question: have you any objection to say whether your colleagues went into the merits of the case?—No, they did not. They agreed with me that I should not in any case go higher than 10 per cent. above the property-tax valuation without going into Court. If I had not felt that I should be backed up by my colleagues, I should have offered £17,500 instead of £17,100.

157. Had the consultation to be done by telegram to Wellington?—Yes, I think so. I think I mentioned the matter to Sir Julius Vogel at Waiwera on the Saturday before I went to the Waikato; but I do not think any figures were mentioned except Mr. Stark's first demand, for £20,000.

158. Can you say when it was first mentioned that this land would be taken for defence purposes?—I cannot say. I think it was probably mentioned in Major Cautley's report on the defences.

159. What I want to bring out is this: There is a serious discrepancy between the previous property-tax valuation and the last property-tax valuation. Is it possible to put on record when it was known that the Government were going to take the property?—I do not think it was known till May, 1885.

160. You say that you did not look at the previous property-tax valuation or the valuation for local rating when you were taking this matter into consideration?—No; they were not brought under my notice.

161. Have you tried to sell the land since?—No, because it has been stated by Mr. Brewer and others that it is better to hold it for a while.

162. That is, if you tried to sell it, it would not bring anything like the price given?—No. the valuation made now is compared with the price of land in small pieces selling in the district, in Mr. Brewer's letter, and he advises that we had better hold it for a while. Another reason is that some people think that this battery-work will remain very unsightly; and it is better to wait until it is grassed over. Another question was, what was to be done with the house?

163. All your experience is, that if you went into the Compensation Court instead of buying by private negotiation, it would result in the colony having to pay a higher price?—Yes. As a rule our Land Purchase officers' valuation has turned out uncommonly well. Wherever we have gone into the Compensation Court we have had to pay very largely in excess of their valuation; and, even if they come down to the valuation, the Courts almost invariably put a little on to make the Government pay costs.

164. Do you know anything in connection with the purchase of the railway-station site at Te Aroha referred to in Mr. Mitchelson's letter?—The explanation is that a high value was put upon the land first selected for the station. Mr. Mitchelson's attention was called to the matter. A further valuation was made, and in the end the owner of the land was induced to take a comparatively small sum for a rather smaller area—such area being of altogether different shape from that at first valued—by the threat that, if he did not reduce his price, the railway-station would be placed on the opposite side of the river. The case of the Te Aroha station site and that of the battery-site at Takapuna are in no way to be compared: in the former case a small portion of the land was taken, and the balance very largely improved; whilst in the latter the whole property was injuriously affected.

TUESDAY, 6TH JULY, 1886.

Mr. S. VAILE examined.

165. *The Chairman.*] You are a land-agent, I believe?—Yes; I am the senior partner in the firm of Vaile and Douglas. We carry on one of the principal businesses in Auckland as land-agents.

166. You have been established some years, I think?—I have been connected with properties more or less since the year 1843, in Auckland; but, as a business, I have followed it since 1876.

167. Do you know the property which has been lately bought by the Government from Mr. Stark?—Yes—that is to say, I know it from its location in the district, and from seeing it from the outside, but I have never been over the property to examine it.

168. Do you know the extent of it?—I think it is about twenty-five or twenty-six acres, if my memory serves me right.

169. It is twenty-eight acres. Can you give the Committee any idea as to what the land would be worth without improvements?—If you take its value as for what it is useful now, it is of a very low value indeed. It is too far out to be suitable for the purpose of residential sites in anything like small subdivisions, or even subdivisions of one, two, or three acres. For its present use it would come more under the class of farming-land. Taking it at that, its value would be small; but, of course, you must to some extent take into account its prospective value: its main value consists in what it would be worth to hold as for improved value. My own opinion is that the land has never been worth more than £130 an acre at the outside; and it has never been worth that except for speculative purposes—that is to say, you could not make it pay interest on £130 an acre.

170. But, supposing that land were offered for sale, what do you think it would be likely to bring for speculative purposes?—I do not think it would bring as much.

171. You are giving the value without improvements?—Yes. I am speaking of the land only.

172. Can you give any idea of the value of the improvements on it?—To judge from the outside view of the house, I should say that it was worth from £800 to £1,000; but, of course, the value of the house depends very much upon how it is fitted up inside. That I am not able to speak about.

173. Do you know of any sales effected in the neighbourhood lately?—No, not in that immediate neighbourhood. There are a great many sales, of course, that cannot be said to be *bonâ fide* sales, from the terms upon which the properties are sold.

174. There is a piece of land adjoining Mr. Bailey's property which is known as "Russell's property." It is near the Cheltenham Beach, and was said to be cut up into allotments and selling at £6 per foot. Do you know anything of that?—I do not know the property, but I have no hesitation in saying that it is not worth £6 a foot.

175. Do you know of any land selling at that price in the district?—I very much doubt it.

176. Then there is another sale—of property adjoining Stark's, at £1 15s. and £2 on one side of the road, and £3 on the other?—I very much doubt the fact of their being *bonâ fide* sales.

177. You do not know of any sales to any extent there?—No. I know we had six allotments at Sunnyside, which is much nearer to Auckland than the property in question—near the Calliope Dock. They were under offer for sale for a long time at, I think, 12s. 6d. per foot.

178. *Mr. Ballance.*] When was that?—About a year ago.

179. *The Chairman.*] Did you sell them?—No; we found them unsaleable at that price.

180. But has not some land near the Calliope Dock been sold at a high price?—The way it is sold is this: A certain ring of speculators agree to put the land in the market, and one of the number buys at these high figures; but it is only one of the speculators themselves—it is only a bogus sale: and it is on those figures that these estimates of value have been built. I have known, from being in the Reviewer's Court, that people have been paying taxation on land close to the Calliope Dock valued at £9 per foot. I should say it has never been worth £1.

181. *Mr. Ballance.*] Why is that done?—For the purpose of making a false sale, to catch the unwary.

182. Is that system general?—It has been pretty often done.

183. *The Chairman.*] Do you know of any quantity sold in that way near the Calliope Dock, for instance?—Yes; but there would be a good many bought in. One of the ring would bid up

and buy an allotment at a high price; then, perhaps, some victim would buy the next lot at the same price. Perhaps that does not succeed; then they move to a certain lot which is bid up to £5, or to some figure at which they will catch some unwary one. It is simply trying to make a market.

184. What would be the real value of the land which was assessed at £9 per foot?—I am hardly in a position to give very direct testimony on that point; but I think there is very little, if any, land round the Calliope Dock which could be made to pay 6 per cent. on £1 per foot. I do not think there is any real value in anything unless you can get a moderate rate of interest for money invested.

185. *Mr. Ballance.*] I want to know if it is a rule that the values of properties are artificial, and that they are fixed by speculators?—I should be sorry to say that it is the rule. I only know that it is done.

186. To what extent?—I could hardly say to what extent.

187. But it is not the rule?—No; I did not intend to say that it was.

188. If a property is put up to auction, and is bought in by the same ring, would that determine its value in the Compensation Court?—I should think not. It ought not.

189. But would it be likely to do so?—That would altogether depend on the man who valued the property.

190. Would it not depend upon the price the property brought at public auction?—I do not think so. I always maintain that the auction-price is no criterion whatever of value, for this reason: I often put up a very valuable property, and get no bid. If you take the auction-value that property is worth nothing at all. On the other hand, sometimes I sell property for considerably more than it is worth.

191. Supposing that you were acting for a ring, and that you sold part of a property to some of the members of that ring, would that not determine the value of it?—No, because they are not real buyers.

192. But, suppose it were brought into the Compensation Court, and evidence was given of so many sections being sold at a certain price, would that not determine the value of the property?—I do not think so. If the people on the other side knew their business, it certainly would not.

193. You said the object was to get some victims to buy. Suppose one of these victims came in and purchased, would not that determine the value?—I should say that it was a sale brought about by deception—that the man was deceived, because he would afterwards find out that he could not get interest for his money, nor could he sell it at the price for which he bought.

194. You are aware that land has sometimes brought a very high figure for speculative purposes, and that its value has not been determined by the rate of interest which it is able to return?—Yes; that is often the case.

195. And this is a purely speculative value, entirely apart from the question of interest?—Yes.

196. You are aware that there have been many *bona fide* sales at high values in Auckland?—Yes; no doubt there are some.

197. A great many?—Yes, probably a good many.

198. Has land been going up in value in Auckland or receding?—It has been receding for the last year or so.

199. Are there not some parts where land is going up in consequence of a tendency of the town to move in that direction?—No, I do not think so.

200. How long has it been since the receding in value commenced?—It is about a year, as near as I can recollect.

201. You have no particular knowledge of this property of Stark's from being over it?—No; I have not been over it; nor have I been in the house; but I have frequently been in the district.

202. Is not the City of Auckland moving in that direction?—I should think it would be a long time before it gets as far as that.

203. Are not houses being built in that neighbourhood?—Very few, I think. Of course houses are going up all round Auckland.

204. Would not that be likely to give a higher value to the land in that direction?—It is only on account of that that I take the value at £130 an acre.

205. You admit that, in consequence of that fact, land in this particular district obtains a higher value?—Certainly. It is the case with every district.

206. Some land in that particular district is sold by the foot, is it not?—I have no doubt there has been land there sold by the foot.

207. Does not that indicate that land is going up in value?—Not necessarily; because I have known land to be sold by the foot, and you might go to look for it now and find it enclosed in a paddock of twenty or thirty acres.

208. The value of land is determined to a large extent by its position or suitability for residences?—Clearly it is.

209. What sort of a site is this particular property for private residences?—The value of this land is as a suburb of Auckland; there is not sufficient population to make it a suburb of the North Shore.

210. I am speaking rather of the position of the land. Would it not make a number of good sites for suburban residences if it were at a convenient distance, supposing there was a tramway run out there?—I do not think even with a tramway it would make good sites, because there is so much land between that and town.

211. It is very elevated, is it not?—Yes.

212. And overlooks the harbour, and has a fine view?—Yes.

213. Would not people desire it as a place of residence on that account?—I could not be in-

duced to live there, because of the distance; and that would be the case with most people. Besides that, it is not good land.

214. Within the last five years has there been much building going on there?—I should say not.

215. Or anywhere near it?—I should think this property is half a mile away from where there is any great population.

216. From any centre of population?—No, I do not mean any centre; I look upon the North Shore as a suburb.

217. Along that half-mile I suppose there are a great many residences?—I do not think there are many, but there are some.

218. *Mr. Dargaville.*] You said that you would not class this land as of value for residence sites, but rather as farm land?—If you take it for its present suitable purpose, I should say so.

219. You said that the present value was about £130. Is not that an exceedingly high price for farm-land?—It is; but I have taken into account the prospective value of the land. It is not worth anything like that amount for farming purposes; but you must allow something for prospective value. It certainly could not be made to pay interest on £130 now.

220. From your point of view, then, its present value is less than £130 an acre?—Clearly it is.

221. Will you tell us what the real value for present use is?—In estimating that you have got to consider that it is a class of land intermediate between country land and suburban; and it is most difficult to fix the value on such a property without going over it personally and taking a careful note of the surroundings.

222. Can you put a present value on it?—No, I should not like to do that without knowing more about it.

223. It has a frontage to the Main North Road on one side and to the sea on the other. Are you aware that parts of the property on the other side of the road, without any sea-frontage, have realized as much as £225 per quarter-acre?—I should say that the buyers made a very bad investment.

224. Are you aware that several of these allotments on the other side of the road have been built upon?—I could not say. My recollection is that there are a few cottages scattered along the road.

225. Assuming that these quarter-acre sections had brought anything like the price named, would not that be fair evidence on which to base an estimate of the value of this property of twenty-eight acres?—No, I think not.

226. Are you aware that the land dips towards Shoal Bay?—Yes, I think there is a dip.

227. These allotments I speak of are in that dip, more or less: if these were *bona-fide* sales, and not “bogus” sales in any way, would that afford you any data whatever on which to base the value of what remained?—I should not take any such sale as that into account at all, because the people who paid that price for the land must have been imposed upon in some way. If I were valuing land for a client I should not be guided in the least by these sales.

228. Assuming that the battery was not on this land, and that it was subdivided by roads and streets, would £1 or £2 per foot be an extravagant value to put upon it?—I think it would be a very extravagant value.

229. Are there any other properties thereabouts fit for gentlemen, say, coming from Home who might be prepared to purchase fifteen or twenty acres in the suburbs, or between there and Auckland?—I am not aware of any.

230. I think you said that these “bogus” sales were held everywhere, with the view of imposing on the public?—What I meant to say was that in many districts round Auckland these sales were held, and the price of land was run up to fictitious values, with the view of victimizing some one.

231. Are you aware that subsequently to the year 1882 suburban properties in almost every direction round Auckland increased enormously in value?—Yes, that is so.

232. Through 1882, 1883, and well into 1884?—Yes.

233. And that many properties trebled and quadrupled in their marketable value during those two or three years?—I do not think they did in that time; but since 1877 many properties have quadrupled in value.

234. Are you prepared to say that they doubled or trebled their value during that time?—Some of them would have doubled.

235. And from the latter part of 1885 property has been going down in value in the suburban districts?—Yes; to a considerable extent.

236. *Mr. Cowan.*] From your experience of business in Auckland can you say if there is anything to warrant such a property as this we have been considering rising in value from £86 an acre in 1882, under the property-tax valuation, to £500 or £600 an acre in 1885?—No; there is not.

237. Is it possible that such a value would have been attained through the effect of the prospect of the State becoming purchaser?—It is the only way it could have been attained, if it is attained at all. Clearly there has been no legitimate reason for such a rise.

238. The Committee has evidence before it that in 1882 forty-two acres of this property was valued at £3,600, whereas twenty-eight acres of the same property, in 1885, appears for £15,000 under the property-tax valuation?—There is nothing, in my opinion, to warrant such a rise. I might check the matter in this way: A gentleman in Auckland had a property near Mount Roskill, about two and a quarter miles from the Post-office; he sold the property for £100 an acre, about thirty acres. It was subdivided into allotments of 50ft. by 110ft. or 120ft., and we have many of those allotments now for sale at from 12s. 6d. to £1 10s. a foot, for the best of them: we are offering to take a quarter cash, and the balance to remain at 6 or 7 per cent. for three or five years. Now,

that land is close by Auckland, on a good driving-road, and it has been advertised and pushed as well as we can; and yet we cannot sell it.

239. *Mr. Ballance.*] How many sections have you sold?—We have sold a good many—perhaps half of the estate.

240. At what prices?—On the Mount Roskill Road, the main frontage of the property, the sections were sold for from £1 10s. to £2 10s. per foot, and on the back roads they were sold at from 10s. to £1 15s., I think; we have plenty of them for sale now at 12s. 6d.

241. You really got the whole of your money by selling half the property?—Yes, we did; but there is no such rise there as is spoken of in connection with the Takapuna property, and the position is much better.

242. *Mr. Cowan.*] You are, then, of opinion that circumstances did not warrant such a rise as I have stated?—I am quite certain they did not.

243. Do you happen to know the late Reviewers under the Property-tax Assessment Act in Auckland—one of them was Mr. Ewen Allison?—I have no personal knowledge of Mr. Allison; I know him by sight, and I was in the Assessment Court several times when he was sitting as Assessor.

244. Do you know him as a land-speculator?—Yes, I know that he is a land-speculator.

245. Do you know that he is connected with any of these rings you have alluded to?—I believe he is, pretty extensively.

246. Supposing Mr. Allison made an offer of £16,000 for this property of Mr. Stark's, would you consider that was a *bona-fide* offer, or otherwise?—I am quite certain Mr. Allison would have parted with all his teeth sooner than give such a sum for it—he is the last man in the world to give such a price for the property.

247. Do you know Mr. Seaman?—Yes, I know Mr. Seaman.

248. Have you come in contact with him as a valuator?—I have met him several times in the Reviewers' Court.

249. Is he a man that should know the position that Mr. Allison holds in Auckland with regard to the purchase of land and so forth?—I think he is very likely to know, seeing that he is valuator for that district—he is more likely to know about Mr. Allison than I am.

250. There is a statement to the effect that this increase in value in Stark's property was brought about by Mr. Allison having offered to buy it on the property-tax valuation of £16,000. Should Mr. Seaman, in your opinion, have been deceived by such a statement as that?—Most clearly Mr. Seaman ought not to have been deceived by that; but I believe he would have been deceived by it: he is the man who placed the value of £9 per foot on this land at the Calliope Dock. My opinion of Mr. Seaman's valuations is this: If a client of mine came and said, "Mr. Seaman values such a property at £5,000, and wants me to lend £1,000 on it," I should say, "Do not lend a thousand on it without investigating the property." Mr. Seaman's are the wildest valuations I have ever seen anywhere.

251. *Mr. Peacock.*] At what time did the rise in the value of property which you have spoken of reach its maximum?—About the end of 1884, I should say.

252. Then you would say that the property would be worth less in the beginning of 1885 than at the middle or end of 1884?—I do not think that the difference in value in that short time would be very marked.

253. At all events, it would not be worth more at the beginning of 1886?—Clearly it would not.

254. Land had begun to recede in value before the year 1885?—I cannot be very clear whether it was in the end of 1884 or the beginning of 1885 that it began to recede, but it was about that time.

255. Then any offer made in 1885 should certainly, in your opinion, have been less than in 1884?—I have no hesitation in saying that that property attained its full value in 1884—that it has never been worth a copper more since 1884 than it was worth then.

256. In answer to a question from Mr. Ballance you said that the land overlooked the harbour—I suppose you meant the Rangitoto Channel?—Yes, I meant the Rangitoto Channel.

257. *Mr. Barron.*] Are you aware of the price which has been paid by the Government for this property of Mr. Stark's?—I only know by report that £17,000 was paid.

258. I wish to ask you, if any respectable land agent in Auckland had been consulted with regard to the price asked, if such a price would be likely to have been sanctioned?—I have no hesitation in saying that no respectable chimney-sweep would have put such a price upon it.

259. You feel certain that if any land agent had been consulted the Government would have been made aware of its value, and would not be likely to have given so much money?—The Government need not have gone to a land agent: any citizen of the place must have known that it was not worth that amount.

260. You said the land was never worth more than £130 an acre, and then only for speculative purposes, and you have also said that many of the sales were deceptive—the terms, &c., making them so?—Yes.

261. Do you mean that there are no cash sales at such prices as those the Chairman brought under your notice as having been obtained for properties in the neighbourhood?—I think I might say that there are none within my own knowledge.

262. The Chairman has brought under your notice quotations of property in the neighbourhood which was owned by Mr. Bailley, and which was to be sold at £2 per foot, or £600 per acre—what I want to know is, supposing there had been sales at these prices on the terms of a nominal cash payment and the balance on credit, would they have been speculative prices because the uncertainty of ultimate payment would have left the seller in a similar position as a speculator to the buyer?—It would have been a speculative transaction on the part of the seller—the chances are that he would have got merely a small deposit; and it very often happens that he would get his land back again.

263. Such prices could not be got in cash?—No.

264. Have you ever acted as Assessor in a Compensation Court?—No.

265. If you were called upon so to act would you consider it to be your duty to take into consideration the cash value as well as the speculative value based on the credit sales I have named?—If my business was to arrive at the real value, I should not take into account the speculative value at all, except such as I have described now—that is, if you are asking me about the speculative value got by cutting the property up into these small lots: you see values have to be taken in various ways.

266. You know what the Compensation Court is—a Judge and two Assessors, who have been appointed to arrive at the real value of lands that have been taken under the Public Works Act?—Yes.

267. These two Assessors are usually experts as you yourself are, and, if you were called upon to act as Assessor under the Public Works Act, would you feel justified in taking the purely speculative sales into consideration, or would you not rather be influenced by absolute cash sales or cash values?—What I should be obliged to take into account as valuator would be this: the Government propose to take a man's property from him; well, I have a right not only to take into account what its present cash value is, but what may be the prospective value of that land during the next four or five years, and to allow him, not the whole, but some portion of that prospective value. As to the proportion, every property has to stand on its own particular merits, and that is where the skill of the valuator comes in.

268. If you had evidence brought before you of sales of properties similarly situated in the same district, would it not weigh with you very much whether these sales were for cash or on long speculative terms?—Clearly that would influence the value. Suppose a case like this: a piece of land is sold for £100, all the cash the owner receives is perhaps £5 or £10. Now, this is not a sale at all, because the probability is that the land will come back to the man again: he has no real security. I cannot recognize anything as a sale if the seller has not got *bonâ fide* security that the sale will be carried out.

269. Can you say approximately what is the difference between a property sold by auction or by careful negotiation for absolute cash, and the value which it would bring for merely a nominal cash payment, and the balance of the purchase-money to remain at a low rate of interest?—On the latter terms you propose the property would certainly realize 50 per cent. less than it would for cash without any qualification. I think you may take it as a general rule that an owner, by giving liberal terms, and taking a small payment in cash, will get more by 50 per cent. than he could expect to get for cash.

270. Do you know if this Takapuna property has been in the market for sale?—Yes; Stark spoke to me about it one time himself, and told me to bear it in mind if any buyer cropped up. I asked him in whose hands it was for sale, and he named several people. I told him that we would not take it in hand. We make it a rule not to book any property except on written instructions.

271. Do you know the prices quoted?—I hardly like to be positive about it, but the general impression left on my mind is that the value was about £5,000 or £6,000.

272. Can you account for the difference in the property-tax valuation and the value you are putting on it now?—I can only account for it in this way: that, like a good many more of Mr. Seaman's valuations, it was a very wild one.

273. Of course, if he valued it at £15,000, the owner would have an opportunity of appealing against the valuation?—Yes, if he wanted to do so.

274. You think that if it had not been likely that the Government would want to acquire this site he would have appealed?—It is most probable.

MONDAY, 12TH JULY, 1886.

Mr. T. SEAMAN examined.

275. *The Chairman.*] Will you be good enough to state your position?—I am an estate-agent in Auckland, and have been assessor for the Government on the last three occasions—on the first occasion for the land-tax valuation, and on the two last occasions for the property-tax.

276. Do you know the property sold by Mr. Stark to the Government?—I do.

277. Will you describe where it is situated?—It is situated in the Borough of Devonport, about a mile from the wharf.

278. The property was valued by you in 1882 at £3,500?—No. During my interview with Mr. Sperrey I discovered a clerical error in the valuation for that year. It stands in the copy of my note-book at £4,500; it should have been £7,500. The error occurred in this way: The property was valued in two lines; the first, containing about fourteen acres, on which the building stood, was set down at £4,500; the second line, comprising the balance, of about twenty-eight acres, was set down at £3,000. In entering them up in the fair copy sent to Wellington, by my instructions, my clerk added the numbers and areas together, but I found out only last Friday that he had omitted to add together the valuations. It should have been £7,500 for the 42 acres 3 roods 8 perches.

279. Were the house and buildings on the ground then?—Yes.

280. Then the buildings and the forty-two acres, you say, were valued then at £7,500?—Yes.

281. On what amount were rates paid from 1882?—In 1882 the Devonport Road Board did not accept my valuation. I valued for the whole County of Waitemata, and all the other districts accepted my valuation; but the Devonport Road Board said I had not made a sufficiently high valuation: they therefore, according to the provisions of the Act, appointed their own valuer, and it has been on his valuation the rates have been levied.

282. Who was the valuer?—Mr. Tanner, clerk to the Devonport Ferry Company, and house-agent.

283. Did Mr. Tanner value the property separately?—He valued it as a whole—forty-two acres, &c.

284. And the value really was £7,500?—Yes. It was not until I saw some telegrams in the papers referring to a letter written either to Mr. Sperrey or to the Government by Mr. Mason, in which he spoke of the property as having stood in the rate-books as valued at £3,000, that I was aware that this was the case.

285. You discovered your error between £7,500 and £4,500 from your rough note-book?—Yes, on Friday last, with Mr. Sperrey.

286. Did Mr. Sperrey ask you to send your rough note-book down some time since?—Not my rough note-book. A fair copy written up from my rough note-book was sent.

287. I think, in the correspondence there is a telegram from Mr. Sperrey to you asking you to send your rough note-book?—I am not aware of receiving such a telegram. I had a communication from Mr. Crombie, asking for information, and requesting me to send “a copy of the entry in my note-book”—that was on the 12th March.

288. How much was the house and twenty-eight acres valued at in 1882?—No. 1, part 4, containing fourteen acres and odd, including the house, was valued at £4,500; and No. 5 in the note-book, allotment 3, part 1, containing twenty-eight acres, was valued at £3,000. The forty-two acres contained lots part 1, 3, and part 4, on the map. Subsequently Mr. Stark sold, I think, twelve acres to Mr. Hull, on the side of the road which slopes down to the swamp, retaining all the sea-frontage.

289. I want to get at the value of the house and twenty-eight acres. You state the house and fourteen acres were valued at £4,500: what was the value of the additional fourteen acres at the time?—I should think the other fourteen acres would be worth from £1,600 to £1,800.

290. Then the house and twenty-eight acres in 1882 would be worth from £6,100 to £6,300?—No; from £5,700 to £5,900.

291. And in 1885 you valued them at £15,600?—Yes.

292. Can you state the reason for the increase?—It was the general increase throughout the whole district, as is shown by the present valuation and the rates that will be realized. Taking the district as a whole, it has, I believe, more than doubled its value. I may say that, before commencing my valuation, I went very carefully through the whole district, and, without saying anything to the owners, made a careful note of the value of each property—taking the land, buildings, improvements, and everything. I had not intended to take Devonport at that time, but desired to take the out-districts first; but I was waited upon by Mr. Quick, who said he was going to England, and would like to see the valuation of his property before he went. I consented to do so. Subsequently Mr. Stark also said he was leaving shortly, and would like to have his property valued. I do not remember the precise date, but think it was either the beginning of November or end of October last. I told him that, having formed my opinion of the value of all the properties about there, I was prepared to meet him.

293. Had Mr. Quick mentioned this to Mr. Stark?—I am not aware that Mr. Quick had heard from Mr. Stark. I went very carefully through the property with Mr. Stark, taking the values I had in my mind and notes, and told him I thought it was worth £15,600. He said that he could not object to my valuation, and asked me if I had any idea that he had had an offer for the property. I said that was the first intimation I had of it. He then told me that he had a *bonâ fide* offer of £16,000 for the property, and that if I desired he would show me the offer. I replied that I would not question his word, and that it was satisfactory to me as an assessor to know that I had not made an excessive valuation. He said he could not call it excessive, and that if I liked I could make it £16,000. This I declined to do.

294. Is it usual with people you assess that they want to increase the valuation?—No: it is generally the other way.

295. Mr. Sperrey sent you a telegram on the 13th January asking you if you were sure of your valuation: would you have been prepared to swear at that time in a Compensation Court that the property was fairly valued?—Certainly. I consider it was worth fully £15,600.

296. That is, to sell in one block?—Yes.

297. In your communications to the Government you say that the property is of much greater value for cutting up and selling in detail?—Mr. Stark told me that he had refused the offer which he had, and proposed to cut up the property into a large number of sections, being quite satisfied that he would get more for it in that way, and said he would furnish me with a plan on which he proposed to cut it up. I have that plan here.

298. What was the date of that?—I do not remember the exact date.

299. Had you communicated with any one else before that except with Mr. Quick about the valuation?—No one else. This was my calculation: He proposed to cut the property into 162 lots, which would give 8,300ft. frontage, which I calculated to be worth on an average £2 10s. a foot, and I consider that a very low estimate. At that rate it would have realized £20,750, to which I add the buildings and improvements. I considered that if the property was cut up these might not be worth so much as I had valued them at before; so I put them down at £2,650 instead of £4,400—making the total value of the property to be £23,400.

300. That was the gross value?—Yes.

301. Can you mention any sales effected at this price of £2 10s. per foot?—Yes—Mr. Hull's property, at from £1 10s. to £2; and some properties near at hand are not to be had under £4, £6, and £8 per foot.

302. Are there many allotments sold at those prices?—There are not many sold; but Mr. Hull is asking from £1 5s. to £2, and is not, I believe, prepared to sell at a reduced price. He recently

sold some of his property to Mr. Sturtevant—2 roods 1 perch—which I valued at £225, deducting improvements.

303. What is the distance of Mr. Stark's property from the nearest wharf?—I think about a mile.

304. What time do you think it would take from Mr. Stark's to the Auckland wharf?—About twenty or twenty-five minutes. I should have said that the introduction of the tram-cars is calculated very materially to enhance the value of property about there.

305. Do you know of any offers of this property of Mr. Stark's to persons in Auckland since the valuation?—The only offer which I have heard of on reliable authority is that which I have spoken of—for £16,000.

306. Was that offer authentic? Who was it that made it?—I have been told by Mr. Mays, the Chairman of the County Council, when casually speaking to him on the subject, that he and other gentlemen had seen the offer in writing, and that it was made by Mr. William Cochrane. I then saw Mr. Cochrane, and told him what I had heard. I asked him if I might tell the Government that the offer was made by him. He said, "I do not authorize you to say so, but I do not deny it."

307. Mr. Cochrane, I believe, made the offer as an agent?—Yes. He said, "If you are going to ask me for whom we made the offer, I can only say that we made it believing it to be a *bonâ fide* offer."

308. Do you know for whom they made it?—I do not.

309. *Dr. Newman.*] Had you any reason to suppose that Mr. Cochrane has considered since that the offer was not a genuine one?—I have not. He told me he thought it was a *bonâ fide* offer, and I felt it was my duty to be satisfied.

310. *The Chairman.*] Have you heard of any other offers?—Not from reliable authority; but that the one of £16,000 was an offer made by a syndicate.

311. Can you mention any of the names of the syndicate?—The only name I have heard in connection with it is that of Mr. Ewen Allison; but I do not pledge myself to its being correct.

312. In the information before the Committee there is a letter from you in which you state that Allison told you in confidence that he had offered £450 an acre for six acres for a gentleman in Australia?—Yes, I remember communicating that to Mr. Sperrey.

313. Was that before or after your valuation?—It was after my valuation—it was at the time there was so much talk about the excessive price paid for this property by the Government.

314. Do you know Mr. Philip Mason?—Yes.

315. In his letter of the 18th March last he says that property has much depreciated: can you give any information as to the property-market in 1884 and 1885?—There has been no decrease in property during those years.

316. Was there no decrease in 1884?—No: property was advancing in value in 1884.

317. And in 1885?—I think it my duty to keep myself posted up in the value of property, and I have noticed a continual increase in value where sales have taken place. Towards the close of the year there was a slight decrease in value; but people will not sell at reduced rates—they will rather hold on: and I have proof that properties have since been sold at a considerable advance of my valuation in October, 1885.

318. Is there not a difficulty in effecting sales?—The sales have been few because owners will not take reduced rates.

319. In your report to the Property-tax Commissioner you say that the objections of Mr. Allison and his friends will not be defended?—Yes. Mr. Allison and some others did object to my valuation; but afterwards they decided not to defend these objections.

320. Do you know why he decided not to defend them?—I do not know further than he seemed to be satisfied that I had not valued their properties higher than others. Also, Devonport was about to be constituted a borough, and there would be a fresh valuation, and the valuation for the borough would be on the value to let, not on the value to sell.

321. Mr. Allison was a Reviewer for that district?—Yes.

322. Do you know when he was appointed?—I cannot say.

323. Was it before or after he decided to withdraw the objections?—I do not know. I remember saying to him that it would look very strange for the Reviewer to be objecting to the valuations, and he said that he had decided to let the objections go, as he did not see that he could sustain them.

324. Do you think there is a difference in the value of land having a beach-frontage and that not having any?—Yes; there is a good deal of difference, on account of the view to be obtained.

325. Has Mr. Stark's property a beach-frontage?—It has a sea-frontage on one side—the beach is only towards the northern part; but the extra value is not simply from the beach-frontage, but from the grand view to be had from the sea-frontage.

326. Can you give some information as to the value of land which has recently been sold in the neighbourhood?—Take the adjoining property—Mr. Hammond's, five and a half acres, valued in 1882, with improvements, at £1,250. Mr. Hammond very soon after sold one acre and a half to Professor Thomas, with the building, which I valued at £450, for £1,600.

327. Is that land of the same character as Mr. Stark's for building purposes. What frontage has it?—It has a sea-frontage, and slopes down to the sea on one side. The remaining portion—found to be three and a half acres—of Mr. Hammond's I valued at £1,000—that is, £285 an acre. Mr. Hammond told me afterwards that he must not object to the valuation, and if I could find him a purchaser he would not take less than £1,500. The beach-frontage very much enhances the value.

328. *Mr. Gore.*] Do you think that land with a sea-frontage, which has access to the beach, is of more value than land which has not access to the beach?—Certainly it is. Beach-frontage land

is not to be bought at Devonport less than from £6 to £10 per foot; and I consider some of Mr. Stark's property, with a beach-frontage, would fetch £5 per foot. I took it at an average of £2 10s. all round.

329. *The Chairman.*] What is the distance from Professor Thomas's to Mr. Stark's?—There is only one small allotment between. I cannot tell the exact number of chains.

330. Are there any other lands you can speak of as having been sold?—Part of the land now held by Mr. Le Bailley in 1882 belonged to Mrs. J. B. Russell. It was about six and a half acres, and had a house on it which is since burned down. The property was then valued at £2,500. A house of about the same value has been erected; and part of the property—about four acres—is now valued to Mr. Le Bailley at £3,500, and the balance to Mrs. Russell at £1,000—that is, £4,500, instead of £2,500 in 1882 for the same area precisely.

331. Do you think that if Mr. Stark's house and ten acres were offered to Mr. Le Bailley for £3,000 he would prefer to give the money for the land which he has now?—I should require very good authority to believe that he would do so.

332. You think that ten acres and the house would be worth a great deal more?—Yes. Mr. Stark's two houses alone cost over £3,000, I believe. I valued them at £3,200. They are beautifully fitted up.

333. The Committee are also informed that the property was under offer to Mr. Ross in 1884 for £3,000?—I certainly never heard of it.

334. Are there any other properties that you know of as having been sold?—There are properties close by—at Mount Cambria, for instance. Allotment 6 on the map, 11 acres 1 rood 12 perches, valued in 1882 at £1,690. It then belonged to Messrs. Hay, Judge Gillies, and the Rev. David Bruce. They sold it to a syndicate—Mr. McLeod and others—for £4,750 about two years after my valuation. Mr. McLeod next sold to Mr. Kingsford 4 acres 2 roods 1 perch for £1,320. He sold two other sections to Mr. Brown, 166ft. and 51ft. frontages by about 100ft., for £700. He sold another section, 51ft. frontage, for £200; and the balance, of 6 acres 3 roods, I valued to Mr. McLeod and friends in 1885 at £3,000, or £475 per acre—which they did not at all object to, but considered the valuation fair.

335. The Committee are also informed that Mr. Kingsford was offered Mr. Stark's property, but that he preferred purchasing this other?—I do not know of any offer to Mr. Kingsford. I should say the land he has is not to be compared to Mr. Stark's.

336. Is not its position better?—It is a little nearer Devonport—from five to seven minutes' walk, I should say.

337. Is it not volcanic soil?—Yes. Some people prefer volcanic soil, but some also prefer clay. There have been recent sales of this property. The first was at £6 per foot, equal to £2,100 per acre. The next sections, 2, 3, 4, were sold for £5 per foot, or £1,750 per acre; the next section, No. 5, at £3 17s. 6d. per foot, or £1,356 per acre; the next, £3 15s. per foot, or £1,312 per acre; the next at £3 17s. 6d. per foot, or £1,356 per acre; the next at £3 2s. 6d. per foot, or £1,100 per acre; and the last, No. 13, at £4 17s. 6d. per foot, or £1,706 per acre.

338. Are these all sales?—Yes—auction sales.

339. Do you know them to be *bonâ fide* sales?—I have no reason to question it. They were, some of them, given to me by Mr. McLeod himself.

340. Is not Mount Cambria in the most thickly-peopled part of Devonport?—No. [Explains position on map.]

341. What is the size of these allotments?—49ft. and 50ft. by 120ft.

342. Do you think, if Mr. Stark's property was cut up into such sections, would there be any prospect of selling them?—Undoubtedly there would. I believe they would command higher prices than some of the properties I have been speaking of. Before I left Auckland an estate-agent (Mr. Frater) said, "What is all this I hear about the purchase of Mr. Stark's property?" I told him that it was said that the Government gave a great deal too much for it. He said, "If I had been Mr. Stark I would have asked £50,000. It is a most valuable property." Then, there is the Hastings property, which has been cut up. It is twenty acres, and in 1882 I valued it at £1,600. Two years after it was purchased by Messrs. Duder Brothers for £6,000.

343. Have they sold any of it?—A great deal of it—at very much advanced prices; and, notwithstanding that they have sold some thousands of pounds' worth, I valued the balance in 1885 at £6,000.

344. Do you value these properties at the cash values?—Yes. Those are the instructions we have received from the Government.

345. And such valuation you would be prepared to swear to in a Compensation Court?—Yes.

346. Can you tell the Committee of any sales of land nearer to Mr. Stark's property?—There was Mr. Hull's property, on the opposite side of the road, sold to Messrs. Sturtevant, Kennedy, and King, in one case at £450 an acre, in another at £750 an acre, and two sections at the back of the block at £280 and £200 an acre.

347. These sales have actually been made?—Yes.

348. Do you consider them fair cash values?—Yes; and I valued the balance of Mr. Hull's property, 9 acres 3 roods 2 perches, at £2,000.

349. Has not Mrs. Burgess ten acres near there?—Yes; it is on the same side as Mr. Hull's—the next property.

350. What is that valued at?—I valued it at £1,000 as a whole; not for the purpose of cutting up.

351. Is the land worth less than Mr. Hull's?—Yes; because from Mrs. Burgess's you can get no sea-view. It is generally let for grazing, and is not so saleable a property for cutting up.

352. Does not that apply to some of Mr. Stark's property also?—No; it is so high that you cannot lose the sea-view.

353. But it slopes down towards the road. Is there a sea-view from the whole of it?—Yes, I should think there is. I do not think you lose the sea-view at all. It has the advantage, too, of the main-road frontage, where the tram-cars will be running past.

354. You consider, then, that Mrs. Burgess's land is not worth more than £100 per acre?—No, because it has no view, and therefore is not so well adapted for cutting up for building purposes.

355. Do you not think that land cut up into small sections will often sell as well where there is no view as where there is?—It may in some cases.

356. For instance, in Devonport, land in the streets without a view is worth more in some cases than land with a view—I am speaking of dwelling-house sites?—No; I do not think it would be of the same value without a view.

357. Is there a view from the Mount Cambria property?—Yes.

358. Supposing this property of Mr. Stark's were cut up, how long do you think it would take to sell it?—I could hardly say. A great deal of it would meet with a ready sale; but, of course, it would take a considerable time to sell 162 lots; meantime, we should hope, land would be increasing in value.

359. But the information before the Committee is that land is decreasing in value?—I do not think so; it is only a temporary depression.

360. Then there is a depression?—Yes—a temporary one.

361. Do you think it would be advisable to cut up that land for sale now?—I have no doubt that if the Government takes what it requires for defence purposes the remainder would still sell; but not so well, because I should imagine that the best portion being taken for defence purposes would interfere with the sale of the rest.

362. There is only six acres out of twenty-eight taken for defence purposes?—But you have taken the pick of it. I think the balance would sell at good prices, but not as much as if the property was cut up as a whole.

363. *Mr. Holmes.*] You think the battery would deter many people from buying?—Yes.

364. *The Chairman.*] Can you say what that six acres would be worth without reference to its being used as a battery—simply to sell for building purposes?—I think about £500 per acre.

365. And the twenty-two acres—what would you say it would be worth in a block?—I should say about £8,200, or £375 per acre.

366. That would be only a difference of about £125 per acre?—I think that perhaps I was low in my estimate for the six acres. I should say that £500 per acre is too low for that part of the property, and that £600 would be nearer.

367. Do you know of any land sold in the same position along the sea-frontage, but having no beach-access?—There has been no land sold there recently until you go towards the lake. There land varies from £100 to £200 per acre.

368. What distance is Takapuna Lake from this land?—About three miles.

369. The Committee are informed that land there has been sold at £175 per acre: is there any comparison between the two places?—No; there is no comparison.

370. Land at Takapuna is exceptional?—Yes. I have no doubt that, when there is communication to the lake, land will be worth from £400 to £500 per acre.

371. *Mr. Dargaville.*] Upon the basis of your valuation in 1882 the twenty-eight acres bought by the Government would have been worth upwards of £6,000?—Yes.

372. Between 1882 and 1885 that property, in common with the rest of the property in the neighbourhood, doubled, trebled, and, in some cases, quadrupled in value?—Yes, in some places it quadrupled.

373. The sales which you have just quoted have taken place within the past two years?—Yes.

374. And the average price, as I have taken down the figures, would be about £400 per acre?—Yes, I think so.

375. So far as you know, these were *bona fide* sales?—Yes.

376. And had the Government, in place of treating privately with Mr. Stark, gone into the Arbitration Court, you would, conscientiously, have been bound to swear that Stark's property was, in your opinion, worth £15,600?—Yes; I could not have done otherwise.

377. Are you aware that there has been a good deal of local personal bitterness amongst the people at the North Shore?—I am sorry to say that there has. It has been manifested very much amongst the directors of the Steam Ferry Company.

378. Is it a fact that Mr. Stark and Mr. Allison form one section of the directors?—Yes, with others; and Messrs. Edson, Philcox, Bartley, and others, the other. There has been a great deal of bitterness shown at their meetings.

379. What are Mr. Philcox's initials?—William Philcox.

380. Was it not remarked a short time ago that Mr. Stark was going to stand against Mr. Hurst for that constituency?—He announced it publicly.

381. And thereupon a great amount of bitterness sprang up?—A prevailing opinion is that was the origin of the whole of the scandal with reference to this property—that and the animus shown at the Devonport Ferry Company's meetings. That is the belief of many, and also, to some extent, my own opinion.

382. *Mr. Gore.*] You have said that tram-cars would enhance the value of the property: are they running now?—I think they have commenced this week. The rails were all ready, and the cars were on the line ready to commence, as far as Cheltenham Beach.

383. How far is the tramway from Mr. Stark's property?—It will run past it.

384. How long does it take to go from Auckland to Mr. Stark's property?—Not more than from five to ten minutes from the wharf, and the boats take from eight to twelve minutes to come across. It would take, perhaps, twenty to thirty minutes from the heart of the city.

385. What is the distance from Mr. Stark's to the wharf?—I should say about a mile and a quarter.

386. Did the fact that the tram-cars would run out there influence you in your valuation of the property?—No; I did not take that into consideration.

387. *Mr. Cowan.*] You told us that there was an error in the valuation for 1882 of Stark's property: did that take place through your mistake or through a mistake in Mr. Sperrey's office?—It was a mistake of my clerk's.

388. It was a mistake of your clerk's in copying from your rough note-book, and not a mistake in Mr. Sperrey's office?—Yes.

389. Then you acknowledge that the error was your own?—Yes.

390. I understand, in your valuation for 1885—£15,600—you allowed £4,400 for "improvements"?—Yes: £3,200 for the house; £900 for other buildings, fencing, and draining; and for other improvements £300.

391. And you have stated that when you made this valuation you were not aware that a syndicate had made Mr. Stark an offer?—I was not aware of any offer until after I had made my valuation, and given to Mr. Stark the value [I had arrived at. He then told me of the offer for £16,000.

392. You told us that Mr. Allison was a member of this syndicate?—I do not think I said so; but that I had heard Mr. Allison's name mentioned as being one of the syndicate.

393. Can you mention any other name?—No, I cannot.

394. We have it in evidence that Mr. Stark and Mr. Ross agreed as to the sale of ten acres of this property, including the house, in 1884 for £3,500?—I should require it from Mr. Ross's own lips to believe it. I cannot imagine that to be the case. I have heard the amount stated at £8,500 and at £7,500, but £3,500 is quite new to me. If it is the case I am very much surprised that Mr. Ross did not take the property.

395. We have it in Mr. Ross's letter that such a transaction was in existence. Did you, holding the position you do, not know of such an offer being made?—I had not the slightest idea of it.

396. We have it in evidence that in Auckland bogus sales are got up for the purpose of fixing the value of future sales: in the instances which you have given the Committee to-day has the land, so far as you know, been sold to *bonâ fide* purchasers?—I have no reason to believe otherwise.

397. Are any of these properties being occupied by the purchasers?—But few of them have buildings erected upon them.

398. Do you think it possible that these sales have taken place in order to affect the ultimate value of the properties?—I should not think it probable. I can hardly think that Mr. McLeod and the gentlemen with whom he is connected would have lent themselves to such a thing.

399. I do not think you have explained the difference between your valuations in 1882 and 1885?—I do not think I can say more than I have. It was a general increase in the values of property during the three years, a knowledge of which I arrived at from the sales which took place; and I had proof of this from the deeds in the Registry Office.

400. Were you in Auckland when the Governor made a public intimation that Takapuna Point was the most suitable place for a battery?—Yes.

401. Was that prior to your valuation or subsequent?—I cannot remember the time, but I think it was some time after.

402. When you made your valuation you state that the prospect of a battery being established on this point was not in your mind at all?—No; I had no idea of it at all.

403. *Mr. Peacock.*] In valuing the property of forty-two acres in 1882, £3,000 was omitted to be added; so that property-tax was only paid on £4,500 instead of £7,500?—Yes; so Mr. Sperrey told me on Friday.

404. As a valuer of property, do you consider it your duty to keep yourself *au courant* with all transactions that take place?—In anticipation or in the hope of continuing to be so employed, and for the purpose of registering for electoral purposes, I am constantly keeping myself posted up in all the changes which take place.

405. You are aware that property went up very much in value for some years in Auckland?—Yes.

406. And that it has since receded in value?—I think there has been only a temporary depression.

407. But it has receded?—The sales have been somewhat affected, but I do not see that property has gone down in value. People will not sell at reduced rates; they will rather hold on with the expectation that the depression is only temporary.

408. Do you consider that property was as valuable in the end of 1884, or beginning of 1885, as the beginning of 1886?—Yes, quite as valuable.

409. I suppose you consider the value of a property is what can be got for it?—Not always, because there are many gentlemen who have property and would not sell at any price—they put their own value upon it.

410. But if a man offered to sell his property at a particular price, would you be justified in valuing it at a higher figure?—I would not always act upon that rule; I would exercise my judgment.

411. If a man offers his property at a certain price, would you not think that a fair criterion of value?—Not in every case, because I should know probably that adjacent properties had sold recently at a much higher value; but there might be circumstances which would induce the owner to sell at a reduced price.

412. If you found that a property was being offered at different periods at a particular price, and could not be sold at that price, would you not think that would be a fair value to put upon it?—Not if by sales of other properties in the immediate neighbourhood I had reason to believe the property was worth more.

413. In the end of December, 1884, we have it in evidence that Mr. Kingsford stated that Mr. Stark offered him his house and ten acres of land for £4,000, or with five acres for £3,500 : had you heard of that offer?—I had not.

414. You did not know that it had been refused?—No.

415. You see that if the house and five acres was offered at £3,500, and with the addition of the other five acres it was £4,000, that would be at the rate of £100 an acre. Do you think Mr. Kingsford would be likely to state what was not true in regard to a matter of this sort?—I should not like to think it of any gentleman.

416. You think that if he states so that it is likely to be the case?—I should think so. I have heard nothing with regard to the offer.

417. You know nothing of these transactions any more than of Mr. Ross's offer?—No ; it is since my valuation that these reports have come to my ears.

418. If you had known of these offers at the time of your valuation, would you have considered yourself warranted in valuing at £15,600?—I should, most decidedly, knowing the values that properties all round had fetched.

419. Are you aware what the property of Mr. Stark's—the house and twenty-eight acres—was valued at in the rate-book of the district in 1885?—I think I have already mentioned that I discovered, after seeing Mr. Mason's communication to the Government, that it was standing in the rate-books at £3,500.

420. Would the Road Board of the district have any reason for putting a less value upon the property, seeing that they had rates to get out of it?—No. They wanted to increase the valuation in 1882, and objected to my valuation as being too low. They have accepted it this last year.

421. You admit that it is to the interests of the Road Board to get as high a valuation as possible?—Yes.

422. And that there was only a valuation in their rate-books of £3,500?—I question very much whether it had not escaped notice.

423. What time did you say it would take from Devonport Wharf to Mr. Stark's property?—About five to eight minutes.

424. You have said that it is a mile and a quarter, that would be at the rate of fifteen miles an hour. I understood you were speaking of the time it took to walk?—I did not mean that you could walk it in five minutes. There are 'buses running. It would take about fifteen minutes to walk.

425. Then, it would take about half an hour to get from Queen Street to Mr. Stark's, if you catch a steamer without delay?—Yes, presuming that you walk from the wharf to Mr. Stark's.

426. Do you think that, seeing the manner in which the property was proposed to be cut up by Mr. Stark, it would have realized the price put upon these allotments?—I think so. My calculation was that it would average £2 10s. per foot, which would amount to £20,750, or, with improvements added, £23,400.

427. *Dr. Newman.*] Do you say that you valued the part the Government bought, *plus* the house, at £23,400?—No ; I have stated that I considered that the property cut up would realize an average of £2 10s. per foot.

428. Then the house, *plus* the grounds, would be worth, according to your valuation, £23,400 if cut up?—Yes.

429. Regarding the valuation of the Borough of Devonport, do they make a yearly valuation?—No : triennial.

430. And the house and twenty-eight acres was in the rate-books of the road district at £3,500?—Yes.

431. What was the date of your interview with Mr. Stark?—I cannot fix the precise date : it was the end of October or beginning of November.

432. You had no suspicion at that time that the Government wanted the place as a battery-site?—I had not.

433. Was it not current in the daily papers?—I had not the slightest knowledge of its being mentioned in the daily papers.

434. Is it your custom to interview owners when valuing?—Yes ; I consider that part of my duty, in order to arrive at an agreement if possible.

435. You have no suspicion that Stark wanted a high valuation?—No ; I was rather prepared to find him object to my valuation as being too high.

436. When was it that Mr. Stark proposed to cut up the property according to the plan he showed you?—It was during my interview with him. He said that he had refused the offer, and that his intention was to have it surveyed and cut up. Then, about a fortnight after, he brought me a small plan, and told me I could see the large one at Mr. Aitken's office.

437. How did you arrive at the value of the houses as £3,200?—Before entering on my valuation of the Devonport district I took a general survey, and, as I would not trust to my own valuation of buildings, I employed and paid for the services of an experienced builder—Mr. James Mays, of Devonport, who came with me and gave me his opinion.

438. How do you make up the other £1,200?—There is a lodge at the entrance—£200 for it ; £900 for the outhouses, fencing, and drainage I consider a very low estimate ; then, for other improvements—planting and general laying-out of the grounds, &c.—I put down £300.

439. The land you spoke of as selling at £6, £8, or £10 a foot is all nearer to Auckland—none of it further away?—It is all a little nearer.

440. What is the distance by coach and sea from Auckland to Stark's property?—It is about two and a half or three miles.

441. When you had this interview with Mr. Cochrane, did he hint that he had any doubts of the good faith of this offer?—He did not.

442. You said just now that land having a beach-frontage had a higher value than land not so situated: has any of this property of Mr. Stark's a beach-frontage?—It is sea-frontage to the whole property.

443. Is not part of it a high cliff?—Yes: it has all a sea-frontage; the beach-frontage is only at the narrow neck.

444. Are you aware the Government have tried to sell the balance of this property?—No; it is the first intimation I have had of it.

445. When the Government were talking of buying it, did the Ministers have any interviews with you as to your valuation of it?—No; I have had no communication with any Minister regarding it. My only communication was with Mr. Sperrey.

446. *Mr. Wilson.*] Will you state where Kissling's property is, that the Government purchased for a battery?—It is on the Auckland side of the water, down by Judge's Bay. It and the North Head were the only places which I heard that the Government intended to take for defence purposes. I know nothing of its value.

447. You said just now that you valued Stark's property, when cut up, at £2 10s. a foot. Do you consider that to be the value at the present moment?—I believe it would have realized an average of £2 10s. at the time I valued it; but I have given an opinion that a portion of the property having been taken might interfere with the sale of the remainder. I should think that the balance would realize £1 15s. to £2 5s., and some of it perhaps £2 10s.

448. Is there a good demand for property there just now?—Not just now, but usually there is; sometimes it is difficult to get property at all at Devonport. Stark's was almost the last block of land cut up into sections, and there is only one other block now—O'Neill's, or Stanley Point—remaining to be cut up.

449. *Dr. Newman.*] You valued the property at £15,600, yet you tell us if it were cut up into sections it would realize £23,000. If it is worth that sum to sell, why do you value it at £8,000 less?—I was valuing the property as a whole then, not as a property to cut up.

450. But if the property is, in your opinion, worth £23,700 to sell, whether in a large block or not, why do you value it at so much less?—I would not value property as a whole at the cutting-up prices. You might have to wait years to dispose of the whole.

451. And would the fact of having to wait two or three years justify you in valuing the property at £8,000 less?—It might take more than that to sell. I certainly should not feel justified in valuing property as a whole at nearly so much as if that property was for cutting up to sell in sections.

452. Is it your usual custom to value property as a whole, without any reference to its selling power?—It depends on the property. If it is already cut up, and there is an appearance of its selling, as in the case of the Hastings and Melrose properties: the former property was bought for £6,000. A quantity was sold, yet I valued the balance at £6,000.

453. You say that the land was worth £2 10s. a foot for 8,300ft. ?—That was my opinion.

454. Then, that being the case, why did you not make the valuation at that rate instead of £15,600?—I did not value it at that rate, because I was not valuing it with a view to cutting up at all.

455. *Mr. Holmes.*] Would a property, which by cutting up and selling over four or five years would bring £23,000, be worth more as a present value than £15,000 or £16,000?—No—that is what I estimated this property to be.

456. Looking at this plan of the Devonport Road District—are these sections adjoining Mr. Stark's property?—Yes; they are on the other side of the road.

457. Were these sections cut up for building purposes before Mr. Stark made his plan?—Yes; they were cut up, and some of them sold.

458. Are they in a less or a more favourable situation for building purposes?—Decidedly less favourable.

459. Since 1882 has the land adjoining Stark's property become used for building purposes?—I think only three or four lots have been sold.

460. Previous to 1882 Mr. Stark's land was held merely as agricultural or pastoral land?—Yes, chiefly for grazing purposes.

461. Since then it has become used for building purposes?—Yes.

462. Is it an uncommon thing for land in the neighbourhood of a town, which was previously used for grazing purposes, when cut up for building purposes, increasing ten or twenty-fold in value?—I would not say as much as that—it might increase four times in value; it varies very much, according to the position of the land.

463. Would it be an unfair assumption, that this land, which was previously used for grazing purposes, should, when used for building purposes, increase fourfold?—Its commanding position would certainly entitle it to that—there is not better property for cutting up in the whole district.

464. *Mr. Barron.*] You are an estate agent as well as property-tax valuer?—Yes.

465. Are you occasionally a land-speculator?—It is very little I have done in that way.

466. Have you any interest in any lands in the district?—In Sunnyside I have a few allotments; that is quite away from these properties which we have been speaking of.

467. Are you in any of these syndicates?—No.

468. Have you any connection with the Ferry Company?—No.

469. You say you did not hear of the intention of the Government to take this land of Stark's until after your valuation?—Not until some time afterwards.

470. When did you hear of the intention of the Government to take Kissling's land?—I do not remember; it was in a newspaper report that I first saw it stated.

471. Did you not learn them both at the same time?—No. I learned about Kissling's and the North Head before the other. I valued the North Head property to the Government as for defence purposes. I believe operations were going on at the same time on Kissling's land and the North Head.

472. When you valued Stark's property was there any appearance of earthworks or anything of the kind?—No, nothing of the kind.

473. You say that what gave rise to much local bitterness was the fact becoming known of Mr. Stark's intention to oppose Mr. Hurst at the next parliamentary election?—I have been told that—it was generally spoken of.

474. Was that after the valuation?—It was not until after my valuation that Mr. Stark announced his intention.

475. It was between the last and the present sessions?—Yes.

476. You are aware that Sir Julius Vogel and the Minister for Public Works visited Auckland during the recess?—I did not see Mr. Richardson. I heard that he was in Auckland, and had inspected the property.

477. Was this intention of Mr. Stark's to contest the seat at that time known?—I should say it was.

478. *Mr. Peacock.*] You spoke of Professor Thomas's property as a matter of comparison: it is nearer to Auckland than Mr. Stark's property?—It is part of the same block, and a little nearer to Auckland.

479. Has Professor Thomas's property access to the beach?—I think there is access to it.

480. But there is a beach in front of Professor Thomas's property?—Yes; and also in front of Mr. Stark's.

481. The one is an easy descent to the beach, and the other is a high cliff, is it not?—I believe from Professor Thomas's property you must go out into the main road, and then take a path to the beach, but of this am not sure.

482. Professor Thomas's is sheltered, is it not?—Not much more than Mr. Stark's.

483. *The Chairman.*] Do you know what Mr. Stark paid for the land?—I do not know.

484. Do you know if he appealed against the 1882 valuation?—I do not think so.

485. Have you heard of this land being offered to Randerson or any one else with him in Auckland?—No. Now that you mention Randerson's name, I believe he told me that the property was in their hands for sale a little time ago; he said nothing of the price.

486. The Committee are also informed that Mr. Stark was anxious to sell this property. Did you know that?—No, I did not.

487. It is said that he had put it into the hands of several agents?—I cannot say. The only intimation I had of his thought of selling was when he told me of the offer which he had refused, but that he proposed to cut the property up.

488. It is also said that it was offered by Mr. Stark himself for £7,500?—I simply heard that remarked; I am not cognizant of it personally.

489. Are there many notices of objection to the valuations in your district?—No; very few.

490. Can you say where Mr. Stark is now?—I believe he is in England.

491. Do you know who is managing his property now?—No. Most of his other Devonport property had been in connection with Messrs. Allison's. I think most of it has been put into their hands, he having sold his interest therein to them.

492. Do you know if Mr. Allison is his agent now?—I cannot say. I think probably Mr. Stark may have left him to deal with his property, but do not know if such is the case.

493. *Mr. Dargaville.*] Your valuations, I understand, are based on ascertained transactions, as in the Land Registry Office, and not on any rumours of offers for sale or anything of that sort?—Yes, that is so; and also from my attendance at auction sales, or from reliable information received of the results.

494. Do you know the terms of those Mount Cambria sales?—No.

TUESDAY, 13TH JULY, 1886.

Mr. T. SEAMAN further examined.

495. *The Chairman.*] Will you tell the Committee whether you valued the land at the Calliope Dock?—I did.

496. Was any part of it valued as high as £9 per foot?—I can only tell you the total valuation in 1882. One portion, 5 acres 2 roods 28 perches, was valued at £1,175. Not expecting examination again this morning, I have not my note-book with me, but will furnish details if desired.

497. What was the valuation in 1885?—It was very much increased—I believe, nearly trebled.

498. Was there any of it valued at £9 per foot?—I believe some of it was valued nearly as high as that.

499. Can you say from your knowledge as assessor what that is worth now?—I should not say that it had decreased in value at all in the neighbourhood of the new dock. I believe that Allison Brothers bought an allotment at the cost of £9 per foot, but it included a building.

500. *Hon. Major Atkinson.*] Was it of any size?—It was a very small one. I do not remember the exact size, but I believe I valued the land without the building at about £7 per foot.

501. *The Chairman.*] Can you say if there were any other sales there?—I do not know if there were any other sales in that particular spot. There have been sales in the same allotment, but not so near the dock, and these were valued as high as £10 per foot. £10 was offered for them at the sale, but the offer was not accepted; and subsequently to this Allison Brothers erected a number of houses on the land.

502. Did they pay £10 per foot for it?—No: it was then their own property. They had bought it from several owners. They then cut it up and offered it for sale, and £10 per foot was offered for front sections and refused.

503. Have they been sold since?—No; they remain in the hands of Allison Brothers, who have, as I said before, built houses on them.

504. In your letter to Mr. Sperrey you stated that in your valuation, in addition to your own opinion you were guided by the circumstance that Mr. Stark had within a short period of your valuation received a private offer of £16,000 for the whole estate. You have stated in evidence that you had made your valuation prior to the offer to Mr. Stark. These two statements seem inconsistent. Can you explain them?—I should not have said “guided.” I should have said I was confirmed in my assessment.

505. The letter to which I refer is signed by you and addressed to Mr. Sperrey on the 15th March, 1886. You say, “In this valuation [namely, £15,600], in addition to my own opinion of its value, I was guided by the following circumstances?”—I cannot understand my saying that I was guided by it, because I had not heard of the offer when I valued the property. I should have said I was confirmed in my opinion.

506. How did you arrive at the value? Was the property cut up when you valued it?—No; I valued it at per acre.

507. You have said that the six acres fronting the sea were worth £3,000?—I afterwards said it was worth more than that.

508. Would you say it was worth £500 per acre?—I should say it was worth £600 per acre.

509. Would that leave twenty-two acres without sea-frontage?—No; the whole property has a sea-frontage. There is the sea on one side and the main road on the other.

510. What would you value the twenty-two acres at?—As a whole, I would value it at £375 per acre.

511. What would you value it at per acre at the back? I may tell you that the whole valuation has been stated in evidence to be considerably less. It has been stated that it would be difficult to get £130 per acre for the whole?—It would have undoubtedly sold for very much over that. But, were I valuing properties generally now, I might not value many at such high rates as in October and November last, for, although there is not a real decrease in the value of property, there is a temporary depression.

512. Would it at any time have sold for very much over that?—I have no doubt that it would.

513. What do you think it would have sold for?—Not less than £400 per acre.

514. In the block?—Yes—the twenty-eight acres.

515. You never heard that Mr. Stark had offered the whole block for £7,000?—No; I have not heard it substantiated at all.

516. But have you heard any rumours?—Yes; I have heard various rumours since my valuation that it was offered for £7,500 and for £8,500; but I did not feel that it was my business to make inquiry into the matter at all.

517. Do you know Mr. Mason, Mr. Kingsford, and Mr. Ross?—I do.

518. Do you think the assertions of these gentlemen are correct if they say they have been offered parts of the property for a certain price?—I should be sorry to question the word of any of those gentlemen. I believe them to be perfect gentlemen. With reference to Mr. Ross I have ascertained more about it since yesterday. I did not feel at liberty to communicate to Mr. Allison the nature of my evidence, but I did mention that in my opinion it was curious that Mr. Ross should have had the property offered to him for that price. Mr. Allison said that at a certain time, some eighteen months or two years ago, something had annoyed Mr. Stark in connection with the property, and he had determined to get rid of it. He happened to meet Ross about that time and made him the offer.

519. Then Mr. Allison knew of the offer?—Yes.

520. You have not made it quite clear about Allison and his friends withdrawing their objections to your assessment. You said that there were not many objections?—No, there were comparatively few.

521. Who did you mean by Allison and his friends?—Mr. Ewen Allison, his father, brother Afexander, and their wives.

522. There were no objections besides?—But very few; and I think Mr. Bartley was the only one in Devonport who appeared to sustain his objections.

523. *Mr. Peacock.*] When you state that there were few objections, do you mean that there were few who appeared before the Reviewers?—There were comparatively few objections sent in at all. They were all notified to me by the Commissioner; but only one, I think, appeared to maintain his objection. On this point, however, I am not quite certain.

524. Are you aware that dissatisfaction was expressed in the district at the fact of Mr. Allison being appointed a reviewer?—Two or three persons who had objected told me so. They said, “We think your valuation is too high. but we would not on any account appear before Mr. Allison.”

525. You did then, in fact, hear dissatisfaction expressed with Mr. Allison being Reviewer; and people objected to go before him with their objections?—Yes; I have heard from two or three that such was the case.

526. Do you think that that would account for objections not being sent?—It might, for a very few; but not for six altogether.

527. *Hon. Major Atkinson.*] The objection was not general?—Well, I was told that there were many objectors; but I did not make it my business to inquire as to who they were.

528. You have just expressed an opinion that the dissatisfaction was confined to a few?—There were only a few that I actually heard speak of it; but I was told that there was a somewhat general dissatisfaction.

529. Were you consulted as to the appointment?—No.

530. What do you think the Government could get in actual cash for the portion of land now let?—I really do not know what quantity of land the Government have determined to take.

531. You have not seen the plan?—No. I understood the Government had not decided themselves. I have seen a plan on which two pieces of land are shown, one consisting of six acres, the

other between nine and ten. It all depends on the portion of the land the Government would take.

532. Presume the six acres were taken—could you answer the question?—I really could not, it depends so much on the way the works are carried out.

533. Can you say anything of the valuation reference to which is made here. [Referring to Mr. Sperrey's evidence]?—There is only one other undivided block, and that is a block owned by a syndicate. . . . The ten acres valued at £1,000 I have specially mentioned as being less valuable because of its sloping down to the swamp. . . . Mr. Sperrey states that suburban properties about Auckland have enormously increased in value—as much as three and four times: my valuation will show that they are in some instances more than that. The five and a half acres valued in 1882 at £830 are now valued at £950; but it is not described what property it is.

534. You cannot recognize it?—No; unless it was the property I mentioned, of which Professor Thomas has a part. I could not recognize it without referring to my note-book.

535. Then, as to the ten acres valued in 1882 at £590, and now at £1,000?—Those are the ten acres odd that we were speaking of, belonging to Mrs. Burgess. All the properties have increased, but not to the same extent as Mr. Stark's on the other side of the road.

536. His property all through you valued four times as much as Mrs. Burgess's?—Well, nearly four times as much; but the situation is altogether different in every respect.

537. But the average of Stark's, you still think, is worth four times the other?—I do.

538. *Mr. Dargaville.*] You stated just now that a number of people in the neighbourhood strongly objected to Mr. Allison's appointment as a Reviewer?—I was told so.

539. Is that the state of things that you would expect on account of strong party feeling?—Partly on account of that, but more particularly from the amount of property that Allison Brothers own in the district. The feeling was that it would be to Allison's and Stark's interest to maintain the high value.

540. *Mr. Cowan.*] You mentioned yesterday the name of Mr. Quick: is he a land speculator?—No—very little.

541. Does he belong to any of the syndicates?—I think not. He is interesting himself in the establishment of a ferry-service, and it is this which has brought about an estranged feeling between Allison and Stark and Quick. The latter owns the property where he lives, but has very little property besides. He is not connected with Stark at all in land investments.

542. *Dr. Neuman.*] Will you tell the Committee whether there were any other causes why people were dissatisfied with Mr. Allison's appointment as Reviewer beyond the fact of his owning land there?—I think I mentioned yesterday a difference of opinion that existed and animosity that was shown between them in their capacity as directors of the ferry company.

543. When you were discussing the matter of the valuation with Mr. Stark, did no question crop up as to whether the Government required the site for defence purposes?—I had no hint at all till long after that the Government were thinking of it.

544. You saw what was published in Auckland in the papers about the defence works?—It was reading them that brought it to my notice.

545. What was the date of any of them?—I do not know, but it was some time after my valuation.

546. *Mr. Peacock.*] When you made this valuation of £15,600, and knowing that it was very largely in excess of a previous one, had you any idea as to how Mr. Stark would look at the increased valuation—whether he was likely to concur in it or object to it?—I think I mentioned that I thought it probable when I mentioned the amount that he would, if not express surprise, at least refer to the increased value, and ask whether I might not be disposed to reduce it, because that has been frequently the case when I am valuing.

547. Had you any idea that Mr. Stark was entertaining a high opinion of the value of the property?—Not at all, until Mr. Stark told me that he had received the offer referred to. He said, "I cannot object to your valuation, because I have been offered £16,000."

548. Did he at all anticipate a higher valuation of the property than formerly?—I was prepared to believe that he would expect nearly that valuation because of sales that had taken place in the neighbourhood.

549. On what grounds did you come to that belief?—The sales of properties that had taken place.

550. But with regard to Mr. Stark himself, had you any idea that he would be likely to anticipate that the value of the property had advanced?—No other idea than the general increase.

551. The value of property in that neighbourhood was increased in the same ratio?—I have shown that some had increased in the same and some in a greater degree.

552. *Mr. Barron.*] I asked you yesterday whether you had any intimation or knowledge that this property was to be taken for defence purposes, and I understood you to say No?—No, I had not.

553. Can you say on what date you made the valuation?—No, I cannot: it was at the end of October or the beginning of November. It was before I began my work at Devonport. I proposed to do the out-districts first, and afterwards the home-districts, because I knew of the changes that were taking place.

554. Is your land at Devonport near Mr. Stark's?—No.

555. Is it a long distance away?—Yes: it is near Stanley Point.

556. How many miles off is it?—I should say about two miles.

557. *The Chairman.*] Do you remember that Mr. Hurst cut up his property at Takapuna a little time ago, and what price he got for it at auction?—What he cut up was not the valuable part of the property. It was some twenty acres that had fallen into his hands through mortgage. It was cut up, and the price realized was about £70 per acre.

558. Had it a sea-frontage?—No; it was on the northern side of the lake—not the valuable side.

559. Had it a frontage to the lake?—Yes, and to a cross-road.

560. Mr. Pearce bought some sections there, did he not?—Yes. I was the first who bought land there. The property was at a standstill. I had no idea of purchasing; but, being told by the auctioneer that £70 per acre was the reserve, I made a bid without an idea that the lot would be knocked down, but with the view of starting the sale, and it was knocked down to me; and Mr. Pearce followed, and bought some more at the same price.

561. Had it a sea-frontage?—No.

562. Did not Mr. Hurst offer some for sale with a sea-frontage?—Yes; but it had not a very good frontage.

563. Did any of it sell?—I think £95 an acre was given by Mr. Pearce. I believe only two of the lots sold.

564. *Mr. Peacock.*] The proximity of the lake would add largely to the value of the lots?—Yes. Some of the land is worth £200 per acre.

565. Is the quality of the land in the vicinity of the lake superior to that towards Devonport?—Yes.

566. *Mr. Dargaville.*] In referring to the high value per acre, it is not the quality of the soil, is it, that is taken into consideration so much as the situation of the land?—Just so—its position for building purposes.

567. How far is this property beyond Stark's property?—I suppose it is from three to three and a half miles further away from Auckland.

568. Then, the price of land three miles further from Auckland would not, of course, afford any criterion of the value of land three miles nearer it?—No. Its proximity to the lake gives a value, but its want of communication with the Devonport districts keep the value down.

Mr. E. W. ALLISON examined.

569. *The Chairman.*] You reside at Devonport?—I do.

570. And you are well acquainted with the district?—I am.

571. Are you not a Property-tax Reviewer?—I was one of the Reviewers.

572. Will you tell the Committee the circumstances under which you were appointed—whether you applied for the position or were requested to take it?—All the information I have to give on that point is this: I received a telegram asking me whether I would accept the position; and, after consideration and consultation with my brother, I replied that I would.

573. You had not endeavoured to obtain the position?—No; and I do not know of any one else who had.

574. When did you receive the telegram?—I cannot say; but we have the telegram in our office.

575. By whom was the telegram sent?—I do not remember.

576. Do you know Mr. Quick?—I do.

577. Mr. Seaman has given in evidence that he asked him to value his property, as he wished to leave the country; and subsequently to this he met Mr. Stark, who asked him to value his too. Do you know if those two gentlemen have any business connection?—They did have at one time—about three or four years ago—but now they are opposed to each other.

578. Do you know any of the circumstances under which the property was valued?—I do not.

579. You do not know how it is that Mr. Stark got Mr. Seaman to value the property?—I have no knowledge of it at all.

580. Mr. Seaman has said that you are Mr. Stark's agent?—Yes, I was so.

581. Are you still?—No; he has no properties that he has given me authority to deal with. I think Mr. Coleman, solicitor, has his power of attorney. I was his agent up to the time when my brother and I purchased the balance of properties in which Mr. Stark and ourselves held mutual interests.

582. Were you interested in the land he sold to the Government?—No; in no way whatever. That had nothing to do with any lands which we held jointly.

583. Did you consult with Mr. Seaman at all upon the valuation of the properties?—I did upon the valuation of our own and upon properties in which we were interested with Mr. Stark, but not with reference to Mr. Stark's own properties.

584. Mr. Seaman states that you told him in confidence that you knew of an offer for six and a half acres of the property?—Yes, I told him of it; but there was no confidence about the matter. It was incidentally mentioned some time after the purchase had been made by the Government. I had made an offer for £450 for seven acres of a portion near the narrow neck: I believe it was on behalf of some gentlemen from New South Wales.

585. Do you know who the gentlemen were?—I do not. Two gentlemen called at my office and asked me if I was the agent for a property which, upon referring to the plan, I found to be Mr. Stark's property—Faircliff. One of them said that he liked the Faircliff side better than any property he had seen, and wished to know if it could be bought. I told him that I would ascertain from Mr. Stark, the owner, but I thought he was not inclined to sell that portion. If he would make an offer, I would let him know the result on the following day. He said he would not make an offer for the land, but wished to have a price named. I said that I thought Mr. Stark would only deal with the land by an offer made to him. After consultation with his friend, he authorized me to offer £450 an acre cash. I told him I would communicate with him if he left me his name and address; but he replied, "Oh, do not trouble. We will call in the same time to-morrow, if you can let us know then." I saw Mr. Stark, who rather smiled when I made the offer, saying at the same time, "You know the property is worth more than that. When I sell, it will be by the foot." The gentlemen called next morning, and I told them the offer was taken no notice of; and I saw no more of them. They mentioned they were from New South Wales, but I do not know who they are.

586. The Committee have it in evidence that the property was offered to several people by Mr. Stark for £7,000, and that, among others, a part was offered to Mr. Kingsford and Mr. Ross—and that it was in the hands of almost every agent in town for sale. Was that the case, or not?—I have no hesitation in saying that it is totally incorrect.

587. You do not think that such an offer was ever made?—No, I do not say that; but that it was in the hands of every agent in the town is totally incorrect. It was not in the hands of any agent at any recent date, as far as I know.

588. What do you mean by “recent date”?—I can only repeat the remark made that he would not sell the property to any one without it passing through my hands.

589. Can you say what Mr. Stark wanted for it at the end of 1884?—I never knew him to offer the property at all as a whole.

590. From what you know of the probabilities, if it was stated that he had offered it for £7,000, would you believe it?—I would consider that it was a wrong statement, because when I offered him the £450 an acre he laughed at the offer and expressed surprise at my making it. He said, “I calculate when I sell to sell at per foot.”

591. When was this?—I should think it would be about a year and nine months ago.

592. Was that before it was known that it would be wanted for a battery-site?—I do not remember when it was made known. I remember that the Governor selected the Takapuna Point as a site for defence works.

593. Can you give no idea when that was?—I cannot. I should think it was fully two years ago, but it might be more.

594. It has also been said that you made an offer to purchase Mr. Stark's property: is that so?—Yes; I offered £16,000.

595. Did you make the offer direct to him?—No; I made it through agents, Messrs. Cochrane and Son.

596. When was that offer made?—About the 12th or 13th of August, 1885.

597. What did Mr. Stark say in reply to the offer?—The reply he gave was briefly that the property was not in the market, but that he might consider a substantial offer. I should mention that before the offer was made my instruction to the agent was to ascertain if the property was for sale, and, if so, at what price and on what terms. The reply was as I have stated, and I then arranged with Mr. Cochrane to offer £16,000: £2,000 cash, and the balance in five years at 5 per cent. as might be agreed upon; vendor to join in conveyance of lots sold on receiving certain amount of proceeds of sale, as might be agreed upon.

598. Were you alone in making that offer, or was it done by a syndicate?—No; it was just my brother and myself.

599. Would you mind stating what your views were in making this offer?—Certainly. We understood that the Government intended taking the property for defence purposes under Major Boddam's plan, and we were clearly of opinion that the area proposed to be taken would be insufficient for their requirements. There was also, at the time we decided to purchase, a demand for well-situated sea-frontages. This is an exceptional property—there is no other property of the same character. Sea frontages were not available in any other convenient part of the borough except at prohibitive prices to the majority of buyers. We subdivided the property to ascertain its value—that is, after allowing an amount equal to that which the Government would have to pay us as compensation for the piece they proposed taking; and, allowing for everything, we thought it was worth while buying as a speculation if it could be bought for the amount offered.

600. It has been stated in evidence that Mr. Stark had offered ten acres to Mr. Roberts for £3,500: do you know anything of that?—The statement is quite incorrect.

601. Do you know of any offer having been made?—Yes; I believe an offer was made to Mr. Ross. I do not remember offering the property at any time to any one, nor a portion of it, as the property was not in my hands for sale.

602. Did Mr. Stark know who had made the offer of £16,000?—I do not think he knows to this day.

603. What was your object in keeping it quiet?—I seldom tell my business to any one.

604. Was the property-market good at the time when you made that offer?—Yes. It was in August, 1885. It was just coming on spring-time, and I had a great many applications for sea-frontages which I was unable to satisfy.

605. You purchased some land at the Calliope Dock, did you not?—Yes; we have purchased land all over the district.

606. Were you the actual purchaser of it?—I was.

607. How much did you purchase there?—I do not remember exactly: I think about four and a half or five acres.

608. Close to the wharf?—Not far from it.

609. When did you purchase that land?—I think it was in August, 1883.

610. It is stated in evidence that it was cut up?—Yes; we cut it up afterwards and sold some at £9 per foot. We offered the property by auction in February, 1884, and sold one-half of it for an amount in excess of what we paid for the whole, and retained the balance, which is now valued at about £2,500.

611. Could you give the Committee any idea what the selling-value of the Calliope land is now?—Two allotments were sold at £9 per foot. After we had sold it we regretted that we had done so; and about nine months afterwards the purchaser who had bought them expressed regret that he had bought; and I told him that if he was willing we would repay him the interest, and take the allotments back; and we have now the whole of the beach-frontage. These were the only two front allotments sold.

612. What would it sell for now, if you were to sell it?—I do not know. I bought a piece

which was sold under instructions from the mortgagee, after making the offer for Mr. Stark's property for £530, which was equal, I think, to about £8 per foot.

613. Has any other land been sold in that locality, the value of which you can give us any idea?—There have been a good many lots sold in that portion of the district; but you can buy but little frontage-land in the immediate neighbourhood. The majority of it belongs to Messrs. Wilson, and we own the rest.

614. Do you know of any sales at all?—Yes, several. One of the allotments was bought for about £2.10s. per foot, and has since sold at £5—within the last nine months, I should think.

615. You own a great deal of land in the district still?—Yes, a great deal.

616. It is in the evidence that you and your friends objected to the valuation of Mr. Seaman as being too high: is that the case?—I objected to his valuation of some of our properties.

617. Were there any others who objected with you—any of your friends?—I have no friends with regard to property-tax valuation.

618. It has been stated that you and your friends decided not to go on with your objections on your being appointed one of the Reviewers?—I know nothing about any one else. I saw Mr. Seaman, and he said that, as the district was being changed into a borough, the extra valuation would amount to very little; and I thought, if a reduction were made in our valuation, that people might remark I had taken advantage of my position as a Reviewer. That was why I withdrew our objections, and at the last moment.

619. Do you know what Mr. Stark's property was valued at at the previous valuation?—I do not remember.

620. Do you consider Mr. Tanner a good valuer of property?—He is a fair valuer of property. He has valued for the Road Board for some years.

621. Did he value it at £3,500?—I do not know.

622. Can you say whether Mr. Stark appealed against that valuation?—I cannot say. Although I was agent for some of his properties, he never consulted me in regard to matters of that kind.

623. Do you know whether Mr. Stark has paid property-tax on this large amount?—I cannot say, but I should think not.

624. Have you any of his affairs in hand now?—I have not.

625. Do you know where he is?—I believe he is in America.

626. When did he leave?—I do not remember the date, but it was during the time that I was away on the Assessment Court at Warkworth.

627. Can you say when he first cut up the property?—No, I cannot.

628. Was it before or after it was known that it would be required by the Government as a battery-site?—I should think it was afterwards.

629. *Hon. Major Atkinson.*] Do you know the amount of land and the shape that the Government propose to take?—I did know.

630. Could you give any idea as to the value of the remaining piece?—No, I could not say. During the last six months there has been a complete change as to sales of property. I have made sales of land, and in advance of previous ones; but there are so few sales now—not one for every twelve there were before.

631. Would there be a difficulty in selling just now?—I do not know that there would, if the terms were suitable; but there is not much demand for properties at all. There is a great alteration in our business in this way.

632. Since when?—Notably during the last four or five months.

633. After this property was bought?—Yes: I noticed a difference just about that time.

634. *Mr. Dargaville.*] You stated in general terms why you made the offer of £16,000 for the property, indicating that a certain quantity would be required by the Government, and the balance would be worth so much. Can you give figures for the result you arrived at?—I have them in my pocket-book, as I made them up from memory since coming down here. I cannot be quite positive as to the amounts, because I have not a plan. The subdivision, if I remember rightly, showed about 5,000ft. of frontage, which, at a selling average of £2 10s. per foot, would equal £12,500 after the battery-site was taken out. I estimated £8,500 as the value after the battery-site was taken out, and allowing two acres of land with the residence; which makes £21,000.

635. How many acres did you allow for the battery-site?—The area contained in the position shown on Major Boddam's plan—I think it was about three and a quarter acres.

636. This three and a quarter acres includes the building?—No; it was exclusive of the building and the two acres. I cannot speak exactly as to the area, but it was about that.

637. You expected, then, a net profit of £3,000 or £4,000?—We allowed £1,000 for interest and incidental expenses, so that a profit of £4,000 would be shown.

638. *Mr. Cowan.*] Do you know Mr. Philcox, of Devonport?—I do.

639. Is he a reliable man?—I consider him a very unreliable man.

640. What is his line of business?—He is a builder.

641. Has he any knowledge of land?—None at all. When I bought the land at the Callopie dock, he said that I would never see my money again.

642. Is he a man that is likely to know of transactions in land in Devonport?—He is about the most incompetent authority that could be obtained.

643. If he makes an assertion that a certain thing had happened, would you be inclined to give it credence?—I should not; especially if it had any reference to Mr. Stark or myself.

644. If he stated that you had acted as partner with Mr. Stark in land-speculations, would it be true or not?—We have been joint purchasers in land-speculations. We have bought properties together.

645. You have speculated jointly with Mr. Stark?—I have.

646. Can you specify what position you bear in reference to Mr. Stark in this affair?—The same position which I would occupy in regard to making an offer for any other property.

647. Was this offer made in connection with him?—I have already stated that I do not know that Mr. Stark knows at this day that I made the offer.

648. You never told him nor had any conversation with him about it?—No. I ought to mention that it is not an uncommon occurrence for us to purchase from him. One property I bought from him for £675, portions of which I sold for £550, £600, and £380 respectively, which transaction left us a profit of £855 in less than two years.

649. The offer of £16,000 was made on your own motion?—Yes.

650. We have it in evidence that you made an offer to Mr. Roberts of ten acres of Mr. Stark's property for a certain sum: is that true?—I can say that it is totally untrue. There is no foundation in any way for such a statement.

651. If it was stated that you offered the ten acres to Mr. Roberts for £3,500, would such a statement be true?—Such a statement is totally untrue. I have never submitted it to Mr. Roberts or to any one else at any price. Mr. Philcox, in making such a statement—which is grossly untrue—must have been actuated by a feeling of animosity towards myself and from a desire to do me personal injury.

652. *Mr. Cowan.*] You have been in the position of receiving compensation for services rendered to Mr. Stark in the way of commission?—Yes.

653. Have you received any consideration for this sale?—No, because I am not entitled to any. I have had nothing to do with it.

654. What did Mr. Stark do with the furniture in his house?—He made a division of it between Mr. Coleman, my brother, and myself.

655. What was the consideration for this?—None at all.

656. Why did Mr. Stark give you a portion of his furniture?—I do not know the reason that actuated him—I was away at the time; but I should presume that it was from a feeling of friendship and regard, and as an acknowledgment for obligations which he felt he was under to myself for assistance that I had given him in making suggestions which led to his going into successful speculations, acting solely on my advice, and in which he had made large sums of money.

657. Can you state the actual value of the furniture?—I have no idea; but it was very good furniture.

658. Can you say whether, in your opinion as a business-man, the action of the Government in taking this site for a battery has increased or depreciated the value of the balance of the property?—It would tend to depreciate it, I should say.

659. To what extent?—Not to any appreciable extent; but it would have that tendency. Many persons would think it injudicious to purchase near a battery-site.

660. Could you state how much per acre it would be depreciated?—I do not value it at per acre, but at per foot. It is the finest property in Auckland, without exception.

661. Do you adhere to your estimate of it at £2 10s. per foot, even with the presence of the battery?—Yes. I calculated it at the time I was offering to purchase, and expected it to fetch a higher value than that. It was with the knowledge of the intention of the Government to erect a battery that the estimate was made.

662. *Mr. Peacock.*] You said that you have been connected with Mr. Stark in land-transactions?—Yes.

663. And that he has consulted with you several times to his own advantage?—Yes.

664. Are you aware that land began to rise in value in Auckland some years ago?—Yes.

665. When did that rise begin?—About five years ago, I should say.

666. In 1833 land had much increased in value in Auckland?—Devonport is a different place from Auckland; and I cannot speak outside of that district.

667. Had it increased in Devonport?—Yes, it had.

668. Do you know Messrs. Ashton and Sons?—I do.

669. Are they a respectable firm?—Yes.

670. If they made a statement with regard to business you would believe them?—I would not say that in regard to this property, as Mr. Ashton is personally antagonistic to Mr. Stark.

671. Are they a firm of such standing in Auckland that you would believe them to state the truth?—Not as regards this property.

672. But, speaking generally, are they a respectable firm of agents?—Not in anything in connection with which I or Mr. Stark would have any dealings.

673. If they stated that in August, 1883, they had twenty acres, with the house and improvements, under offer for £5,000—one-fifth cash and the balance in three years at 4 per cent.; and that the offer came from Mr. Stark—would you have any reason to doubt it?—If it ever happened this is the first I have heard of it.

674. Have you any reason to doubt it?—I could not credit it for a moment.

675. Do you doubt their veracity in making this statement?—Yes, I do.

676. You stated that you made an offer to Mr. Stark for the property, on behalf of some gentlemen whose names you did not know, of £450 per acre, and that he rather laughed at the offer?—I did.

677. That was a year and nine months ago?—I believe it was about that time.

678. Do you know Mr. Kingsford?—Yes.

679. Is he a respectable man, whose word you would believe?—Yes.

680. If he states that, within two months of that time, Mr. Stark offered him his house with ten acres for £4,000, or five acres for £3,500, would you have any reason to doubt it?—No; I should believe his statements.

681. Then, if this property was worth £3,500 for five acres and £4,000 for ten acres, the difference would be £100 an acre?—Yes.

682. You have no reason to doubt his word?—No; but I cannot understand such an offer being made. Mr. Stark never mentioned such offers to me at any time.

683. Were you in the habit of consulting each other with regard to land-speculations?—Yes.

684. But he did not make you aware of this offer?—The only offer that I was informed of was one to Mr. Ross of a portion of the property.

685. Are you aware of the terms of that offer?—As far as I can remember, it was £3,500 for the house and five acres.

686. Mr. Ross's telegram is to the following effect: "Ten acres, cultivated portion, best frontage, with house, stable, &c.; arranged purchase for £3,500; exceptionally easy terms," &c. Are you aware of this offer?—Yes; that is the only offer that I am aware of. And it was through me that the transaction was not carried out. When Mr. Stark told me he had offered the property to Mr. Ross at that price I said, "You must be mad, Mr. Stark; I would give you £500 more myself."

687. Can you credit the fact of Mr. Stark, five months after that, making an offer in similar terms to Mr. Kingsford?—No, I cannot. In continuation of what I was saying about the offer to Mr. Ross, I said, "If you will be advised by me, if you can withdraw honourably from the transaction, do so." Mr. Stark told me afterwards he declined to accede to Mr. Ross's terms. Mr. Ross said, "Then I will not take the property;" and Mr. Stark replied, "Then the transaction is off." When I next met Mr. Stark he said, "I am much obliged to you. I must have been off my head at the time I made that offer to Ross."

688. Would you be surprised if any one stated that Mr. Stark was annoyed at Mr. Ross's withdrawal from the transaction?—I should.

689. Are you aware that the deed was actually drawn up?—Yes, that the draft was written.

690. Was it not Mr. Ross who withdrew from the transaction?—No; Mr. Stark withdrew because he had the opportunity of doing so in an honourable way.

691. Was it not Mr. Ross who refused to accede to Mr. Stark's terms?—No; it was, as I said before, Mr. Stark who refused to accede to the terms offered by Mr. Ross.

692. Would not Mr. Stark have been obliged to complete the deed if Mr. Ross had wished it?—I do not know; Mr. Stark told me there was no deposit paid or sale-note drawn up.

693. Do you doubt Mr. Ross's word that it was because he would not agree to Mr. Stark's conditions that the transaction was not completed?—No; for I daresay Mr. Ross thought that it was his own action, whereas it was exactly what Mr. Stark desired.

694. Does it not strike you as strange that he should have made this offer five months after?—Yes, it does; but I have no reason to doubt Mr. Kingsford.

695. Do you know Mr. Le Bailey?—Yes.

696. Have you any reason to doubt his word?—I have never spoken to him beyond just saying, "Good morning," &c.

697. You know him to be a respectable man?—Yes.

698. If he telegraphed to the following effect: "Stark offered to me a portion of his property for £3,500," &c., have you any reason to doubt that he is telling the truth?—I have no reason to doubt his word.

699. Then, as a matter of fact, there have been three different offers for ten acres of this land on the same terms during the same year?—I only know personally of the one to Mr. Ross. I cannot credit such offers were made.

700. Speaking of having made the offer of £16,000 for the property, why was it that you employed an agent, seeing that you are on such intimate terms with Mr. Stark?—We (my brother and I) had been so successful in land-speculations that the fact of our submitting a proposal either prevents a sale or adds to the value of a property, and this was specially the case with regard to Mr. Stark. In every transaction we had together he had always been successful; and he used to remark that it was enough for me to say the land was worth having for him to go into it. Recently all purchases we desired to make we made through an agent. In two or three cases we employed Cochrane and Son.

701. But why should you employ an agent and pay him commission when you were in daily communication with Mr. Stark?—For the reasons I have stated.

702. For what particular reasons?—The fact of my making an offer to Mr. Stark would be sufficient to prevent him from accepting it.

703. You thought he would not be likely to accept it if you made it personally?—Yes. That property to which I have referred, on which I made a profit of £850, always caused him to be careful in selling to me. I bought that property from him.

704. You stated that one element in your calculations of the value of the property, in making your offer of £16,000, was the fact that Major Boddam had recommended the site for battery purposes?—No; I said we calculated that the area of land marked in Major Boddam's plan was too small.

705. Was it an element in your calculation that some would be required?—Yes; and we believed that the Government were making a mistake in buying so little, and that it would be necessary to take more.

706. Did you calculate that the Government wanting the land would increase its value?—Yes.

707. And would not Mr. Stark also be aware of this?—I had no communication with him about it. No doubt he would.

708. Have you any reason to doubt that he had less knowledge than you?—I do not look upon him as having the same knowledge as myself.

709. Have you any reason to know that he would know that the land was wanted for a battery?—I think he must have known it.

710. Your offering £16,000 was in view of the fact that the Government wanted a portion of the land?—Yes; that was one of the elements of our calculation.

711. Was it a leading element?—Well, one takes all the elements together in calculating the value of a property. We knew they were going to take a portion, and we felt sure that they would have to take more.

712. And that they would have to give a good price for it?—Yes—that they would have, in any Compensation Court, to give a fair price for it.

713. *Dr. Newman.*] When you made the offer you expected to make a profit out of the Government?—I expected to make a profit on the whole property, including that which would be sold to the Government.

714. With your general knowledge of Compensation Courts, you expected to make a fair profit?—I am quite assured that no Compensation Court would give less than the value.

715. You bought it with a knowledge that you would have to go into a Compensation Court?—With the knowledge that it was probable.

716. What is Mr. Stark by profession?—He was an engineer.

717. Was he ever a candidate for a seat in Parliament?—It was notified in the papers that he would be one.

718. Did he ever offer any parts of this property for sale through you?—No, at no time whatever.

719. And you had no transactions with Mr. Ross?—None.

720. How does it come about that the valuation in the books of the Borough of Devonport was £3,500?—I cannot account for it; the buildings alone cost nearly that.

721. Who makes the valuation?—For that year it was made by Mr. Tanner.

722. Do you know what the valuation is in the books now?—The District Board decided to accept the property-tax valuation, although I did my utmost to prevent it.

723. *Hon. Major Atkinson.*] On what principle did you try to prevent it?—On the principle that it is wrong that local bodies should accept valuations made privately or under the Property-Tax Department.

724. Your objection was only a matter of principle?—Yes.

725. Do you think the property, cut up, would be saleable for building purposes with a battery near it?—I should presume so. It is a large property, and is so situated that the battery would not interfere with the best parts of it.

726. Have you heard that Mr. Stark made other efforts to sell the property?—I have heard of no others but the offer to Ross to which I have referred. I have heard all sorts of rumours; but Mr. Stark generally acquainted me with any transaction he was carrying out, and the only occasion on which he referred to this property was in connection with the offer to Ross.

727. Did it not strike you that the difference between the price at which he was willing to sell and the price you offered was extraordinary?—Yes; but at the time he offered it to Ross he told me he wanted to leave the colony: that was why he wanted to dispose of the place at all.

728. Is it at all your custom, when a property stands on the books for a certain price, to make offers to that amount—to five times that valuation?—I never calculate on the property-tax valuation or anything else in making an offer for a property. I take a common-sense view of the matter.

729. Supposing a property was valued at £100 on the books of the borough, would it be businesslike to make an offer for that property of five times that amount?—I would think nothing of doing so, if I was of opinion that a profit could be realized.

730. Do people expect to get five times the valuation for their property?—I do not say that. I have often bought properties and have been told that I would ruin myself in giving such big prices. In connection with the Calliope Estate, Mr. Stark refused to have any connection with it, as he said we could make no money out of it; but myself and my brother made £2,500 out of it in six months.

731. If persons have property valued at, say, £100, is it not a rule that they are prepared to sell at 50 per cent. or 100 per cent. above that?—I do not think there is any standard in a progressive place.

732. Did you ever offer Mr. Stark a lower offer than the one you have mentioned?—I never made him another offer at all.

733. You said that in your calculation of the property you had 5,000ft. frontage at £2 10s. per foot: how did you make up the balance?—We reckoned the sale of the house, &c., and I think about two acres of ground, and the battery-site, at £8,500.

734. Are you aware what the insurance on the house was?—No.

735. Have you any idea what the house cost to build?—I think it was about £2,500 finished.

736. Do you know anything of its condition?—It is in very good condition: it is a splendid house, and very well finished.

737. *Mr. Wilson.*] Do you know the situation of Hammond's property?—Yes; it adjoins Stark's.

738. Is it an equally-good situation?—It is very nearly as good; but you cannot subdivide it. You would have to take it at full depths.

739. What would be the value of theis?—About £4 a foot.

740. Then, it is more valuable than Stark's?—No. It is worth more per foot, because it has a greater depth than the other property would have.

741. *Hon. Major Atkinson.*] What is the value of Burgess's property?—About £150 per acre; but it has no view, and slopes down to the swamp.

742. *Mr. Barron.*] I understand you to say that Hammond's property is not of so much value because you cannot cut it up?—No, I do not say that; but merely that it will not allow of subdivision.

743. Do you know if it is for sale?—I do not.

744. Have you any idea of its value?—I should presume that, if sold, it would fetch not less than £4 per foot.

745. Can you state, roughly, how much that would amount to?—No, I cannot.

746. What is the area?—About three or three and a half acres, I should say.

747. As an expert, could you put a value on the whole area?—I should take it to be worth £3 to buy, and £4 to sell, per foot.

748. But I want to know, not per foot, but the value of the whole piece?—I do not know how much it would come to per acre.

749. You have stated that you would yield to no one in your knowledge of the value of property in this district, cannot you, then, tell us the value of this property?—I value it at per foot, as I do not know the amount of frontage. I know the position of the property as well as possible, but I have never gone into particulars.

750. Could you not venture upon giving a value for the block of three and a half acres?—I cannot give a correct one without knowing the frontage; if you can tell me the frontage, I can give you the buying and selling value.

751. Would you kindly say what value you would put on the block?—I could not give you a positive value as an expert, unless I know the amount of frontage there is to the road.

752. Then you do not know the property sufficiently well?—I know the property well enough, but I do not know the frontage.

753. Can you give an approximate valuation?—I have given you £3 or £4 per foot.

754. How many feet are there in Stark's property fronting the road?—I forget.

755. Then you valued Stark's property in the block at £16,000, but are unable to value Hammond's?—Not at all; but in the case of Stark's I had the whole plan before me, and subdivided it. I did not make a haphazard valuation, but went into a calculation that took me some hours.

756. Have you no idea of the number of feet frontage of Hammond's property?—No; I never had anything to do with it.

757. Could you venture upon saying whether there are 10ft., 50ft., or 100ft. frontage?—If you place me in the position of giving the value as an expert, I cannot do so without having the frontage to the road.

758. What do you suppose the frontage to be?—I should think about 350ft.

759. When you offered Mr. Stark £16,000 for his property, had you any reason to suppose that he would not take less?—The letter from Mr. Stark to Cochrane was to the effect that if a substantial offer were made it might be considered, and I offered what I considered was the fullest offer a speculator could make.

760. At that time you had a knowledge of the price at which Mr. Stark had been willing to sell to Ross?—Yes.

761. And, in the face of the knowledge that he had been willing to sell ten acres, with the house, for £3,500, you offered him £16,000 for the whole?—Yes; but that was fifteen months afterwards. My offer was made in August, 1885.

762. As an expert and as a speculator, would you be willing to name a price which you would give to the Government for the whole of Stark's property, knowing their intention as to the battery? I could not make a cash offer, but could make an offer on terms.

763. Could you not have made a cash offer to Mr. Stark?—I could have; but I would not care to speculate £16,000 in one venture.

764. You would not have given such a large price had your offer been a cash one?—No, I would not.

765. Mr. Seaman has told us that he valued Mr. Stark's property in November, and that he had no idea that the Government were likely to acquire any of it?—Yes; he told me several times that he had no idea that it was wanted for defence purposes when he made his valuation. I was surprised at that, and I mentioned that I had known it for a long time.

766. You would be surprised at any one not knowing it?—No; for there were many who did not.

767. *Mr. Ballance.*] Would you state to the Committee how you account for the increase in the value of property between May, 1884, and December, 1885, in this particular place?—I do not think the increase in value was between those periods: the increase in value was from the time that land began to rise in the district.

768. But you know that Stark offered Ross part of his property in 1884 for a certain amount: at that time you considered it was the value of the property?—No, I did not.

769. Did you think it was worth much more?—I did most certainly; and told him that I would give him £500 more myself.

770. There is a great discrepancy between that amount and the amount you offered in 1885: can you account for it in any way?—Well, the offer to Ross was only of a small portion; the most valuable portion is the other piece—for building-sites.

771. What was the intention of Mr. Stark when he offered the property to Ross?—I do not know. He did not consult me at all beyond stating that he had made the offer.

772. Did you know in 1884 that the Government had acquired the land for a battery-site?—I cannot say whether I did or not; I do not remember the dates well enough to answer.

773. On making your calculation in 1885 you calculated it at £2 10s. per foot: do you know how many feet there were?—About five thousand.

774. Are you sure that was the right estimate?—I believe I can say so.

775. Fifty shillings was what you thought you would get on an average?—That was the lowest all-round average we estimated it at.

776. Did you make any estimate what you thought the Government would have to pay for the other portion?—I estimated it at £8,500 for the sale of the residence and the portion that they wanted.

777. What did you estimate that the residence would bring, with the two acres?—I cannot say distinctly; but I know the amount was made up to £21,000, and I believe it was in the way I have stated.

778. Has property in that neighbourhood generally advanced in price?—Yes—during recent years.

779. From what cause?—The progress of the district and its special position. Devonport is an exceptionally well-situated district.

780. Would the depression have had much effect on the land there?—The land is not depressed in value, but the demand is so much less.

781. You say Mr. Philcox bears you animosity?—Yes.

782. You have ascribed to this the fact that he has asserted that you pressed a sale of land on Mr. Roberts?—There is a strong animosity on the part of Mr. Philcox in connection with matters connected with the Devonport Ferry Company. At the last meeting of the company it was so noticeable that it became the talk of the city.

783. Was there any feeling of opposition to your appointment as Reviewer?—I do not know of any. A large number of people complimented me upon the position, and expressed their satisfaction at my being appointed.

784. Did you make any sort of application for the position?—I did not, neither directly nor indirectly.

785. Have you any knowledge of the property adjoining Mr. Stark's?—The opposite allotments have been sold; but there is no comparison between the two properties.

786. Do you know the prices at which they were sold?—From £1 10s. to £2 5s. per foot, I believe.

787. Was that a genuine sale?—Yes.

788. How long is it since the sale?—Within the last twelve months, I should say.

789. Would you consider it a fair value?—Yes.

790. What would be the relation between this property and that of Mr. Stark's in point of value?—The general value of one against the other is that Stark's is worth double what the other is. The former has an uninterrupted sea-view which cannot be equalled.

791. Should it not have been anticipated in 1884 that this would be a desirable place for residence?—Yes: I know a great number of people have said they would like to have it cut up for that purpose.

792. Is Mr. Stark a good business-man?—Yes.

793. Is there any reason why he should have offered this property at so low a price?—Only that he was going away, and that he probably made it on the impulse of the moment, and without due consideration.

794. Was any value attached to the neighbouring properties about that time?—Yes; they had been selling fairly per foot.

795. Were these properties near Mr. Stark's?—Vauxhall, which was the nearest, was sold, and brought from about £1 to £2 10s. per foot.

796. Did Mr. Stark know that?—Yes.

797. Then what induced him to offer his property at so much less?—I cannot answer that question at all.

798. Was yours a genuine offer to him?—It was.

799. You are a large land-speculator in the neighbourhood?—We are valued somewhere about £30,000 for our property at present, I think.

800. It was not an unusual thing for you to offer such a sum?—£16,000 is an unusual offer to make for any property; but we have speculated more largely than all the other people in Devonport put together.

801. It has been stated that your offer was a bogus one, made for the purpose of increasing the value of property?—If such a statement has been made it is utterly devoid of truth. I would not allow myself to be a mere means of making an offer for a property for such a purpose for Mr. Stark or any one else.

802. *The Chairman.*] Do you know that Mr. Stark refused to act as a Reviewer?—No, I do not.

803. Do you know Mr. Brewer?—I met him for the first time on the passage down to Wellington.

804. You never knew him before?—No.

805. It is given in evidence that Mr. Stark wanted to raise the assessment from £15,600 to £16,000: is that a usual thing?—I have never heard of it.

806. Is it usual to ask for an increase in the valuation?—I should think not. I would not do so.

807. From what you know of Mr. Stark should you think that he would be likely to do so?—I do not know. Possibly, having received an offer of £16,000, he would think that was the value he ought to put on it.

808. Where was the Assessment Court to sit?—I do not remember.

809. Have you any reason to think that Mr. Stark would have appealed against the valuation as excessive?—Not that I know of. I never heard anything of the kind with reference to appeals from him.

810. Do you know Mr. Wilkinson, who lives opposite to Stark's property?—I do.

811. Is he a good authority on the question?—No: he is a journalist, and has no knowledge of land.

812. If he said that he had an offer of the land from Mr. Stark at £3,500 would you consider that to be correct?—I should not. I can only say in reply to such questions that it is not likely such offers were made without my having information of them.

813. We have it in evidence that this offer was made by Mr. Stark himself?—I should doubt any of these statements unless I saw the authority to sell or a letter from Mr. Stark. I cannot credit it.

814. It was stated that Mr. Randerson and another had the property offered to them for £7,000; that they offered £5,000, and were told that they might get it for £6,000?—I do not believe it. I would not give credence to such a statement for a moment.

815. Why?—Because it is such an absurd value.

816. Had Mr. Stark told you what he intended to ask for it?—When I offered him £450 an acre for a piece, as I have said before, he smiled at the offer, and said he was surprised at my making such an offer.

817. Did he say what he would take for it?—No, he did not.

818. Has there been much land in this neighbourhood sold by the foot?—This property is not for sale; Burgess's is the only property offered for sale, and that is not cut up.

819. *Mr. Dargaville.*] In your calculations about the probable profit you say, after allowing for a battery-site and the house £8,500, there would be 5,000ft. available at £2 10s. per foot. Assuming that the Government contented themselves with five or six acres for battery purposes, can you put an approximate value on the balance?—I should require to know the exact plan of the piece the Government propose to take, and as to how the property would be subdivided.

820. Assuming that they took it as favourably as they could for the purposes of sale of the remaining portion, could you approximately—I do not say within £1,000—even estimate what would be the value, to sell, of the remainder? Would it yield for the next three or four years anything like £10,000 or £12,000?—Certainly it would.

821. The Government would then, probably, with good judgment, be able to sell the balance for that?—Yes. I know I could if placed in my hands for sale.

822. In fact, if easy terms were offered, you would be prepared to make the Government an offer based on this estimate?—I would make an offer if I could buy it on terms which would suit me. I think, myself, that it would be injudicious on the part of the Government to sell an inch of the ground from the present battery-site to the narrow neck, for they would have to buy it back again. I mention this because if it is suitable for defence at all it will be necessary to keep the whole of the lower portion of the property.

823. What will be the value of the balance after five or six acres are taken out?—Given a reasonable time to sell, and provided it is offered on reasonable terms, it should be worth £10,000 or £12,000, assuming that the depression will not last for a long time. If there is any movement in land it will realize that amount.

824. *Mr. Barron.*] You say it was understood that Mr. Stark was a candidate for Parliament?—Yes.

825. Can you say when?—No.

826. Was it a year ago?—No; it was notified in the Press at some recent date.

827. Since last session?—Yes.

828. Do you know for what seat he was reported to intend to stand?—For Waitemata, I think.

829. *Mr. Peacock.*] Reference has been made to the fact that Mr. Stark laughed at the offer, submitted through you by a gentleman whose name you did not know, of £450 per acre. You have also stated that you had no reason to discredit Mr. Kingsford's statement that he was offered the house and five acres for £3,500, or the house and ten acres for £4,000. Is it possible that Mr. Stark's laughter was at the absurdity of such a high price being offered as £450 per acre?—He simply laughed at the offer, and said that the land was worth more than that amount, and that he would sell it at per foot.

830. Could he have thought that you were making fun of the thing by making such an offer?—No.

831. Then, if he not did understand your offer to be not a genuine one, and laughed at it, as you say he did, and at the same time was offering the property at a smaller amount, he must have been misleading you?—It was not the same portion of the property at all. The price for which I submitted the offer was the best portion of it.

832. Do you not consider that the land about the house—the cultivated land—is the most valuable part?—No; it is not so to my mind.

833. Not the drained and cultivated part?—It is all drained. The best site of all is that nearest the narrow neck. The whole of the property is well situated.

834. Is there anything to account for such an enormous difference between these two parts of the property?—All I can say in regard to that is that I would not place reliance upon any statement that has been made not borne out by the fact of a written authority to sell by Mr. Stark or by a written offer. From what I know of Mr. Kingsford I have no reason to disbelieve his word; but I should be inclined to discredit any one's statement unless I saw written proof.

SIR,—

Wellington, 19th July, 1886.

I signed my first evidence without making necessary alterations, as Mr. Watkins said he was anxious to have the evidence printed, and the alterations could be made afterwards. The following are the chief corrections, all of which will, I am sure, be in the memory of the Committee:—

588. Ought to be, "I can only repeat the remark made: That it is unlikely he would sell the property to any one without consulting me."

600. Answer: "I should say the statement is quite incorrect."

610. I made no mention of allotments being sold at £9 per foot until the question was asked. Ought to come in paragraph 611. The question asked was, "Did you not sell allotments at £9 per foot"? or something like that.

651. The question is not fully extended: "Was offered with great pertinacity, even to a misrepresentation of facts," &c., or words to that effect, not mentioned.

723. Ought to read, "On the principle that it is wrong that local bodies should accept valuations made some time previously under the Property-tax Department."

818. Ought to read: "Burgess's is about the only property which has not been offered for sale, and that is not cut up."

Yours, &c.,

F. J. Moss, Esq., M.H.R., Chairman, Public Accounts Committee.

E. W. ALISON.

WEDNESDAY, 14TH JULY, 1886.

Mr. O. MAYS examined.

835. *The Chairman.*] The Committee are inquiring into the purchase by the Government of Mr. Stark's property at Takapuna Point. You have been a long time resident in that district?—For twenty-five years.

836. You are Chairman of the County Council?—I am.

837. Can you give any idea as to the selling-value of this property—twenty-eight acres?—My own opinion at the time that the purchase was made by the Government was that if Mr. Stark got £10,000 for it he would be well paid.

838. Do you know if the property has been for sale?—Mr. Ross told me, about a year ago, I think, that a part of Mr. Stark's property had been offered to him. I asked him what he was going to give for it, and he told me either £3,000 or £3,500, I am not sure which. I said that it was a fair price. Other offers I have heard mere rumours of.

839. What do you think it would have sold for if it had been sold publicly?—I do not think it would have made more than £10,000 without reference to the fortification scheme.

840. Do you think Mr. Stark would have got as much as that for it?—Yes, I think he would. It is a very nice place indeed. There are men who would have given that for it, although there was a falling-off in the demand for land at that time. If it had been forced at auction I question whether he would have got so much for it; but he would by waiting for a customer.

841. Do you know whether he was anxious to sell it?—I believe he was, though I have no personal knowledge of the matter.

842. *Mr. Dargaville.*] Are you aware of any transactions in land in the neighbourhood of this property?—I have been out of business for the last three years, and the rise in land just commenced when I retired from business.

843. Are you aware that any of these adjoining properties have changed hands within the last two years, and at what prices?—Mr. Morrison bought four acres from Mr. Stark on the other side for £75 an acre; but there is no comparison between the two sides.

844. Do you know Mr. Hammond's purchase?—I do.

845. How would that stand in comparison with Mr. Stark's property as regards value?—I think the two properties are much the same. The site is equally good. I was trying to buy it myself.

846. At per acre the one would be as valuable as the other?—Yes, quite.

847. With reference to this allotment on the south side of Stark's property, if it were cut up it might be expected to realize as much, if not more, per foot than the other?—Yes.

848. Assuming that this sold from £1 15s. to £2 10s. per foot, would it be fair to expect that Mr. Stark would realize anything approximating this?—Yes; it would realize more.

849. Assuming that this property changed hands at £400 or £500 per acre, would it be fair to estimate that the other would approximate that price?—If a man bought the block for £300 or £400 an acre he ought, by waiting his time, to get rid of some of the allotments. But my impression is that he would have to wait a long time before he realized that price.

850. Do you know Mr. Ewen Allison as a speculator in land?—I do.

851. Has he been successful, as a rule?—He has.

852. He is what would be called a smart land-speculator, is he not?—Yes; he has been more successful than any of them—more so even than Mr. Stark.

853. And if he were to offer £15,000 or £16,000 for this property, with a view of selling part to the Government, leaving two or three acres with the house, and cutting up the rest of it into allotments for building purposes, would he have a prospect of making anything out of it?—Not for many years to come.

854. Within a period of five years?—No.

854A. Are you aware that he has been speculating in various other parts of the district; that he has given so high prices there as to lead his friends to predict that he would lose over the transactions; and he has yet come out of them with profit?—I do not know it of my own knowledge. I know he has given high prices, and has made a profit, but not in connection with such large areas as this.

855. Assuming that this property was worth £16,000—to be paid for, £2,000 cash, £14,000 bearing 5 per cent. over a period of five years, what would you estimate its present cash-value to be, generally?—I can only say what I would offer myself: I would not give more than £10,000. If I were selling the property I would rather take £10,000 in cash than the terms you suggest.

856. *Mr. Peacock.*] When do you think the value of property was at its highest in Devonport?—About two years ago.

857. You say you knew of the offer made to Ross of the property?—Yes.

858. Do you know Mr. Kingsford?—I do not know him personally; I know who he is.

859. Is he a respectable man?—I believe so.

860. You are not aware that he was offered the property?—I have heard it to-day for the first time.

861. Do you know Mr. Le Bailey?—I do not know him personally.

862. He is a highly-respectable man?—Yes.

863. If he stated that the property was in his hands and offered to Mr. Roberts, you would believe it?—Yes.

864. Do you consider the part where the house stands to be the most valuable part of the property?—I am convinced that it is.

865. If you were buying ten acres of it, that is the part you would select?—Yes.

866. *Dr. Newman.*] What business have you been in? Have you been an estate-agent?—Yes; I was in business generally, as storekeeper, general agent, postmaster, &c.

867. Have you had many transactions in land?—I never speculated in land myself, but acted only as agent for others.

868. When were you treating with Mr. Hammond for the purchase?—A few weeks ago.

869. At what price?—I asked a friend what price he wanted. He said £1,500 for three and a half acres. My supposition was that it was five acres; and, as it was a particular spot, that my family wanted, I was prepared to offer £1,000 for it; but I was told he would not take it. I would have made an offer in proportion for the three and a half acres, but would not have offered £1,000 if I had known that it was only three and a half acres. I then tried for Professor Thomas's, the next place; and I made an offer of £1,200 for one and a half acres. He wanted £1,800, and I ceased negotiations.

870. What was the value of the house on that one and a half acres?—I should think the premises would represent £1,000: he has spent a good deal of money on the place.

871. What was the value per acre of Stark's property in November last, without the house?—I would not have given more than £200 per acre. But I should not buy a place as a speculation, but as a home.

872. Do you think that the property cut, up about the time it was suggested, would average anything like £2 10s. per foot?—I have no doubt the front lots would, if they were held on. I do not think that the middle subdivisions would.

873. Would the back sections?—They would have a fancy value in the eyes of some people, having sea-frontages, but there would not be the same demand for them.

874. If it were cut up with cross-streets, &c., would all the sections fetch £1 10s. per foot?—No, I do not think so.

875. Do you know the house?—Very well.

876. What is it worth?—It is a curious kind of building. It is very elaborately finished, and must have cost quite £1,000.

877. And the other buildings?—I do not know much about them. Mr. Stark has drained the place and fenced it thoroughly. It was very boggy when Mr. Hammond had it.

878. Do you think the house and other buildings would be worth £3,500?—No, I think not. He may have spent £2,000 or £2,500, to cover all improvements.

879. *Mr. Wilson.*] Were you consulted as to the value of this property by any one at any time previous to the purchase?—Mr. Brewer came to me one day, and asked me if I knew the land. I said Yes, but the only information I could give him was as to the offer to Mr. Ross, to whom I referred him.

880. *Mr. Cowan.*] What date was this interview with Mr. Brewer?—I could not say the date; but it was some time last year. Mr. Brewer called a day or two afterwards, and I took him down to Mr. Seaman's office. His son showed us the note-book where the valuation had just been made; and I must confess that I was startled to find the valuation was £15,600. Mr. Seaman subsequently told me that Stark had agreed to the valuation. I did not then know anything about the taking of land for defence purposes.

881. *Mr. Wilson.*] You did not offer any advice to Mr. Brewer?—No.

882. Did Mr. Brewer ask your opinion as to the value of the property?—No; and I did not offer any opinion on it.

883. Was he present when you expressed surprise at the valuation?—No. I did not mention my surprise at all.

884. Has any other person consulted you as to the value of the property?—No.

885. *Mr. Barron.*] Have you ever been asked, as a matter of business, to value property for purposes of lending money on mortgage?—Frequently.

886. Have you had within the last two or three years opportunities of arriving at such ideas of the value of property in the Devonport district as would warrant you in answering a question as to the value of this property of Mr. Stark's if you were asked by a private person or a company desirous to lend money on mortgage as to the value it would be worth for that purpose?—I have explained that I have been out of business for three years, and that all the rise in the value of property commenced just after I left business; and I have never been called upon to value since. I really know nothing except from rumour. I know that very high prices have been offered in Devonport. I have been offered high prices myself.

887. Taking all these considerations, could you mention an amount which you consider it possible to raise on this property by way of mortgage? Taking into consideration all the most favourable circumstances, could you mention an extreme amount that it would be possible to get

from a prudent money-lender?—If I had been called upon at that time for my advice as to how much might have been lent, I should not advise any one to lend more than £10,000 at the outside.

888. *Hon. Major Atkinson.*] Do you know Mr. Philcox?—Yes.

889. Is he a respectable man?—Yes.

890. Is he a man whose word could be taken?—Certainly; although I must say that he is one of a party who are very bitter, and are carrying their bitter feelings to very extreme lengths indeed. He has been carried away somewhat in personal animosities over this ferry company.

891. *Dr. Newman.*] You said that the value of the property would have been high at £10,000: then would you advise any one to lend money on mortgage up to its full value?—I was asked to name the extreme amount, and I mentioned that sum: as an ordinary precaution I should lend 25 per cent. less than that. I should mention a feeling that has arisen in my mind independently of my own opinion of the value of the property. In my opinion the ill-feeling in connection with this matter has arisen rather from the method of acquiring the property than in regard to the commercial value of it. If the property had been acquired in the Compensation Court, and even the full amount now given by the Government had been put upon it, there would not have been a word said about it. I think the system is a bad one, and tends to impugn the veracity of good officers. If the land had been taken in the ordinary way, and both parties had gone into the Compensation Court, and if the Court had awarded even £20,000, there would not have been a word of dissatisfaction. I believe the whole matter has been stirred up by the bitterness of feeling now existing. I do not want to impugn other people—I am on friendly terms with every one of them—but I do not think that this agitation is entirely patriotic on their part. My impression is that if the land had been taken under the Public Works Act there would have been no agitation at all about it.

892. Supposing it had been before a Compensation Court, do you think the Government would have got the valuation reduced?—I said before that I think the limit would have been £10,000. It might, however, have been above that.

892A. You think, then, that if the Government had fought the case they would have got the land at a less price?—I believe so.

893. And you are aware that there has been a great deal of agitation about it?—I am quite sure of it—the whole matter has arisen from local circumstances.

894. *Mr. Dargaville.*] Supposing that Mr. Seaman, Mr. Ashton, and Mr. Brewer had been called in as witnesses for the Crown in a Compensation Court, and were to depose that this property was worth from £15,000 to £20,000, what effect would it have on the Court's decision?—It is impossible to say. They might easily get rebutting evidence.

895. Knowing, as you do, the tendency of assessors and juries generally to favour the claims of individuals against those of large bodies, would you not be inclined to assume that the price awarded would be higher than your estimate?—I know it is generally accepted that a Government is fair game for plunder; but I do not believe in that doctrine myself.

896. But, assuming that the Government's own witnesses were to depose to the effect I have mentioned?—It would materially affect the case; but I do not assume that the Judge would be influenced.

897. I am assuming that those witnesses would give evidence in the direction in which they have already expressed their opinions; and I ask you, in view of that, whether quite a different complexion would not be put on the matter?—No doubt the Court would be influenced thereby.

898. *Mr. Peacock.*] You have stated that £10,000 would be the outside value. Would there be any difficulty in Auckland in getting competent witnesses who would have a similar opinion?—I think you would get scores.

899. *Dr. Newman.*] If the case were tried before a Court, and if the Crown tried to get evidence showing that the property was not worth so much, would they have any difficulty in doing so?—I do not think they would.

900. They could have got Mr. Philcox, for instance?—Yes, I suppose so.

901. *Mr. Cowan.*] From your knowledge, is there anything to warrant this property, valued at £3,500 in 1882, rising—twenty-eight acres of it—in 1885 to £15,600?—I think it is quite unwarranted by the general transactions in the neighbourhood.

902. *Dr. Newman.*] You are Chairman of the County Council?—I am.

903. What is the valuation of the property on the Road Board books?—I was a member of the Board in 1882, and the Board elected to make their own valuation. I did not sit at all its meetings; and it was afterwards that I heard that this property, which had been valued at £7,000, had been reduced by the Board one-half.

904. Was the valuation made by a valuer or by the Board?—By the Board. Stark and Allison were members of the Board at the time. The valuation of some other properties was reduced at the same time. They elected to make their own valuation, although I preferred that of the property-tax assessor.

905. *The Chairman.*] By whom was the property-tax valuation made?—By Mr. Seaman.

906. He had valued it at £7,000?—He told me so.

906A. He stated that it was put down by mistake as £3,500?—I understood him to say that his valuation had been reduced by the local Board by one-half.

907. *Mr. Wilson.*] Did you hear that Stark proposed standing for Waitemata?—I did.

908. Was there any likelihood of it?—I do not think he ever stood a chance against Hurst.

909. *The Chairman.*] Was Mr. Tanner mentioned as valuer?—Yes; but the Board, sitting as a Board, chose to direct him what to do. They made the assessment and he wrote it down.

Mr. E. W. ALLISON further examined.

910. *The Chairman.*] You stated that you had offered Mr. Stark £16,000 on certain terms. The Committee would like to know what you would have considered a fair offer if you had been

purchasing for cash?—We did not go into the matter from a cash-offer point of view. In making an offer in connection with any speculation I am engaged in, I always consider the question of interest on capital.

911. *Hon. Major Atkinson.*] Supposing you had received an intimation through the agent who was in communication with Mr. Stark, saying that Mr. Stark was not prepared to deal otherwise than for cash, would you have been prepared to make a reasonable cash offer?—If we could have got the property at what we considered a bargain for cash we should have bought it; but only as a bargain, as in such a large cash transaction we should hesitate to handicap ourselves by parting with too much ready money.

912. What would you consider a bargain for cash?—That is a question that is very difficult for me to answer offhand, because I never calculated from a cash-purchase point of view. I do not know how I could give you an answer. I might be able to do so were you to ask me what I would have considered a bargain if I had sufficient cash in hand to buy the property, and wanted to invest all my capital in that property.

913. But you must have had some idea in your mind?—I would buy property in Wellington to-day if I could get it a bargain. I would find the money in some way to do so. But I never went into this speculation with the intention of buying for cash; but I would not allow a property to pass into other hands if it was a good bargain.

914. Can you not tell us—speaking in general terms—what, in your mind, a good bargain would have been? I do not wish to bind you to exact amounts?—When I went into this question of the purchase of the property, I subdivided it to ascertain its value, calculated the probable proceeds, and then took into consideration on what terms it would suit us to purchase at the time, and sufficient time to allow us to dispose of the whole. I calculated the interest at such a price as would not increase the cost of the purchase too largely.

915. Then, I understand that you are incapable of telling the Committee what was the cash value of the property at the time you made your offer?—No; I do not say that.

916. Then will you kindly do so?—I say that in calculating the purchase of the property I did not calculate it from a cash basis.

917. I understand that. But what would you have given in cash?—It all depends on a man's means at the time of purchase what he would be prepared to give in the way of cash.

918. Not altogether. No doubt it does depend on what amount is at his command by financing?—Well, we always consider that as capital. I should consider as capital the amount I could obtain.

919. I want to get at the question of the cash value. You decline to answer the question as to what was the cash value at the time of your offer, not having made any calculation about it?—All I can say is that in making my calculations I did so in terms of my offer.

920. I want to know whether you are unable or unwilling—unable, I presume—to give any estimate of what was then the cash value. You have told us that you were well acquainted with the land in the district, and that there was no one better able than yourself to form an opinion of its value. We have in evidence from several persons what the cash value was at the time your offer was made?—I do not know how others would make their calculations. I would do so as a question of percentage on capital invested.

921. Could you make that calculation?—No, I do not think I could. I should require to go into figures.

922. *Mr. Dargaville.*] I understand you to say that in the offer you made for the property to Mr. Stark you offered £2,000 in cash and £14,000 by instalments in five years. Something would be paid off as you sold the land from time to time. That £14,000 was to bear 5 per cent.—that is, the balance that remained unpaid would bear 5 per cent. Assuming that you were able to raise the money yourself on mortgage, what rate of interest is the current rate payable in such transactions in the district?—We generally sell on terms of 7 or 8 per cent.

923. Putting it at $7\frac{1}{2}$ per cent.: if you had raised £14,000 on mortgage to pay Mr. Stark in full, you would have had to pay $7\frac{1}{2}$ per cent. for it. The difference, then, between the terms purchase and the cash purchase would be represented by $2\frac{1}{2}$ per cent. on any portion of the £14,000 unpaid during the five years?—No, I do not follow you there. In buying on terms I had five years to pay the liability or a portion of it. And if I sold an allotment and received, say, £50 deposit, I had no occasion to hand that over to Mr. Stark. It would not be till he could be paid in full for the allotment that he would be required to be paid at all. In nineteen cases out of twenty sales are made on terms.

924. If you sold on terms and took mortgages you would have to assign these to Mr. Stark?—That is not the way we deal with our business on terms. We have an agreement.

925. The difference between 5 per cent. you bind yourselves to pay, and the percentage at which you could raise money, would give an idea of the difference between buying for cash and on terms, would it not?—I do not take it that it would give me any idea.

926. *Mr. Barron.*] You have told the Committee that you are engaged as a matter of business in valuing land and in buying and selling it, and that you are an expert in such valuation. Are you ever asked to value property by those desiring to advance money on mortgage?—Yes, I am.

927. Had you been asked, say, by a financial company to value this land as a security, how much would you have advised them that it was worth for that purpose?—I should have said about £10,000.

928. That is to say, you, as a respectable land-valuer, if you had been asked by a loan company to value the property, would have advised them that it was not worth more than £10,000?—No; that is not the way in which money is advanced on mortgage: the full amount of the value is never advanced. I should have said that it was security for £10,000, and would have no hesitation in recommending them to advance that sum against it.

929. You would lend on mortgage, perhaps, to one-third of the value?—I should lend so as to

leave sufficient margin on the amount of the mortgage, so that the mortgagee would be able to realize principal and interest on a forced sale.

930. What margin do you suppose you would have left on £10,000?—Sufficient to cover the interest and expenses that might accrue.

931. What do you call sufficient margin. If people are careful they insist on a margin of at least one-third. What margin would you have prepared for in this case?—That is coming back to the question, what was its cash value to us at the time?

932. That is just the point I want to get at?—You are placing me in a position of having to answer a question to which I am not in a position to give you a positive answer, because I have not calculated the value of the interest of the capital invested.

933. You have told us that you are an expert and are in the habit of being asked to value properties for the purpose of advancing money, and you say that you know this property well, and yet when I ask you a simple question as to its cash value you cannot answer it?—You cannot call it a simple question. I would never give an offhand value on a property like this to any one.

934. Had you been asked by a loan company in Auckland, "We have been offered this property as security: will you value it and report on its value to us," never minding a margin or anything else, what would you have advised them to be its value?—I should have gone into the matter thoroughly, subdivided it, and considered the question of what it would realize calculating the interest on the money for a certain time; and then given an answer. I should not have given an answer in five minutes.

935. What would your answer have been?—That I cannot say.

936. Supposing Mr. Stark had said to you, "I cannot sell on terms—I will only sell for cash;" and supposing that you had found that for reasons of your own it was necessary to find the full amount of the cash, how would you have set about doing it? If you had gone to a loan company and said, "I want so much money advanced against this property," what would you have reasonably expected any loan company to advance you on mortgage?—I have told you—£10,000.

937. *Mr. Wilson.*] You stated that in making a calculation for the purchase you allowed £1,000 for interest and incidental expenses. One would infer from this that the cash value would be £16,000, less £1,000?—I do not know how that inference would be drawn.

938. Would you have considered that £7,000 was a great bargain in buying the property for cash?—Most certainly I should have considered it a very great bargain, and the cheapest property that I know of.

939. Would you have considered £10,000 a bargain?—I would.

940. £12,000?—I should consider it well worth £12,000 for cash.

941. Would you consider it a bargain at £13,000?—I would not say that.

942. Then about £12,000 would be your probable limit for a cash purchase?—Taking into consideration the capital invested, and that it is a large sum of money in cash to invest in one undertaking. I should say that it would be about as much as I, as a speculator, would have been prepared to give.

943. *Mr. Ballance.*] Do you know Mr. Mitchelson?—I do.

944. Are you on intimate terms with him?—I know him very well.

945. Have you seen him since you came down here?—I have.

946. Have you had any conversation with him?—Not very much. I have met him in connection with district and other matters which I have had to attend to since I came down.

947. Business matters?—Yes.

948. Have you had any transactions with him in Auckland?—I have dealt with the firm.

949. Would you be surprised to hear that you have been described by the epithet "notorious" in one of the letters we have had in evidence?—From two of the names mentioned yesterday I should not be surprised at anything.

950. Do you know of any reason why Mr. Philcox should apply it to you?—Only his personal antagonism to me.

951. Have you had any business connection with Mr. Philcox?—Up to two years ago he was a director of the Ferry Company, of which I am chairman.

952. Have you had any dispute with him?—I have had no dispute with him, but he endeavoured to depose Mr. Stark from the position of managing director of the company, in which position he was its mainstay. Mr. Philcox was himself deposed from the directorate, and since that time he has a most bitter feeling against me, and would use every means, fair or unfair, to injure me.

953. Has he shown this by any acts?—Time after time, and in letters to the paper—and, in fact, in all his actions.

954. Is this well known in the neighbourhood?—Yes; it is one of the scandals of the place.

955. Is there any reason why Mr. Mitchelson should entertain a similar feeling towards you?—I do not know of any.

956. *The Chairman.*] It is only fair that Mr. Allison should know that no statement has been made by Mr. Ashton against him except that the property was in his hands for sale. Do you know Mr. Roberts?—I do.

957. Did you offer the property to him on any occasion?—No, I did not.

958. You repeat your denial to-day?—I do: I never offered the property to any one that I know of.

959. Have you had any dealings with Mr. Roberts?—I am a director of a company of which he is a director.

960. The evidence shows that you offered Mr. Roberts ten acres of Mr. Stark's property for £3,500 with great pertinacity (page 4 of evidence)?—I have no knowledge of it at all. I sent a telegram this morning to ascertain whether it had been submitted to Mr. Roberts by any one belonging to my office.

961. You give it a positive denial?—As far as I am concerned.

962. *Hon. Major Atkinson.*] You are not yet quite certain whether it may have been offered by any of your subordinates?—I have no reason to suppose that it could have been; it was never in my hands for sale.

963. You told us yesterday that Mr. Stark promised you that the property should not be sold without passing through your hands?—Yes. That was after the offer to Mr. Ross.

964. Has it been in your hands since then?—No; he has never referred to it as for sale.

965. This promise, then, has come to nothing?—No.

966. *Mr. Peacock.*] You are now aware that Mr. Stark had made an offer to Mr. Kingsford?—No; I did not. I have no knowledge of it.

967. *Mr. Cowan.*] You stated that Mr. Stark had not put this property into your hands for sale. Has he ever asked you to obtain the loan of money on its security?—No; he did not require it; he has plenty of money. He used to lend it, not borrow it.

968. *Mr. Dargaville.*] Assuming that the Government, instead of privately dealing with Mr. Stark for the purchase of the land, had elected to take it into an Arbitration Court, and you were called as a witness to testify as to your valuation of the property, what would you have stated it at?—With the knowledge that Mr. Stark was not prepared to sell it, I should state that it was worth not less than the sum I offered—£16,000.

969. *Hon. Major Atkinson.*] How would you have arrived at this if you were incapable of telling the Committee the value of it?—You asked me what I would be prepared to give in cash; and the basis of my speculations is the amount of capital I have in hand.

970. But you were asked what was the cash-value?—In reference to purchase by myself.

971. No: further than that you were asked what would be the cash-value in valuing it for a mortgage company; and now you seem to be able to tell?—I do not think it is the same question: at any rate, it is not put in the same way.

972. Then, I am to understand that you would have put a different value upon it, looking at the fact that Mr. Stark did not want to sell and that the Government were buying, from what you would have done in valuing it for a company?—Certainly. I do not think the Government have any right to take property that the owner does not want to sell, and not allow its full value.

973. What is the difference?—This is a property that a person who did not want to sell could never replace.

974. *The Chairman.*] In such a case would you not first state what you thought the market value, and then put on an additional value as compensation for compelling a man to leave it. Could you not divide it under these two heads? What do you think it would have sold for in the open market?—I do not know; it all depends upon circumstances. It is a special property, and if any person wanted a property of the kind a special price could be got.

975. Between 1882 and 1885 would it have been possible to sell the property for, say, £7,000?—Most certainly it would have been possible. I would have bought it for a long way more than that myself.

976. But could it have been sold to any one else without reference to what you would have done?—I have not the slightest doubt but that it would have been jumped at at that price.

977. *Hon. Major Atkinson.*] Would it have been jumped at at £10,000?—I do not know. If the property were offered as a whole only a few people would be in a position to buy—either speculators or persons of means.

978. Would you have bought it for £10,000?—Yes; I would have bought it at that price for cash.

979. Would you have been prepared to renew your offer in December of last year of £16,000, as you told us that things began to change then?—I do not think I should.

980. Why?—Because of there being no buyers and the demand being less.

981. How much would that have taken off your offer?—I could not say. I do not think it would cause any depreciation in the actual value of property. There have been no sales, so far as I know, that have not been in excess of previous valuations.

982. You would not have bought the property at that time?—I do not think I should have made an offer. I have never thought what I would have offered.

983. Can you say what you would give for the piece that is left at the present time?—It would depend on the terms, and the way in which I could subdivide it.

984. What is it worth now for cash?—I could not tell until I see the plans on which it is to be subdivided. I do not know what area the Government propose to take.

985. *Dr. Newman.*] You are aware that Mr. Stark was negotiating with Mr. Ross about a year previously?—I do not know the date, but I am aware that he was negotiating, as I said yesterday, when the matter was being dealt with.

986. You stated that you told Mr. Stark that he would be unwise to take that deal. You knew at that time that Mr. Stark was willing to sell acres with the best frontage, with the house, stables, &c., for £3,500. Taking the land at the same rate of value and the value of the house, that would leave the property worth some £7,000?—That does not follow at all.

987. You are aware that Mr. Stark was negotiating the sale at this price?—Yes.

988. Therefore you must have been aware that, with the other acres, the property would be worth £7,000?—I knew he would not sell the lower portion at all. It is the piece out of the centre that you refer to.

989. Knowing that he was willing to sell at that price, what made you offer £16,000 for the whole?—That was a long time before my offer.

990. It was only twelve or fourteen months before, I think. What was the date of your offer? 13th August.

991. Why did you make such an offer, knowing that Mr. Stark was willing to sell for the lower amount?—He was not willing to sell the property even for that money.

992. You stated just now that the property was worth, for cash, £12,000?—I did not say that was its cash value; I said that if we had been buying for cash that was our probable limit. That does not prove that it was its cash value; but as far as we were concerned it was its cash value. Other people might have had more money at their command.

993. Then why did you offer £16,000?—Because my offer was on favourable terms; I had five years in which to dispose of the property.

994. *Mr. Ballance.*] Had you the right to cut up the property when you made the offer?—If we bought the property we should have had the right to do as we liked with it.

995. Was it in the agreement?—We buy our properties with the right to subdivide them.

996. You made the offer because you wished to cut the property up?—Yes.

997. With regard to the ten acres that have been mentioned as under offer to Ross, is that the best portion of the property?—Not to my mind, for building purposes.

998. But do you think that it would have brought the highest price?—No; the portion next the narrow neck would have brought the highest price: it is situate considerably below the ten acres.

999. When Mr. Stark offered the property in May, 1884, did he stipulate that the ten acres should not be cut up?—I could not say; I do not know the terms in which it was offered.

1000. Do you know whether it was Mr. Stark's intention to cut up the remainder of the property at that time?—I could not say.

1001. You state, then, that the other portion would have been more valuable for subdivision?—It would have a much higher value in the market.

1002. Are you quite sure?—I am.

1003. *Mr. Peacock.*] You stated that the ground near the house is not the best part of the land—that is the level ground?—It is all level and good.

1004. But it slopes down to the beach?—It is all level and good; it is the best piece of land I know.

1005. If the land is higher at the house it must slope to the beach?—The slope is not noticeable.

1006. You admit that the land in the proximity of the house is the most level?—I do not admit that. It is all level; there is only one small hollow, which is an acquisition in the place it is in.

1007. I understand you to say you attach greater value to the land near the narrow neck. On what grounds do you do so?—Because it has such a nice position.

1008. In what respect?—If you notice the map you will see.

1009. Is the site of the house at all level with the sea-frontage?—Yes, it is about level with the sea-frontage, but not exactly. It is the highest part of the property.

1010. Would you say that it is not 20ft. above the sea-level?—I should certainly say it was not.

1011. How much above the sea is it?—I never took the levels of it. You can see that the whole is most valuable for building sites by just casting your eye over it.

1012. *Hon. Major Atkinson.*] Is there not a cliff somewhere there?—There is a cliff all round the property.

1013. *Mr. Peacock.*] There cannot be a cliff where it comes down to the beach?—There is a small rise from the shore there, but not so much.

1014. *The Chairman.*] Do you remember Major Boddam and Mr. Vickerman going and putting in pegs to mark the battery-site?—No, I do not remember when it was done. I ascertained the place where the land on Major Boddam's plan was proposed to be taken.

1015. Was it not known generally there when the site was marked out?—I do not think so.

1016. The information before the Committee is that the plan for defence purposes was prepared in June, 1884, and that, some months prior to December, 1885, Major Boddam was there with Mr. Vickerman, and drove in two pegs to mark the spot where the guns would ultimately be placed. Do you not know anything of that?—No, I do not.

1017. In making your offer through Cochrane and Son did you couple any conditions with it as to the security given to Mr. Stark for the balance that would remain?—No; the offer was made exactly as I told you yesterday—£2,000 cash, and the balance to remain five years at 5 per cent., the vendor to join in the conveyance of any sold.

1018. And that Mr. Stark should get a certain portion of the purchase-money?—Yes.

1019. Do you remember what portion he was to get?—No. The terms were to be arranged. What we should have arranged would have been to have given about 70 per cent.

1020. Do you remember what were the terms of Mr. Stark's reply?—No, I do not. I merely met Cochrane in the street, and he told me that Mr. Stark had declined the offer.

Witness: With reference to my appointment as Assessor, it has struck me that there must be something behind the questions you have asked me. I should like the Committee to give careful consideration to this matter. I am quite in ignorance of what it is, but there seems to me to be something behind—something more in questions such as whether I applied for the position or asked others to assist me.

The Chairman: The idea was this: that you and Mr. Stark being together in business, it was not a proper thing to appoint you a Reviewer, and that your being appointed prevented many people making their appeal, believing it would be useless.

1021. *Mr. Dargaville.*] Was your appointment as Reviewer subsequent to your offering £16,000 for the property or before it?—I am not sure. I have opposed the acceptance of the property-tax valuation at the local Board, and I opposed it, among other reasons, I now remember, on the ground that the assessment was too high; and, notwithstanding a strong determination on my part to get a new valuation, the existing Board accepted Mr. Seaman's valuation.

1022. *Hon. Major Atkinson.*] Do you consider Mr. Seaman's valuation high for that district?

—I consider that Mr. Seaman valued some of the property at a rate which, at the time the Board were meeting, was a high one. There has been a change in value.

1023. That is, since October?—Yes.

1024. *Mr. Peacock.*] We have it in evidence that there was extensive dissatisfaction among residents in the neighbourhood at your being appointed a Reviewer, on the ground that they might not have any of their objections listened to, because you had made this offer to Mr. Stark. Are you aware of it?—I never heard one remark but what was favourable to my being appointed to the position, and these were very numerous. If you make inquiry I think you will find that there has been no fault found with the action of the Assessors, of whom I was one.

1025. Did you appeal against the assessments of the Calliope Dock, or did you consider them too high?—I consider that one or two of them were.

1026. Did you consider Mr. Seaman's valuations were too high?—He estimated the buildings at too high a price.

1027. But not the land?—No.

1028. Did you intend to appeal against it?—I sent in my notice of appeal and intended to do so.

1029. Do you remember the amount?—About £30 or £40, I think.

THURSDAY, 15TH JULY, 1886.

Mr. H. M. BREWER examined.

1030. *The Chairman.*] You are Land Purchase Officer for the Public Works Department?—I am. I have been so for the last fifteen years.

1031. You know the property purchased by the Government from Mr. Stark?—I went to see it, by direction of the Under-Secretary.

1032. When was that?—I think in December last, but I could not speak exactly. I think it was about the 31st December last.

1033. Were you not afterwards instructed by the Minister for Public Works to get all the information you could about the property?—Yes; I met him when he came up, and he told me to do so between that day (Monday) and Friday.

1034. Will you state to the Committee what steps you took in the matter?—I went over to the North Shore, and made a few inquiries as to the value of properties there from several people—from Mr. Snell, and Mr. Mays, and various land agents in Auckland, and, in fact, from any one that I thought could afford me any information; but I had a very short time to do it in—only one day. I made many inquiries after that. I inquired from any of the residents who I found could give me any information.

1035. What did Mr. Mays advise you to do?—He did not advise me in any way. He gave me certain information about the price of Hammond's land, which is next to Stark's. That was all he mentioned, as far as I remember.

1036. Did he not tell you, for your guidance, that the place had been offered to Mr. Ross?—He said he believed it had been, some years ago. I understood him to say some four or five years ago.

1037. Did you make any inquiries about it?—I asked Mr. Stark about it, and he said it was not true. He said that he had an offer of £3,500 for the place some four or five years ago; but that the buildings were worth more than that.

1038. Did you see Mr. Seaman?—No, I did not. I called at his office, but did not see him. The first time I saw him was on board the "Hawea," coming down.

1039. You did not communicate with him before the purchase?—No; I got the property-tax valuation from his clerk, and handed it to the Minister.

1040. What was the general character of the information given you?—It was to the effect that all round Mr. Stark's place there was no property to be got at a less price than £500 or £600, and in some cases £800, an acre. I asked the price of one piece of one and a half acres from Mr. Sullivan privately, as if I wished to purchase it. He said he could sell it for £1,200, which was very cheap. He said he had a professional man who would take the other half if I purchased one-half. I have a letter from him to that effect.

1041. Did you proceed to value Mr. Stark's property?—I did not value it; I took the property-tax valuation. I had only been a fortnight in Auckland, and was unacquainted with the value of property there. I had been down in the Waikato, and I had not had time to make myself acquainted with the value of property in Auckland.

1042. Who is Mr. Snell?—He is a resident at the North Shore. He appears to be a man of independent means.

1043. What made you apply to him?—I simply asked him, in the course of conversation. I generally make it a point, in cases of the kind, to get all the information I can from every one.

1044. You did not apply to any land agents at the North Shore?—Only to Mr. Sullivan about this particular piece that I mentioned.

1045. Do you know who he is?—I do not. He is a stranger to me.

1046. Is he a land agent?—He is.

1047. Did you make any other inquiries besides these you have mentioned?—No; these were all. I made inquiries about Professor Thomas's property, and heard that he had a property next to Mr. Stark's, and paid £600 per acre for his land. That was all the information I could get in the time at my disposal. I got a great deal more afterwards.

1048. You were satisfied, on comparing the values of these properties with that you found put on Mr. Stark's by the assessor, that the assessor's was a fair value?—I was quite satisfied. Mr.

Stark told me that he had had an offer of £16,000 for the property, and I found that it was Cochrane and Sons who had made it.

1049. Then Mr. Stark knew that you were making inquiries as to the value of the property?—I believe so; but I did not tell him so. I got information from him about various properties.

1050. Can you remember the date of this? Is that the information you refer to in your report of the 20th January?—Yes. It would have been about the 18th that I went over to the North Shore.

1051. Did you hear that the property was in the hands of various agents for sale?—No.

1052. Did you hear that offers had been made of the property to various persons?—No. I only heard that Mr. Stark had had an offer of £16,000. I heard that from himself.

1053. When did he tell you that?—When I went over to see him, acting under instructions from the Under-Secretary.

1054. Will you give a statement of the part you took all through in this transaction?—Shortly after my arrival in Auckland I received notice to go and see Mr. Stark for the purpose of arranging the matter of compensation for the piece of land to be taken by the Government for defence purposes. I met him at his house, and explained the object of my visit. He said the piece taken by the Government came right up to his drawing-room window, and spoiled the whole of his property, and that he should require a large amount of compensation. He produced some plans, and said that the original survey by Major Cautley took in a larger area than that now taken. The original area is that marked in red. He also said that Major Cautley told him that the Government would require a larger piece of land, and must have it some day. He also said that another officer had pointed out that a piece at the point would be required, to protect the landing at Shoal Bay. It was also pointed out to me by Mr. Stark that if the property was cut up and sold it would cost the Government a much larger sum of money if they wanted it hereafter. He asked me to represent this to the Government, and I did so. I then left. On my way back I called at the office of Mr. Seaman and got the property-tax valuation of the property from his clerk. Before I had time to communicate with the Government the Minister for Public Works arrived in Auckland, and I decided to lay the case before him. I sent over for Mr. Stark, who came and brought his plans. I introduced him to the Minister, and handed him the property-tax valuation of the property, suggesting that he should go over and see it. The Minister had some conversation with Mr. Stark and myself, during the course of which Mr. Stark said that it would be the best plan for the Government to take the whole of the property, instead of having at a future date to purchase at an increased rate. The Minister replied that he would communicate with his colleague the Minister of Defence on the subject. I heard nothing more about the matter, except that the Minister was getting estimates of the value of the property from various land agents. On the 19th January Mr. Stark told me that he had settled with the Minister for Public Works on the basis of 10 per cent. over the property-tax valuation. He asked me to forward the voucher as soon as possible, as he wanted to go South. I told him I would do so as soon as I was officially informed of the matter and had got full particulars. He afterwards sent me an official letter, giving figures and amount. I had seen nothing of the Minister since our first interview, but that day he instructed me to make a report, which you have amongst your papers. I looked upon that report as a *pro forma* report for departmental purposes, but I do not wish to shirk the responsibility of it. I should have written it if he had applied to me a week earlier. The next day the Minister again sent for me, and showed me a telegram, stating that the property could be taken by conveyance, and that a Proclamation was not needed; and instructed me to have the conveyance made out, the title searched, and the voucher made out. My report of the 12th April was in answer to a letter which I received from the Government, and which I hand in to you. That is about all I know of the matter.

1055. You state in this letter of the 20th that you did not think that Mr. Stark would sell for the price offered?—His claim was for £20,000, and I did not think he would let it go for less than that.

1056. What were your reasons for so thinking?—Because he intimated to me that he would want £20,000, and would not take anything less.

1057. When was that?—In the course of conversation at our first interview. He said that it was a valuable estate; that he had been offered £16,000 for it; that he would not sell; and that he would go in for a claim of £20,000.

1058. On the 22nd January you wrote to the Under-Secretary stating that you had nothing to do with the settlement, and would have no report to make?—Yes; the reason was that when I make compensation awards I have to make a very exhaustive report. This goes to the Minister, and if approved of it is forwarded back to me; and until that I cannot settle the matter.

1059. *Mr. Dargaville.*] When you said you had no report to make, you mean no "official" report of this description?—Yes. In this case neither the agreement was signed nor a report sent in by me.

1060. You took the property-tax valuation without any further inquiry?—Yes; I was new to the district, and therefore thought it the safest thing to do. In my own district, I could have given the value for hundred miles round; but I had only been a fortnight in Auckland, and I felt safer in taking the property-tax valuation than in going about it myself.

1061. In a subsequent report you speak of the supposed offer to Mr. Ross as being an "absurd report"?—I thought it was when I looked at the property. I thought that if Mr. Ross had had such an offer he would have jumped at it and taken it. I should have liked to have the chance myself.

1062. That was what you meant by using the phrase "absurd report"?—Yes; I did not think there was any truth in it.

1063. *Major Atkinson.*] You did not go to Mr. Ross to find out?—No; I think he was away from Auckland at the time.

1064. *The Chairman.*] Do you know who he is?—No; it was only in the course of conversation

that Mr. Mays mentioned it and when Mr. Stark informed me that it was not the fact I did not think anything more about it.

1065. What is your usual course in making these inquiries: do you usually inquire of the person who has the land to sell?—No; I make inquiries all round: very seldom from those who have to sell. If I take a case into the Compensation Court, I try to get all the evidence I can.

1066. Was not another piece of land purchased at the North Shore?—Not by me.

1067. *Mr. Dargaville.*] It is on record somewhere that you estimated the value of the property, or made a statement showing the details whereby you arrived at the estimate of £20,000 or thereabouts?—My estimate was £17,300, mentioned in my report of the 12th April, which was made at the request of the Government.

1068. Do you remember whether at any time you expressed an opinion that the property might realize £20,000?—I do not remember doing so.

1069. If the Government had elected to take the case into a Compensation Court, what would have been the result?—I have expressed an opinion that, with the evidence that Mr. Stark and others could produce, I do not think that the Government would have got it for anything less than they have paid. From a long experience of Compensation Courts—I have taken a great many cases into the Court, and never lost one yet—I should say that with the evidence that could be produced, the Government could not have got the land cheaper than what they have paid—namely, £17,100.

1070. I should like you to tax your memory as to whether you did not express an opinion that, if the Government went to an arbitration, in that case they would have to pay £20,000?—I do not remember it, but I may have said it.

1071. It is important, and I should like you to be accurate?—I have not the slightest recollection of it, but I may have said so.

1072. Then, circumstances that are within your knowledge now might have induced you to say so?—Yes; since I wrote my report of the 12th April.

1073. I want you to be quite clear as to whether you did not express that opinion long prior to April, at or about the time when the Minister for Public Works was in Auckland?—I have not the slightest recollection of it; but it is not at all probable, because I was not aware of the value of property at that time; I was totally unacquainted with the value of property at the North Shore. At the same time it is possible that I may have done so.

1074. And the reason why you may have said it would be, I presume, because of the general opinion as to the value of property at the time?—Yes; combined with the uncertainty of Compensation Courts. Sometimes one gets a very different verdict from other times; it depends on the presiding Judge and the evidence.

1075. I understand you to say that it is possible that you may have said so?—Yes.

1076. Your reason for saying that you possibly may have said so would be the evidence that you were aware Mr. Stark would be able to support his claim with?—Yes; and the uncertainty of Compensation Courts. In Compensation Courts it is very difficult to get evidence for the Government. I have had as many as twenty-six witnesses on the one side, and only myself on the other.

1077. Your reason, then, is partly the uncertainty of Compensation Courts, and partly on account of the knowledge that you acquired of the price at which property was in the neighbourhood?—Yes; I placed more reliance on the property-tax valuation than anything else.

1078. Do you now think that, if the Government had elected to go into an Arbitration Court, instead of dealing privately for the property, they would have got it for less than they are now paying for it?—I thought at the time that I made my report that they would not have got it for less than what they are now paying.

1079. And that was the evidence you supplied to the Minister?—Yes; and I think so now. I have heard nothing since to alter my opinion. A great many things have come within my knowledge to strengthen my opinion.

1080. *Hon. Major Atkinson.*] Could you mention any of these circumstances?—Further inquiries as to the value of properties from residents, land agents, and owners.

1081. Can you name any of them?—Mr. Mitchell, Mr. Osmond, Mr. Fraser, Mr. Mays, Mr. Snell, and any one who I found could give me any information. I took every step I could to get information.

1082. *The Chairman.*] Can you state what Mr. Mays told you?—He told me the value of Hammond's property next to Mr. Stark's, and what was being asked for it.

1083. *Hon. Major Atkinson.*] What was Hammond asking?—£1,500 for three acres. I took a fancy to the property myself, and made inquiries about it.

1084. *The Chairman.*] There is no house on it?—No.

1085. Did you hear if any property had been sold?—No; I did not. I must give you to understand that I only had one day to do the whole business in.

1086. *Mr. Gore.*] Do you remember telling the Minister for Public Works that, if you had to go into a Compensation Court to give evidence, your evidence would be to the effect that the property was worth £17,500?—I do not remember, but it was very likely that I did so, as it was my opinion at the time.

1087. You have told us that you did not value the property yourself?—No; I took the property-tax valuation.

1088. Still you were prepared to go into Court, and say that the property was worth £17,500? Yes; that was the property-tax valuation, with the usual 10 per cent. added.

1089. You made no valuation of the property at all?—No. In all compensation cases I have depended to a great extent on the property-tax valuation. I have never yet heard in such cases that the valuation is too high; the complaint is generally that it is too low.

1090. You also made some inquiries as to the value of the property, and were told that Mr.

Ross had been offered a piece for £3,500?—Yes; but I was told that that was four or five years ago.

1091. Did you ascertain if that was correct?—Not beyond asking Mr. Stark, and he said it was not true.

1092. Did it not strike you that Mr. Ross would have been the better man to ask?—I believe that Mr. Ross was away from Auckland at the time. I think I inquired, and was told that he was away. If I had this case to take into a Compensation Court, I should have been in a position to make a great many more inquiries, but the thing was done so hurriedly that I could not go into it sufficiently fully. When I have to take a case into a Compensation Court I have three weeks' notice in which to prepare my evidence. In this case I had no notice.

1093. You were informed that Professor Thomas paid £600 per acre for his land. Is Mr. Stark's as valuable as that?—I should think so. I do not think that the other has any special value beyond Mr. Stark's.

1094. Mr. Stark told you that he had been offered £16,000 for his property. Did you make any inquiries about that offer?—I did not. He did not tell me who had offered it to him. I fully expected that the case would go into a Compensation Court, in which case I should have had ample time to make all these inquiries.

1095. If, in your opinion, it would have been advisable to send the case to arbitration, why did you not advise that that should be done?—It was a mistake that the property was not settled for before the Government took possession of it.

1096. Do you think that it would have been advisable for the Government to have bought the property through the Court?—It would have been better in many respects, but I think that Mr. Stark would have got the same amount in the Court that he has now. Some people say that the value is not a correct one, but in my opinion it is.

1097. *Mr. Cowan.*] When you applied at Mr. Seaman's office, did it not strike you to inquire what was the previous valuation of this property?—No, I simply called there; and, as I said before, I thought I should have had ample time to go into the matter. I never anticipated settling the compensation at all. I had made up my mind that it was a case for a Compensation Court.

1098. Had you been in possession of the fact that in 1882 forty-two acres of this property were valued at £7,000, and that in 1885 twenty-eight acres of the same were valued at £15,600; would that have aroused your suspicion?—It would have made me more determined to take the case into a Compensation Court.

1099. It would have made you more anxious to put it through the Court?—Yes. I never had any other property so large but that I sent it into the Compensation Court. It was too big a thing for me, and I never dreamt of settling it, as I considered it too great a responsibility.

1101. You are aware of the fact that between the valuations of 1882 and 1885 the most valuable ten acres of this property were offered by Mr. Stark to several individuals for £3,500, and you have told us that that was three or four years previous?—That was what I was told.

1102. We have evidence of two distinct offers by Mr. Stark for that amount—one of them in March, 1884?—I cannot understand it, nor can I understand why the offer was not accepted.

1103. Were you in possession of this information when you made your report?—Certainly not.

1104. Had you been in possession of it what course would you have taken?—I should have kept it as evidence for the Compensation Court. I may say that I did not go to Mr. Mays to make inquiries about properties, but in connection with another question of a road, and this subject cropped up in course of conversation.

1105. Mr. Mays states that he informed you on that occasion that the property-tax valuation of 1885 was ridiculous, and that he informed you that a certain portion of it was offered at the figures mentioned: is his statement correct?—I do not quite remember what happened, but I should be prepared to take his word.

1106. Then, will you tell the Committee how you reconcile your subsequent action with this knowledge?—I do not think I had any conversation with Mr. Mays about the property-tax assessment at all, but simply about the alleged offer to Mr. Ross.

1107. Mr. Mays has made the statement. Do you contradict it?—I do not remember it.

1108. When Mr. Stark told you that he had been offered this price, did you not consider that it was your duty to ascertain by whom the offer was made?—I did not; I took his word for it. He seemed a straightforward man, and I had no reason to doubt him. I did not think it was necessary to make further inquiries. Had the case been taken into Court, of course I should have done so; but I had no chance of doing it, as I was too hurried over it.

1109. Do you know Mr. Allison?—No; I never met him till I saw him on board the "Hawea," coming down.

1110. Did his name not crop up in any of your conversations about the property?—No; I never remember hearing his name.

1111. Did it not strike you as a part of your duty to ascertain, in addition to Mr. Seaman's valuation, the value of the property as assessed for local purposes?—No, not at the time. If I had had more time I should have obtained more evidence.

1112. Had you at that time discovered that this property for local rating purposes was assessed at £3,000, would it have aroused your suspicions?—Of course it would; but I do not think much of local valuations because they change so much.

1113. But did you not inquire into them?—No.

1114. You still adhere to your opinion that the property has been cheaply acquired by the Government?—I think so; if it had gone into a Compensation Court they would not have got it for any less.

1115. Is this your opinion, even with the knowledge of these offers?—Yes; because a Compensation Court would take what it was worth at the present time, and not what it was worth in the past. A few years makes a wonderful difference. I have bought a section for £27 and sold it within five years for £500.

1116. Is it within your knowledge that property in that district is advancing in value?—I believe it is, for the reason that there is a smaller quantity of it. There is only in that district about four hundred acres, exclusive of reserves. I only put a greater value on Mr. Stark's property because I thought it would be difficult to get such a property in times to come. I look upon it as one of the nicest properties in Auckland.

1117. *Mr. Peacock.*] You state that you had only been in Auckland two weeks at the time you made your report?—Yes.

1118. And that you had no knowledge of values in that district?—No; except from hearsay evidence.

1119. Under these circumstances, would you not feel it your duty to call in the best available talent in the way of land-valuing?—Yes; if the case were to be taken into a Compensation Court.

1120. But, in view of the fact that you made a recommendation to purchase the property for this sum, did you not think it desirable to fortify yourself with the opinions of land agents?—No; because I was not authorized to employ and pay land agents.

1121. So, for the sake of saving a land-agent's fee, you made the recommendation that the Government should purchase the property for £17,000?—Yes.

1122. You acquainted yourself with Mr. Stark's statements and the property-tax valuation?—Yes.

1123. When Mr. Mays advised you to see Mr. Ross, in order to satisfy yourself about the offer made to him, why did you not accept his advice?—I believe that he was not in Auckland.

1124. What reason had you for believing so?—I think I inquired.

1125. Where did you inquire?—I do not remember; but I did inquire, and I think I was told he was not in Auckland.

1126. Did you not go to the office of the firm in which he is a partner?—I did not know the firm of which he is a partner.

1127. How did you find out that he was away?—I believe I was told by some friend of his.

1128. But you cannot tell who told you?—No; I cannot.

1129. Do you not think that, if you had inquired at the office of the firm in which he is a partner, that you could have ascertained?—I do not know the firm with which he is connected.

1130. You were satisfied, without inquiring what firm he belonged to, that he was away?—I repeat that I believe I was told that he was away.

1131. Did you accept Mr. Stark's statement that it was not true about the offer, without inquiring of Mr. Ross?—I had no reason to doubt his statement. He pointed out that the buildings alone were worth the money, and that land was selling at £500 an acre all round him.

1132. Is it your custom to take a seller's statements to guide your actions?—Certainly not.

1133. But you did so in this case?—To a certain extent.

1134. You accepted his denial without further inquiry?—The statement seemed absurd, to my mind, and I did not think there was any truth in it.

1135. Are you aware that the Committee have it in evidence that ten acres of this property in March, 1884, when land was at a high value, was offered to Mr. Roberts for £3,500. I never heard of it.

1136. Or that, in addition to its being offered to Mr. Ross in the same year, it was offered to Mr. Kingsford—five acres for £3,500, or ten acres for £4,000?—I never heard of it.

1137. Presuming that it was made, that would be at the rate of £100 for a lot of five acres?—Yes.

1138. If you had known these facts, would you have advised the Government as you did?—No; I should have suggested to take the case into a Compensation Court.

1139. Then, you find that you had not made sufficient inquiry to make yourself thoroughly acquainted with the value of the property?—My inquiries were as to the present value of the property, not as to the past.

1140. Are you aware that land reached its maximum at the end of 1884?—No; but I heard that it had increased three or four times in value during the last three years.

1141. Can you state when it reached its maximum?—No.

1142. Would you accept the statement of competent authorities if they stated that land reached its maximum at the end of 1884?—No; I should not. I should think it is about at its maximum now.

1143. Do you know whether property in Auckland is equal in value to what it was six months ago?—No, I do not.

1144. Upon what do you ground your opinion?—From various small properties that have been sold.

1145. In your opinion, is this land of equal value to what it was a year ago?—I should think so; but I am not in business in Auckland, and have had very little to do with land there. My district has been a hundred miles from Auckland, so I cannot speak positively.

1146. You stated, in speaking of the absurdity of the report that the house and ten acres were offered for £3,500, that the house and improvements cost more than £3,000?—Yes.

1147. Are you aware that, if you had inquired of Mr. Ross, you would have found that the house and improvements were valued at £2,000 in that transaction that has been referred to?—No.

1148. With the knowledge that you have now acquired, would you be still prepared to write to the Government recommending them to offer the same sum for the property?—No; I should advise them to take the case into the Compensation Court.

1149. And you think that, if they had taken it into a Compensation Court, the valuation would not have been sustained?—I think it would have been.

1150. On what grounds do you think so?—On the present price of property surrounding Mr. Stark's property.

1151. In view of four different offers having been made by Mr. Stark in the year 1884 at the

rates that have been mentioned, you think still that Mr. Stark would have got as full an amount in the Compensation Court as he has now?—I think so, because the Court, as a rule, leans towards the side of the claimant more than towards that of the Government; and it would be compelled to take the present value of the property.

1152. Would any Court not take into account the fact that the present value was less than when the offers referred to were made?—My impression is that the Court would have awarded an amount fully equal to that the Government have paid.

1153. Even if the Court were aware of offers being made, when property was higher in the market, at a lower rate, would they not have considered that a misleading value?—Possibly; but it has to be proved that property was higher.

1154. *The Chairman.*] When did Mr. Le Bailley and others buy?—I do not know the dates.

1155. Was it subsequently to the offer made to Ross?—I could not say. I could not say exactly when they bought; but I understand that it was within the last three years. I do not look upon the offer alleged to have been made to Mr. Ross as a genuine one, because he would have accepted it.

1156. *Dr. Newman.*] Did you ever hear of it before?—Only from Mr. Mays.

1157. When you made your report of the 12th April, were things pretty flourishing?—Yes; I think so. There are not quite so many sales as there had been. I am informed that there is generally a dull season of the year for land sales.

1158. When you drew up the report, you thought the property was worth £20,000?—No; I did not say so. Mr. Stark claimed £20,000; I did not value it at that.

1159. How do you explain the fact of your statement that land was high in April, when you say the present is a time of great depression: does not this mean that property has gone down?—I mean that there are not many sales at the present time.

1160. Then, property is not worth so much as it was before?—That does not follow; but people have not so much money to speculate with.

1161. But, if properties are not so saleable, they are surely not so valuable. Did you ask Mr. Mays what he considered was the value of the property?—I am not quite sure whether I did or not. I cannot tax my memory with all these conversations.

1162. You had a conversation with Mr. Mays about the value of the property?—Yes.

1163. Did he give you any information as to the value of it?—He gave me the information about the offer to Mr. Ross.

1164. Did he not give you information as to his own idea of the value of the property?—I do not think so.

1165. Is it not your custom to ask these sort of questions?—If the case had been taken into a Compensation Court I should have called him as a witness.

1166. You say you spoke to him about the value of the property: what did he give you as the value of it?—I do not think he fixed any sum as the value of the property as a whole.

1167. Did you see what it was valued at in the books of the Town Council?—No; I merely got the property-tax valuation from the property-tax office.

1168. Is it not your usual custom to find that out?—Yes; if you were going into Court.

1169. But, if you are drawing up a report?—Sometimes.

1170. Should you be surprised to find that the whole was valued at £3,500?—I should; and should think that the Assessor would be very much to blame.

1171. Are you aware who it was that valued it?—I have not any idea.

1172. You say that property in the neighbourhood was worth £500 an acre: have you anything to justify that?—Nothing more than what I have heard.

1173. Has any land been offered for sale in these parts?—I cannot tell.

1174. You have given it in your evidence that land in the neighbourhood was sold at £900 an acre. Can you tell me any sale at that price?—My evidence was all hearsay evidence, and I was not able to verify it.

1175. Not when you took two or three weeks to draw up a report?—I did not take that time.

1176. When the Government requested you to draw up a report, did you not make an effort to verify your evidence?—No; I did not go and ask these people if what I had heard was true, because I looked upon the matter as virtually settled; but I got the best information I could as to the value of the property. I did not look upon my report as in any way likely to affect the sale of the property.

1177. Your report of the 12th was in support of your previous valuation?—To a certain extent.

1178. You have heard a good deal of discussion about this sale?—I have.

1179. Have you heard from land agents that the price is considered excessive?—No; I should not be likely to hear it.

1180. Did you make any inquiries as to Mr. Stark's efforts to sell the property?—No; I never heard that he wanted to sell it. I understood that he had an idea of living there for the rest of his life.

1181. You say that this is a time of great depression: what would the Government now get for the land?—I should say an average of about £2 per foot; and I have been told this is a low price.

1182. Why did you recommend the Government not to put it in the market just now?—Because prices would be better, I thought, when the tramway was completed.

1183. Are you aware that Mr. Le Bailley refused the offer of part of the property for £3,500?—I never knew of the offer.

1184. Do you know what the contract price of the house was?—I am told that it was £2,555.

1185. Who told you?—Mr. Stark.

1186. Do you know what the insurance on the house is?—No.

1187. Did you ask any one else's value of it?—No.

1188. Why do you say that it was absurd to say that the house and buildings were worth £3,500?—Because the contract price of the house was £2,555, and to this has to be added a cottage, a great deal of tile-draining, a concrete cistern, and a lot of other improvements; and I know what these things cost.

1189. You adhere to this value in the face of the fact that Mr. Stark offered this part of the property on four different occasions for £3,500?—If he did so I cannot understand why the offer has never been accepted.

1190. Are you aware that the people to whom the offer was made went so far as to prepare the deeds, and afterwards withdrew?—I did not hear anything about it.

1191. Are you aware that Mr. Stark valued his improvements at £800?—No.

1192. Did you consider that you had sufficient data to go upon to recommend the Ministry to keep out of Court?—I would rather have had more evidence, but I understood that the Minister for Public Works was collecting evidence himself.

1193. Did you consider that, on the 20th January, you had sufficient data to justify you in quoting the property at £20,000?—I had the property-tax valuation.

1194. What was that?—£15,600.

1195. Then, how do you make out that it was worth £20,800?—I did not say that it was.

1196. But, in your opinion, the property is worth £20,000?—I consider that it would be worth £17,000 if a sale were forced, but by waiting to sell it would be worth £20,000. I consider the property a very valuable one; from its position.

1197. Do you know of any land close to Mr. Stark's that has sold for £600?—Yes; Professor Thomas's.

1198. How far away is it?—The properties are divided from one another by a three-acre paddock.

1199. Has it a sea-frontage?—Yes.

1200. Would all Mr. Stark's property have a sea-frontage?—Yes.

1201. Has any other land been sold at this price?—I have been told so, but I do not know of my own knowledge. Had I been taking the case into a Compensation Court all these things would have been brought in evidence.

1202. Before coming into this room had you any idea that Mr. Stark had made the offers that have been alluded to?—Not the least.

1203. And you made no inquiries at all to verify your evidence?—No; I have explained my position.

1204. Did you get the figures in your report from Mr. Seaman?—I never saw him or spoke to him before meeting him on the "Hawea."

1205. When did the depression in Auckland begin?—It has been during the last six months. The papers, at least, generally, say so, although I cannot see much of it.

1206. Then it began about the time you say the property was worth £20,000?—Apparently.

1207. *Mr. Wilson.*] Did you absolutely recommend the Minister for Public Works not to take the matter into a Compensation Court?—Certainly not. I never made any recommendation to him at all. I saw him one day, and never saw him again till he called me into his office and told me to write a report. I heard that he was taking evidence himself, and considered that in doing so he had taken the matter entirely out of my hands.

1208. Then he acted entirely on his own motion?—Yes.

1209. He did not ask your advice?—No. But I always try to keep matters out of Compensation Courts when I can. I do not like them. But I never lost a case in one yet.

1210. Previous to the Minister's going up to Auckland you intended to take the matter into Court?—Certainly. I never give any valuation over an amount of £2,000.

1211. Did the Minister tell you that he was not going to take it into Court?—No. I simply left the matter in his hands; I never heard from him at all. I consider that a Government is very much handicapped in Compensation Courts.

1212. When was the first intimation you received that it was not going into Court?—I never received any intimation that it was not. The first I was told of the matter was on the 20th January.

1213. That was the day you wrote your report?—Yes—the day that Mr. Stark called.

1214. Up to that time you thought that the case would go into Court?—I did.

1215. Will you state, as far as you recollect, the exact number of times you saw the Minister?—Only twice, so far as I remember. I do not remember his mentioning anything at all about the Compensation Court.

1216. You are not clear as to when it was decided not to go into the Court?—No; I never received any instructions at all except on the day the report was drawn up.

1217. The Minister states that had you been called into Court your evidence would have been that the property was worth £17,000. Is that so?—I said to him that I thought he would get something like that amount.

1218. At which interview was that?—On the morning of the 20th.

1219. *Hon. Major Atkinson.*] After the property was bought?—I believe so. The times on which I saw the Minister were when I took Mr. Stark to him first, and on the morning of the 20th.

1220. *Mr. Wilson.*] What was the date of the purchase?—The 19th.

1221. And you saw the Minister on the 20th?—Yes.

1222. *Hon. Major Atkinson.*] To give him this information?—I did not tell him that I would have valued it at £17,000.

1223. Are you quite sure this was after the property was bought?—Quite sure.

1224. And you are quite sure that these were the only two interviews you had with the Minister?—Quite sure, as far as my memory serves me.

1225. *Mr. Wilson.*] You state very distinctly that you asked Mr. Stark most distinctly whether he had ever offered part of the property to any one for £3,500?—I did.

1226. And he absolutely denied it?—He did. He said that that would not cover the cost of the buildings.

1227. It would change your opinion of Mr. Stark if you found that he had done so?—Yes; but I have no reason to doubt his word at present.

1228. Did he give you any information as to when the property was surveyed?—No.

1229. Did you not inquire as to whether it was after the report about the Government wanting the place for a battery?—No; I was only there a short time, and had no time to spare.

1230. You say that you understood that Mr. Stark had had an offer of £16,000?—He told me so.

1231. Did you inquire as to the terms of the offer?—No.

1232. Did you not think that it would have been wise to do so?—If the case had been going into Court I should have done so; but, as I said before, I had not much time.

1233. If you were told that the terms were that only £2,000 in cash was to be paid, would that have altered your value?—Those seem very easy terms, but I would scarcely like to offer an opinion as to that.

1234. It would not make any difference to the cash value?—I do not think so, as one would have to pay interest on the money. You always expect to get a property cheaper for cash than on terms.

1235. What do you consider the actual cash value of the property at present?—I should scarcely like to say. I have not thought over the matter. Speaking without thinking, I should say £17,000 or £18,000. I was told that it had been valued by Mr. W. Aitken, a land agent in Auckland, at £18,000.

1236. Who told you?—I forget. I heard it in the course of conversation.

1237. Did the Minister give you any information as to the trouble he took with regard to obtaining evidence on the matter?—No, he did not.

1238. You have no knowledge of what he did?—No; I was told that he was getting valuations and estimates from several agents.

1239. Suppose he had asked you distinctly your opinion whether you would advise that the case should be taken into Court or not, what would you have advised?—I should have said that if it could be sold for a reasonable price I should not take it into Court.

1240. And you considered £17,000 a reasonable price?—I think so, as being 10 per cent. over the property-tax valuation. In many cases we allow 20 per cent. over, because the property-tax value is supposed to be under the selling value.

1241. I should like some more specific information about Professor Thomas's property. It contains an acre and a quarter, I believe?—I think that is in my report; £600 an acre was the price, and the house is worth £450.

1242. Have you carefully examined the house?—No; I have not been over it at all. I have simply seen it from the outside, and I inquired as to the number of rooms. I was told that there were nine rooms, some of them small ones.

1243. What other improvements are there?—There is a garden, and it is planted with trees.

1244. What do you consider to be the value of the land without the house?—I should think that it is at least worth £600 an acre, according to the price at which land is selling. I am only speaking from prices that have been quoted to me.

1245. Would you be surprised to hear that Professor Thomas would take £1,800 for his land, with the house included?—I should think that would be untrue.

1246. Would you be surprised to hear that the improvements are very large indeed?—No; I should not.

1247. We have been informed that it was very highly improved, and £1,000 has been stated as the value of the house and improvements?—I believe that the house is valued at something like £450, and it does not appear to me to be worth more than £500.

1248. Suppose the Minister had asked you to state at the time of going into the matter your opinion as to taking the case into Court, you would have told him that he ought to have done so?—Certainly, if I had the matter to settle myself I should have done so.

1249. But had he asked your opinion as to what he should do?—I would have said that he was the best judge of the matter.

1250. It has not struck you that it was injudicious to hurry the matter?—I think the mistake, in the first place, has been putting the unemployed to work on the property before securing it. The whole matter has been too hurried, and the unemployed were rushed on to the property too soon.

1251. Did you feel that the Minister was doing you any injustice in asking you to value the property so hurriedly?—No; but I thought that he had taken the matter entirely out of my hands.

1252. And you did not feel the same responsibility?—No; I did not feel any responsibility at all in the matter.

1253. Did you expect that you would have to draw up a report?—No.

1254. Nor to get the usual agreements signed?—No. When I make an award I have to fill in a printed form of report, which I had not to do in this case.

1255. The Minister instructed you to make your report on the 20th?—Yes.

1256. Is that sort of thing usual?—I never had an instance before.

1257. What is the largest transaction you ever did?—About £4,000 or £5,000, I think.

1258. You took more care over them than in the present case?—I took twelve months over one matter of £3,500, to get all the information I could.

1259. Then, you would imagine that, seeing that this is so much larger a transaction, you would take still greater precautions over it?—I should not have taken it into Court under three or

four months, and then I should have done so without much thought of getting it for less than £17,000.

1260. Even with all the knowledge you possess?—Possibly now I might think differently; but at that time I knew nothing about these alleged offers.

1261. Now you think there might be some hope of getting it cheaper?—Possibly, if it had been dealt with before the men were put on it, it might have been got for less; but now it was a compulsory sale.

1262. You do not seem to consider that it was a cash sale?—Yes; I do.

1263. *Mr. Barron.*] You say you were only about a fortnight in the district before you were asked to report on this matter?—I had only been that time in Auckland.

1264. You were not in a position to have any knowledge of the value of property at that time?—No; I had it all to learn.

1265. You were only a fortnight in the immediate district before you were asked to enter on the work of valuation?—Yes.

1266. Did you feel that it was necessary for you to hurry?—The Minister came up very hurriedly.

1267. Did he seem to be pressing for a decision?—Yes; he left me on the Monday without making any arrangement for a future meeting.

1268. Had the matter been left to yourself, and you had not been hurried, you would have thought it necessary, in the public interest, to take a much longer time over it?—Yes.

1269. You were informed that the property was valued at £18,000 by an Auckland agent: did that information reach you in such manner as would justify you in believing that it must be true?—I simply heard it in some way though the office.

FRIDAY, 16TH JULY, 1886.

Mr. H. M. BREWER further examined.

1270. *The Chairman.*] You received a letter from Mr. Stark the day before you wrote your report, and he says he agreed to accept the offer?—No; I received the letter on the 20th.

1271. In the letter you wrote to the Minister you say you recommend that the sum of £17,500 be offered to Mr. Stark, but that you did not think that he would accept it. I was writing officially then. [Letter read.]

1272. Can you explain why you stated that you did not think that Mr. Stark would accept £17,500?—I wrote it simply as an official letter, not being supposed to know in any way that the transaction was completed. The Minister had not informed me that it had been completed. I wrote the letter the first thing in the morning, before I received Mr. Stark's letter.

1273. *Mr. Barron.*] We are to understand that your relations with Mr. Stark were of a twofold nature, one of a friendly and another of an official character?—He was not a friend of mine. He was a mere acquaintance; I never met him till a few days before this.

1274. You did not think that it would be right for you in your official capacity to notice a letter like the one you received from Mr. Stark?—I wrote my report to the Minister before I received Mr. Stark's letter.

1275. Had you no opportunity afterwards to correct your report?—I did not think that there was any necessity to do so.

1276. Will you tell the Committee where you were engaged before you went to Auckland, and in what capacity?—I have been engaged as Land Purchase Officer for the Government for the last fifteen years. I bought all the line of railway from Taranaki to Wanganui—part from Wanganui to Foxton, and part from Napier to Woodville, and a great deal on the Masterton line, and the first thirty miles of the North Island Main Trunk line.

1277. How was it that you were removed to Auckland?—It was owing to the death of Mr. McFarlane, my predecessor. I was sorry to be removed from a district where I was thoroughly acquainted with the value of property to one where I was totally unacquainted with it.

1278. You had no one to consult with when you went?—No; and there was no office even.

1279. The Minister knew that you had really no experience in Auckland?—He must have known so; for he was in office at the time that I joined the service twelve years ago. I was removed rather suddenly to Auckland as there were a lot of things that required my immediate attention; and I was therefore sent up at once.

1280. The Minister says that he saw Mr. Stark on the 8th; is that the case?—I could not say the date.

1281. What passed at the interview?—I introduced Mr. Stark to the Minister and they went through the plans together, and he explained to the Minister what Major Cautley had said. He said that he would require a large amount of compensation for the small piece proposed to be taken, and suggested that it would be better for the Government to take the whole property. The Minister appeared to agree to this, and said, "I cannot say anything about it now; but I will confer with my colleague, the Minister for Defence."

1282. Did this interview take place on the property?—No; it was in the Star Hotel.

1283. Mr. Stark was a stranger to the Minister?—Yes.

1284. You say in your report that negotiations had been "conducted entirely by the Minister for Public Works, and I have had nothing to do with the settlement," &c.?—What I meant was that I never saw the Minister till the 20th, when he asked me to write what I considered a *pro forma* report. I never sent an official report down.

1285. The Minister has said that he had several long interviews with you?—He only had two, to the best of my memory.

1286. The first one was that you refer to when you introduced Mr. Stark, and the last was when he asked you to write a report?—Yes.

1287. He took the whole matter out of your hands?—Yes; the mere fact of his getting Auckland land agents to value the property was taking it out of my hands.

1288. You have been land purchase agent for a number of years?—For fifteen years.

1289. The present Minister has been in office during your term?—Yes; he was in office when I first joined the office.

1290. You must have been officially connected in the same capacity with other Ministers. Have you had any other case where the Minister has taken the whole matter on himself?—No; I have never had a similar case. I have often referred to the Minister, but I have had no case like this. In one case, in connection with the Patea Boiling-down Company, I consulted with the Minister a great deal. It was a complicated case and took twelve months to settle; and it was eventually settled satisfactorily.

1291. Have you any opinion as to why this exceptional course was followed?—The claim was a very large one, and the Minister got the valuations to protect himself and ascertain the value of the property. He probably did not wish to leave it to me, as it was too big a thing.

1292. It has been stated that Mr. Stark has declared that he was a candidate for the Waitemata seat in Parliament. Do you know if it is true?—I saw it in the papers.

1293. Do you know if Mr. Stark interviewed any of the other Ministers?—I do not know.

1294. With reference to the valuations, there is one point that you have not made clear. Did you make any distinction between cash value and speculative value?—I did not look at it in that light. I looked at it in this light: that a man whose property was taken from him in a very arbitrary manner, as was the case here, was entitled to more than if he sold his property in the ordinary way.

1295. Did you not take into consideration the fact that most of the values brought under your notice were nominal or speculative; and that this property, the purchase of which was being negotiated for, was to be purchased for cash?—I do not understand that any of the properties I have reported on were sold on terms. I have had no means of satisfying myself.

1296. For instance, we have it on record that for this property there was offered by Mr. Allison (whether it was a *bona fide* offer or not has nothing to do with the question) £16,000—£2,000 cash, and the balance in five years at 5 per cent. Would you have considered that this offer, had it been reported to you without the terms on which the offer was made, was similar to an offer of £16,000 on the terms I have stated?—I do not quite follow you; but I think that you ought to get a property much cheaper for cash than on terms. But I have heard nothing about any of these offers. As to Mr. Allison's name, I never heard it mentioned in the whole transaction. I do not know him.

1297. In your report of the 12th April to the Under-Secretary you say, "In conclusion, I would refer to an absurd report," &c. This was brought under your notice before the purchase was concluded. The name of the person to whom Mr. Stark offered the land was given to you, and you had ample opportunity to ascertain whether the report was true between the date of the opening of the negotiations in January and the date of your writing this letter in April, and still you do not seem to have taken any steps to ascertain whether it was true or not?—I was assured by Mr. Stark that the offer was never made, and I did not see, after the matter was settled, how it would affect the question. The report was written three months afterwards.

1298. You said yesterday that you thought Mr. Ross was not in town. Here is a report, written months afterwards, in which you take up this ground: "Mr. Stark is not here to deny the report." Why do you take up that ground?—I meant that if Mr. Stark had been there at the time I wrote I should have got a letter from him to that effect.

1299. It seems to me to require explanation why, in the face of the fact that Mr. Ross was there, you did not communicate with him?—I did not think that it was necessary to do so. I thought that the object of the report of the 12th April was more for the purpose of showing how the property should be treated in the future. I considered that the question of compensation had been settled, and that it was therefore not necessary to go into all these details.

1300. *Hon. Mr. Ballance.* With regard to your letter of the 20th January, you say you were simply writing officially. What do you mean by that?—I wrote an official letter in reply to a request from the Minister.

1301. Is this letter correct?—Yes; those are my own opinions.

1302. What do you mean by saying that you were simply writing officially?—I was asked to write a report, and I wrote it.

1303. For what purpose did the Minister ask you to write a report?—I presume to support the valuation.

1304. Had you expressed opinions to him similar to those contained in your report?—Not exactly those opinions. I stated to him that the claim was a difficult one to settle. I did not use figures previous to the letter, to the best of my knowledge and belief. My opinions as to the price were expressed only on the 20th January. I expressed my opinion to the Minister; but no particular amount. I told him that Mr. Stark's claim was £20,000, and that I thought it would be a difficult claim to fight in the Compensation Court. I do not think I fixed any amount at our first interview as to what was the value of the property.

1305. Did you not advise the Minister to offer £17,500?—Not before the 20th. On that date I did formally, and by this letter.

1306. Will you state what is in this letter that you did not express to the Minister?—I do not think there is anything that I did not express. Ten minutes previously I might have expressed other things, but not days previously.

1307. When did you first receive instructions to inquire about the property?—I think it was on the 31st December.

1308. What was the nature of those instructions?—That I was to go and see Mr. Stark, and endeavour to arrange compensation for the property taken, on which the unemployed were set to work.

1309. Did you carry them out?—Yes.

1310. Did you try to arrange terms with him?—No, I found the claim was too big. I visited the property, and had interviews with the owner.

1311. [Letter from the Minister read.] Did you carry out these instructions?—I did not try to arrange compensation, because Mr. Stark asked me to represent certain facts to the Minister.

1312. Did you convey these to the Minister?—I had not time, because the Minister came up to Auckland.

1313. Do you know what date he arrived in Auckland?—About the 6th or 7th of January.

1314. Did you call on him immediately after his arrival?—Not immediately, but as soon as I had an opportunity.

1315. You tried to see him?—I called one day, but he was engaged, and I sent to Mr. Stark to come down next day.

1316. Did you see him and put before him all the information at your disposal?—Yes, together with Mr. Stark's plans.

1317. What was this information?—I told him the conversation I had with Mr. Stark. I pointed out particulars on the plan; that Mr. Stark's claim was for £20,000, and that I had called at the Property-tax Office and got the property-tax valuation—£15,600. The Minister then had some further conversation with me about the propriety of taking the whole property.

1318. Did you call on the Minister with Mr. Stark?—Yes.

1319. Not by yourself?—No.

1320. Did Mr. Stark go into the room with you?—Yes.

1321. Did you not see the Minister by yourself before Mr. Stark called on him?—No.

1322. You took him in with you?—Yes.

1323. Did you then state the value of the property?—No.

1324. Did you give the Minister no information?—Not at that time. I said that the claim was a large one, and that it would be a very difficult one to settle.

1325. Did you say that in the presence of Mr. Stark?—Yes. I did not say in his presence that it would be a difficult matter to settle; I said that afterwards privately to the Minister. Mr. Stark had just gone out, and I remained about two minutes after him.

1326. What information did you give the Minister then?—I told him that the land appeared to be very valuable, and that the piece taken out practically spoiled the whole property, and that Mr. Stark would make a large claim for this particular piece; and I said I thought it would be advisable to take the whole of the property instead of only this small piece.

1327. You expressed your opinion that it would be advisable to take the whole?—Yes.

1328. The claim was for how much?—£20,000.

1329. Did you state what you thought the property was worth?—No; I was not in a position to say what it was worth.

1330. Did you express an opinion with regard to the fairness of the claim?—I said I thought it was a high one, and the Government should get the property for less. I was not in a position to fix any amount.

1331. Did you say it was worth £20,000?—Certainly not: I had no knowledge of its value.

1332. What inquiry did you make before this?—I made no particular inquiry before—I only went over one day to see Mr. Stark; because I saw at once that the case was one for a Compensation Court, and I did not know that the Minister was coming up. I thought I should have plenty of time to get particulars.

1333. How many days was the Minister in Auckland before you called on him?—I should think about three days. I called as early as possible.

1334. At any rate, on the 7th—that was the first occasion?—Yes.

1335. What was your object in taking Mr. Stark with you?—Because I thought he could explain better his loss and damage, and place the case fairly before the Minister.

1336. Did you make any inquiries after this?—Yes; I went over again.

1337. Acting on instructions from the Minister?—I do not remember whether I had instructions from the Minister or not.

1338. What did he say when you remained behind?—Just then some one came into the room, and I do not think he said anything. I received no instructions as far as I can remember, because I anticipated seeing him again several times.

1339. Before the Minister went to Waikato, did you say that the land should be taken into the Court?—I do not think so.

1340. Did he ask you to make further inquiries?—I do not think he did. I left the room almost immediately.

1341. Had you an interview with him between the time you met him with Mr. Stark and his departure for the Waikato?—I do not think so. I may be wrong, but such is my impression.

1342. Were you making inquiries at this time?—I went over to the North Shore and made some inquiries—not officially—some time previously. The reason I did so was because I took a fancy to the place, and thought I should like to live there.

1343. When did you make these inquiries mentioned in your letter?—Between the 7th and the 20th.

1344. So that all this time you were making inquiries?—No, not all the time. A great many had been made previously to this. I made inquiries about Hammond's property before Mr. Stark's was taken by the Government.

1345. You say in your letter, "My idea is that Mr. Stark should be offered £17,500." Did you express that opinion before you committed it to writing?—Yes; that was my idea.

1346. Was it your opinion that at this particular time the case should not be taken into the Court?—I looked upon the matter as settled. I should have preferred it going into Court.

1347. Did you say that £17,500 would be 10 per cent. over the property-tax valuation, and an allowance for compulsory taking of the property, &c.?—Yes, something like that.

1348. Did you say, "I do not think Mr. Stark will agree," &c.?—Yes; I put that in my letter.

1349. Does that mean that the property should have been taken into Court or negotiated privately?—I meant that it was advisable to take it into Court; but I thought that as the Minister was in Auckland he had better settle the matter.

1350. Did you mean that the land should be negotiated privately or not?—That it should be done privately, as the Minister was there. I would not take the responsibility on myself. I thought that the Government would have paid as much by taking it into any Court, taking into consideration the value of the surrounding properties.

1351. That was your opinion at that time?—Yes, and it is now my opinion.

1352. You had only two interviews with the Minister?—Yes, as far as I can remember.

1353. Did you ever express to him an opinion that the land was worth £20,000?—Never.

1354. Nor to any one else?—No. I did not know the value of the property. I was a stranger in the place, and did not know it at all.

1355. What time had you for making inquiries into this matter?—I had, I think, between the 8th and the 20th. But I was very much engaged at the time, and had urgent matters at the time, which I was instructed to proceed with, that were wanted for the House; in addition to which, I was very ill at the time.

1356. When did you receive your instructions?—On the 31st December.

1357. Was it not, then, your duty to commence to make inquiries?—No; for I saw at once that the matter was too big for me to go into, and made up my mind to send it to a Compensation Court, which would have given me ample time to make full inquiries.

1358. What do you mean when you say you were hurried over the matter?—I had a great deal of other pressing work on hand, and could not attend to it all.

1359. Was any of your other work of equal importance to this?—Some of the work was required for the House, and I received imperative instructions to go on with it. I think the valuation of the bush at Penrose was what was particularly required.

1360. Did you explain to the Minister that you were hurried?—No, I did not.

1361. Was the result of the inquiries you made satisfactory to yourself?—Yes. My idea was that the price put on the property was not an unfair one.

1362. What did you mean by stating that you had only one day in which to make inquiries?—I meant that I was so busy that I only went over there one day.

1363. You say that the Minister took the matter entirely out of your hands?—I considered that he did so by getting the valuations and estimates of Auckland land-agents.

1364. Did you think that it was entirely out of your hands when he instructed you to obtain information about the matter?—That was before: it was afterwards that I thought he had done so.

1365. While obtaining information for him did you consider the matter out of your hands?—I had already obtained all the information I could.

1366. Did you not think that a great responsibility rested on you as Land Purchase Officer?—I did.

1367. How can you say that the matter was taken out of your hands?—At my first interview with the Minister I received no instructions to obtain information.

1368. If the Minister stated that he instructed you to obtain all the information possible, would that be correct?—I do not remember that he did so.

1369. I will read what the Minister has said: "I had several long interviews," &c.: is that correct?—I had two interviews with him; I do not remember any others.

1370. He says, "I may say that after two or three conversations I instructed him," &c.: is that true?—I do not remember any mention being made of the Compensation Court. I do not remember any question being brought before the Court.

1371. Did he instruct you to get information?—I do not remember it; but it is possible.

1372. Did you consider it your duty to get all information?—I did, during the time that the Minister was in the Waikato in connection with other work.

1373. Is this the information mentioned in your letter of the 20th January?—Yes.

1374. Was it not in consequence of the opinion you expressed to the Minister in your letter of the 20th that the Minister decided not to take the matter into Court?—No; I cannot say that at all.

1375. In your letter you advised him to offer a certain amount—that is, not to go into the Court?—I advised him to offer that amount because I thought it was reasonable. I did not advise the Minister not to go into the Compensation Court.

1376. Was it in consequence of the information you had received that you recommended the Minister to offer £17,500?—Yes.

1377. Did you say that if you were called into Court your evidence would be in accordance with the details you placed before the Minister?—I cannot say that. I may have said it, but I do not remember it. If I had gone into the Court I should have supported them.

1378. You would have supported the £17,500?—Yes.

1379. Is there any expense in connection with taking these matters into Court?—It depends upon the position. I have had expenses amounting to £300 over the Court in one instance under my own knowledge.

1380. Was it because the Minister was getting the property for £17,500 that you advised him to accept it?—I did so because I thought it was a reasonable amount, and one that the owner would have got in any Court.

1381. It was also the value you placed upon it?—I had placed no value on it. The £17,500 was 10 per cent. in advance of the property-tax valuation. I had not sufficient knowledge of my own to make a valuation. I thought 10 per cent. on the property-tax valuation was a moderate price.

1382. You say it is the practice to take all large properties into the Compensation Court: has it been your practice?—Yes, generally.

1383. Have you not settled any large claims privately?—I settled a claim of £3,000 for £2,000 the other day, and they got land-agents to value the property for the Government. I got it for £500 less than the valuation of three Auckland agents.

1384. If the Government were acquiring the property for less by not going into Court would you not advise them not to go?—I would.

1385. Then why did you advise the Government to go into Court?—Because I felt too great a responsibility in dealing with this property.

1386. In this case the Minister assumed the responsibility and you waived your objections?—I thought, the price being reasonable, that it was not necessary to take it into Court.

1387. Your advice with regard to the amount was acted on?—Yes.

1388. *Hon. Major Atkinson.*] I understand you to say that you only saw the Minister twice?—Yes.

1389. And once was before he went to Waikato, when you gave no particulars of the value of the property?—None, except that the claim would be a large one.

1390. You never saw him again till after he had agreed to take the property?—To the best of my belief not till the 20th.

1391. And on the 19th he bought the property?—I do not know that of my own knowledge; it was what Mr. Stark told me.

1392. Did the Minister tell you on the 20th that he had bought it?—No. He simply asked my opinion as to its value; and I told him that if he got it for 10 per cent. over the property-tax valuation it would be a reasonable price.

1393. And he did not tell you that he had offered the money?—No.

1394. *Mr. Dargaville.*] You know Mr. William Aitken, a land-agent?—Yes, to speak to.

1395. He is reputed to be the principal land-agent there?—I believe he is looked upon as the largest and most competent valuer in Auckland.

1396. I will read you a telegram from him. He says: [Telegram read]: Have you this statement?—It was only a verbal one.

1397. But he says, "I furnished Mr. Brewer with particulars"?—It was only a verbal statement. I took down a few notes on a sheet of paper for compiling my report of the 12th April.

1398. Have you the memoranda you took down at the time?—I do not know that I have; but they are embodied in my report of the 12th April.

1399. He was one of the persons you consulted in making up your report?—Yes.

1400. Which shows that under certain circumstances the property might realize £20,000?—Yes. I think my valuation was £17,300; and £20,300 was Mr. Stark's value.

1401. You were influenced to some extent by the advice of such men as Mr. Aitken?—Yes; I was influenced a good deal by him, because I looked upon him as a responsible man.

1402. *Mr. Peacock.*] In your report, speaking of an absurd report about Mr. Stark having offered the house and ten acres for £3,500, you state, "Mr. Stark is not here to deny it," &c. How do you explain that when you stated to the Committee that you had seen him and he had denied it?—I meant that I should have got a letter from him denying it.

1403. With the knowledge that you have since, would you have written in this way?—Do you refer to all the offers you have told me of?

1404. Yes, or if you made inquiries of Ross?—I did not think it necessary to make any inquiry of Mr. Ross, because I knew that in a new district property varies very much in a few years, and the place had gone ahead very much, and I did not know but that it had increased to that extent.

1405. Do you admit that Mr. Mays asked you to see Mr. Ross and satisfy yourself?—I do not think that he told me to see him.

1406. Would you be surprised to find that he gave you the address of his office?—He gave me the name of the firm.

1407. And you did not make inquiries from the firm?—I did not. I understood that he was away; and I also anticipated having ample time to make inquiries; for I knew that if we went into Court we should have three weeks. I should like to point out that throughout the whole colony all the local Boards use the property-tax valuation. In my own districts, Patea, Wanganui, and Masterton, they use them alone, and I had no reason to suppose that they did otherwise in that district.

1408. *Dr. Newman.*] Do you know Mr. Aitken?—Yes.

1409. Is he a land-speculator?—I believe so.

1410. Is he associated with others in Devonport?—I do not know at all.

1411. When did he give you the information you refer to?—That would be about the beginning of April.

1412. You said that on the 20th January you valued the property at £20,500, partly on the valuation of Mr. Aitken?—I did not value it at that. I said that Mr. Stark could cut up his property so as to come to that.

1413. Now you say that you did not see him before the 12th April?—I did not have anything to do with him before my report of the 20th.

1414. When did Mr. Stark write you the letter saying that he had accepted the offer?—On the 20th.

1415. Do you notice that the date has been altered on the letter?—Yes.

1416. Do you notice that the ink is different?—No, I do not see much difference.

1417. In your letter of the 20th you said you thought that Mr. Stark would not accept the offer?—I said I was not sure that he would. He had told me that he would not accept less than £20,000.

1418. Was this letter written after the Minister had settled the matter?—It was written before I received Mr. Stark's letter. I did not know officially then that he had settled with the Minister.

1419. I have no wish to doubt your statement, but would you be prepared to tell the Committee on oath that you had only one interview with the Minister before this?—I think I should.

1420. Would you be prepared to state that you did not have several long interviews with him before the 20th?—I think I should be perfectly justified in stating it, but I cannot be quite sure.

1421. Did you advise the Minister that the case should be settled by a Compensation Court?—No, I did not.

1422. If it were your duty to get all the information you could before the 20th, how was it that you had no detailed report?—I had all I could get within the time. I was very busy at the time.

1423. But you had sufficient time to write that letter of the 20th?—I wrote it on the morning of the 20th.

1424. You say that Professor Thomas bought a property at the rate of £600 per acre?—So I was informed.

1425. On what did you base your statement?—On information I received when I was making inquiries in the North Shore.

1426. Do you know the acreage of it?—About one and three-quarter acres.

1427. But you never worked it out to find what the price was?—No; I was told it was sold at £600 per acre, and that the house was valued at £450.

1428. Mr. Richardson was asked the question, "It was after you came back from the Waikato, and before you made the offer to Stark, that Mr. Brewer gave you a detailed report?" Did you give a detailed report to the Minister before the 20th?—No, I did not.

1429. Have you reason to believe that the negotiations had been settled before that?—Yes—that it was settled on the 19th. But I had no evidence of the matter at all—it was simply what I was told.

1430. You are positive that you gave the Minister no detailed information before the 20th?—I do not remember, except in general conversation.

1431. Did you see him after he came back from the Waikato, and before he offered to buy the property from Stark?—I do not think I did, but I cannot be quite sure. He was in and out of the building where my office is a great many times. I do not remember seeing him except on the two occasions I have mentioned.

1432. And you gave him no information before the 20th?—No absolute information: all I gave him was in the course of general conversation.

1433. *Mr. Wilson.*] I would like you to tell what the Minister said to you when he asked you to draw up a report on the morning of the 20th; but first tell us what was the conversation with regard to the values of property?—I can scarcely remember the conversation; but he sent in for me and said, "I wish you to write a report on the Takapuna property," and then we had some general conversation as to the largeness of the claim and as to what I thought was the amount which should be offered by the Government. As far as I can remember, I said that I should consider that 10 per cent. over the property-tax valuation was not an excessive price. That is all I can remember of the interview.

1434. Before this time had you no knowledge of the fact that he had bought the property?—None at all officially.

1435. Did you, before writing your report on the 12th, hear from a number of rumours in Auckland that the price was too high?—I saw in the papers that it was mentioned by the Wellington correspondents that it was reported in Wellington that the price was too high.

1436. This had no effect upon you in drawing out your more elaborate report?—No. I considered that the Government merely wanted to get more information than they had.

1437. *Mr. Barron.*] In your letter of the 20th January to the Minister for Public Works you referred to Professor Thomas's property as having just been bought for so much. In a letter, dated the 12th April, to the Under-Secretary for Public Works, you refer to the fact that Professor Thomas gave £1,600 for an acre and three-quarters three years ago. Is this the same property?—Yes.

1438. How do you explain the difference between these two statements?—When I first got the information I was told that the property had lately been purchased, and I understood that it was very lately. When I went into the question more fully I found that it was two or three years before.

1439. So that, really, when you reported to the Minister, as you seem to have done, that if you went into the Compensation Court you were prepared to swear that the property was worth £17,500, your information was not so complete as it would have been at a subsequent period if you had had a longer time?—No; I wrote the report under great pressure, without having had sufficient time to consider the matter.

1440. Mr. Richardson has said, with reference to yourself, "He told me that if he were called into Court his evidence would be in accordance with the details," &c. He further states, in a telegram to Mr. Ballance, that you valued the whole property at about £20,000?—That is a mistake. I did not value it. The claim was for that amount.

1441. Then the Minister makes a mistake in saying so?—He must have misunderstood me. I could not possibly say that the value was that, because I did not know the value of it.

1442. Then, as far as that telegram to the Minister of Defence is concerned, it must be a mistake?—I think it was a misunderstanding—that he took the claim for my assessment.

1443. Is there any mistake in this statement, which also refers to you? When asked what made him change his mind about going into a Compensation Court, which he intended to do, Mr. Richardson said, "Because our paid officer was ready to go into Court and swear that the property was worth £17,500?"—I should have been prepared to do so, being of the opinion that we should not have got it for less. I feel sure that Mr. Stark would have got in a Court as much as I recommended the Government to offer.

1444. You say you would have advised the Government to send the case into Court because you would then have had more time to make up your mind as to the real value?—If I had control of the case myself and had to complete the transaction I should have done so because it would have given me more time and relieved me of the responsibility. The Government would have had three people to adjudicate on it instead of one.

1445. If you had gone into Court, and more time had been taken, while you were prepared to swear to the value you have stated, probably your idea might have been modified by the difference in time between your hurried and more leisurely statement?—It might. The Court might have got more evidence. It is very difficult to get evidence in favour of the Government in a Compensation Court, and still more difficult to get witnesses.

1446. Do you know if Mr. Aitken is interested in lands in this district?—I cannot say. I believe he is largely interested in land, but I do not know where.

1447. He is a large speculator?—Yes.

1448. More so than a land agent?—He is, I believe, a large land agent. But you must bear in mind that I was a new arrival in Auckland. I believe he is a large land-speculator, and is largely interested in land, and is employed in many cases as a valuer.

1449. Has he any property in Devonport?—I do not know.

1450. *Hon. Mr. Ballance.*] Do you know what character he bears?—A very high one.

1451. *The Chairman.*] You stated in your last letter that many properties—Le Bailley's, Thomas's, and many others—guided you in your estimate of the property. If you had known that at the time these properties were sold Mr. Stark had offered ten acres with the house for £3,500, would that have established in your mind a different relative value?—I certainly should think it would have made a great difference, if the case had been taken into Court.

1452. You estimated the property as worth so much because adjacent properties sold at high prices. Had you known that, some time after they were sold, this offer had been made, would that have established in your mind a different opinion as to their relative values?—Certainly it would. If that was the case I should have thought it was not worth what it was supposed to be.

1453. Do you know whether all the property has been bought?—I think it is the whole.

1454. The whole block, then, is purchased?—I believe so.

1455. Six and a half acres are valued at £3,750?—Yes.

1456. The remaining twenty-two acres are valued at £460 per acre?—Yes. They are in various positions, and of course some would not sell as well as others.

1457. That brings the total amount to £17,300?—Yes.

1458. Mr. Aitken estimated that, if cut up, the whole block would bring £18,000?—Yes.

1459. Do you not take into account, in valuing land, the uncertainty of sale and the time during which it might remain unsold?—Yes; but I also have to take certain other things into consideration. The compulsory taking of land would make a considerable difference. If I had a property which I had settled down upon, I should consider that I was entitled to get more for it than if it was sold in the ordinary course of trade.

1460. But, supposing it to be the fact that the owner has been trying to sell in every direction without success, would it affect your value?—Yes, it would. But all these facts are new to me. If I had known them before I might have considered that the valuation was too high.

1461. But you were not aware of this?—No.

1462. Are you now aware of any of these facts?—Simply from what I have heard in this room.

1463. You have heard nothing about them in Auckland?—No.

1464. You say there has been some stir about the matter?—I have seen it in the papers.

1465. Have you learned any facts about the case?—None, except in this room.

1466. As to Mr. Stark's anxiety to sell, for instance?—Not except in this room.

1467. You still think the land is worth £460 an acre?—I think if the property were cut up and subdivided, and taken at the proper time, it would bring that.

1468. But would it be worth that to any one purchasing now?—I should scarcely like to say, because the best part has been taken for the battery.

1469. Had you formed an idea as to how long it would take to sell the land when cut up?—I suggested that it should be sold in twelve months, when the tramway will be finished. I think the land has a value independent of mere cutting up. It is a very valuable position, with a fine view, and within twenty minutes of a large city. These sort of properties are very difficult to get.

1470. Is it sheltered?—Partly; and will be very much more so when the trees grow up; they are already some 30ft. high.

1471. Are the other properties near sheltered?—Professor Thomas's is.

1472. Do you consider this affects the value of property in this position?—Yes. Professor Thomas's is sheltered very little beyond what Mr. Stark's will be in a year or two.

1473. You have not, since the purchase has been made, heard of anything that would have affected your judgment had you heard it at the time?—Nothing beyond what I have seen in the public Press.

1474. *Hon. Major Atkinson.*] Mr. Richardson was asked the following question (No. 112): "It was, then, after you came back from Waikato, and before you made the offer to Mr. Stark, that Mr. Brewer gave you the detailed particulars as to how the value was arrived at?" Mr. Richardson's

answer to that question was, "Yes." I want you to be quite sure about this. Did you have another interview before the 20th?—As far as I can remember I can conscientiously and truly say that I only had two interviews.

1475. And gave him no particulars till the morning of the 20th?—No. At the first interview we had a little conversation, and I told him the amount of the claim, and that I thought Mr. Stark would be able to get a large sum if the matter were taken into Court.

1476. You said, in reply to the Hon. Mr. Ballance, that you gave the Minister no particulars the first day, but only made a statement as to the claim, and after Mr. Stark went out you said it would be a difficult case to settle?—That is so.

1477. Did you then mention no figures?—No.

1478. The first particulars you gave were on the 20th?—Yes.

1479. *Mr. Dargaville.*] You took your report to the Minister on the 20th? What time of the day was that?—About half-past ten in the morning.

1480. When did you receive Mr. Stark's letter dated the 20th?—About one o'clock in the afternoon.

1481. Can you say whether Mr. Stark had an interview with the Minister subsequently to the receipt of your report and before he wrote his letter to you?—I do not know.

1482. It is quite possible for the Minister to have seen or written to Mr. Stark after he received your report—say, at eleven or twelve o'clock on the morning of the 20th—and then for Mr. Stark to have gone home and written you his letter saying that he had arranged with the Minister?—Yes, it is quite possible.

1483. *Mr. Peacock.*] Is it not the case that in Mr. Stark's letter to you on the 20th he says that it was "yesterday" that he had arranged with the Minister?—Yes.

1484. Does not that preclude the possibility of what Mr. Dargaville has suggested?—If you ask me my impression, it was that the matter had been settled on the 19th.

1485. *The Chairman.*] You stated that you had heard Mr. Ross was not in Auckland at the time. Did you make particular inquiries about it?—No, I did not, because I thought I should have plenty of time to see him afterwards. It was before the Minister came up, and I anticipated having more time.

1486. Can you say who told you that Mr. Ross was out of Auckland?—No; I do not remember. It might have been some one connected with his office. I believe he is very often away.

1487. *Dr. Newman.*] Mr. Stark says, in his letter of the 20th, that he settled the matter "yesterday." When you wrote your first letter had you any idea that the property had been sold?—I did not understand that the matter had been practically settled, but that the Minister had practically agreed to give the £17,000.

1488. You understood from the Minister that he had made up his mind to buy before you wrote your letter?—Yes; I understood that he had made up his mind to give Mr. Stark that amount.

1489. Then, after you understood that Mr. Stark would accept, why did you say that you believed he would not accept the £17,000?—I did not say that there was an official settlement. I said that we were willing to offer the amount—not that Mr. Stark was willing to accept it.

1490. You understood before you wrote the letter that in all probability the matter would be settled on this basis?—Yes.

1491. Then why did you suggest that Mr. Stark would probably not accept the offer?—I was simply writing an official letter. Mr. Stark had told me that he would not accept it. I understood that they were negotiating, and that there would be a compromise.

1492. After Mr. Stark had, in his letter, given you to understand that he had practically settled the matter, what made you say that he probably would not do so?—I thought at first that he would not do so, and I wished to show the Minister that he had got the property at a fair price.

1493. Yes; but Mr. Stark gave you to understand that he would take the property before you wrote?—No; he did not state the amount until he wrote the letter next day.

1494. You did not get the letter from Mr. Stark before you wrote the valuation?—No.

1495. Did you have an interview with him in the morning before half-past ten o'clock, or on the previous day?—Yes, on the previous day.

1496. What did he tell you then?—He said "I have practically settled the matter;" but he did not give me the particulars.

1497. Then, knowing that the matter was settled, what induced you to write that Mr. Stark would not accept?—I simply wrote officially. I did not know what amount he had settled with the Minister. I wrote that report very hurriedly, and perhaps did not give it all the consideration I might have done.

1498. Do you think that, when you are dealing in such a grave matter, it is a wise thing to say that a gentleman will not accept such-and-such terms, when he has practically accepted them?—He did not tell me the amount; he always told me that he would not accept it.

1499. The Minister gave you no hint as to the terms?—None whatever.

1500. Knowing that he had practically settled, you wrote saying that Mr. Stark would not take £17,500?—I meant to say that he had all along said that he would not accept that amount, and that if the Minister got the land for that it would be a fair price.

MONDAY, 19TH JULY, 1886.

Mr. E. W. ALISON sworn and re-examined:

1501. *The Chairman.*] Mr. Alison, there is a certain conflict of evidence as to your having made an offer to Mr. Roberts. I wish you to consider the evidence you have given, and state to the Committee whether you made any offer to Mr. Roberts?—Do I understand you to state that there was a conflict of evidence on my part.

The Chairman: Not on your part; but there is a conflict of testimony. I do not say on your part.

Mr. Holmes: That what you stated a witness named Roberts has contradicted!

The Chairman: The question is, whether you ever offered the property to Mr. Roberts or, through Mr. Roberts, to any one else?

Witness: This gentleman—Mr. Holmes—says there was some remark about a conflict of testimony on my part.

Mr. Montgomery: You are asked a direct question: answer it.

1502. *The Chairman.*] Did you ever offer it to Roberts or, through Roberts, to any one else?—Not to the best of my knowledge. Since the last examination I telegraphed to my brother to ascertain if an offer had been made by any one belonging to the office. Will you excuse me for asking what was the nature of the offer?

1503. You were told the nature of the offer. Do you remember that you were asked whether you offered the property to Mr. Roberts or, through Mr. Roberts, to any one else?—No; not to any one at all. As I said, I telegraphed to obtain information as to an offer, as was alleged, of house and five acres for £3,500, or ten acres for £4,000. In reply to which I have got a telegram, “No record of such offer: Hedley, my clerk, nor myself know nothing of it.” I remember clearly showing him on two occasions several properties at Calliope Point, Beach Road, and Belmont; but which properties did not go anywhere near to this property.

1504. No mention is made by Mr. Roberts of the property, but only of an offer made to him?—I remember clearly showing Mr. Roberts, on two occasions, several properties at Calliope Point, Beach Road, and Belmont; but these do not go near Mr. Stark’s property—in point of fact, he preferred one of the “beach frontages” towards the dock, and requested me to give him an offer in writing, so as to allow time for acceptance or refusal, which I did. But I feel quite positive I did not make any such offer to Mr. Roberts as is referred to: I had no authority to do so. Mr. Roberts is evidently under a misapprehension: there is a misconception of facts.

1505. You adhere to your statement that Mr. Stark knew nothing—nor any one else—of your offer through Cochrane and Son?—Not as far as I know.

1506. You state positively that no one ever knew of this offer?—I never gave any information to anybody. I never denied it, but I never told anything to anybody about it.

1507. You say you never mentioned it to any one?—No, not that I know of; not outside of my own office.

1508. Did you mention it to any one inside your office? Did any one inside your office know about it?—My clerk would perhaps know.

1509. Have you any reason to think that he would mention it?—No; I do not think he talks about my business.

1510. *Witness:* I would like to call attention to the fact of a statement being made that Stark’s property was “pertinaciously pressed by him” upon Roberts. The evidence which I had to go through did not bring this matter out as it transpired, apart from the utter falsity of the statement.

1511. *The Chairman.*] What statement?—That I pertinaciously offered it to Roberts.

1512. *Mr. Holmes.*] Is that statement untrue?—Give me time to answer: which?

1513. *Hon. Major Atkinson.*] That in March, 1884, you offered to Roberts ten acres, containing buildings and improvements, for £3,500, or the buildings and five acres for £3,000—that this was pressed on Roberts with great pertinacity, even misrepresenting facts.

Hon. Mr. Ballance: Take the next sentence, which is very important: that is, “in relation to other property”—“suppressing facts in relation to other properties:” that makes a great difference. You read to him that Mr. Philcox said, “He pertinaciously offered, to the suppression of facts in relation to other properties.”

Witness: Yes, and I was very much annoyed at that statement, for I felt certain that I never made such an offer. It is now a question of veracity.

1514. *Hon. Major Atkinson.*] Roberts says you did make the offer: you say you did not?—I wish to say, apart from the utter falsity, that such an offer was never made by me to him; I say, apart from the falsity of that, I would appeal to the intelligence of the Committee whether, if Roberts required the property, in treating for such a valuable property as Stark’s was, such an offer would not have been made in writing, and whether there is not some document to show that the property was under offer or being dealt with, as it was proposed to be obtained for a third party.

1515. *Hon. Mr. Ballance.*] The statement was, “the suppression of facts in relation to other properties,” not in relation to this?—It would be in reference to this; there is only one deduction to be drawn from it, namely, that the misrepresentation of facts in regard to other properties was to secure the sale of that property.

1516. *Hon. Major Atkinson.*] I would like to ask whether the witness adheres to all the statements he made the other day?—I have no reason to alter it. I have given you everything I know to the best of my knowledge, and I believe it is strictly correct. Three or four years having passed it is impossible to mention every little thing that may have occurred. I ought to tell the Committee whether this property had been offered by us either in part or in the whole to any one, and the answer I got was this—I should say that the telegram I sent was to ascertain if any one belonging to the office had made an offer of the property, either as a whole or in part.—Reply, “Offered Vines, August, 1883, for £3,500; no other record; certain.”

1517. Who is that from?—It is from my brother.

1518. Then the property was in your office for sale?—I know nothing of this at all. I never made an offer of the property at all. I have told you that it was not in our hands for sale, but I cannot tell you what transpired in our office. For nine months I was so seriously ill that I was away from the office; so far as I know, the property was never offered by me.

1519. Was this about the date of your illness?—No; that was from 1884 to 1885.

1520. Yet you never knew that it had been in your office for sale, although Stark promised you that he would never sell without letting it pass through your hands?—That was after this. I have no recollection of such an offer as this having been made at all; but if I had any knowledge of it it would have made no difference at all in the offer made subsequently.

1521. Has your brother a good knowledge of the value of land there?—He is generally guided by myself; I generally do the buying.

1522. He would not have been likely to have wanted to buy for the money he offered it to Vines for; you gave evidence that you would be held to have bought?—What I said was that Stark would give £500.

Hon. Mr. Ballance: He offered it to Ross, not to Roberts.

1523. *Mr. Dargaville.*] I wish to ask you whether the offer of £16,000 made to Stark for the property was a *bona fide* offer, and whether Stark was in any way cognizant of the quarter from which it came—first, whether it was a *bona fide* offer?—Certainly.

1524. Second, whether or not Stark was cognizant of the quarter from which the offer came?—Certainly not; I do not see how he could be.

1525. So far as you are aware, no one but yourself and your clerk knew anything about it?—Yes, and my brother.

1526. Now, I ask you further, as you are on your oath, whether your estimate of the profit you expected to make by cutting up this property and selling it was genuine as the basis upon which your offer was founded? I ask you that on your oath?—As nearly as I can remember it was.

1527. *Mr. Montgomery.*] Now I ask you if you offered to or through Mr. Roberts ten acres, with house and buildings, in March, 1884?—Not to my knowledge—not to the best of my knowledge and belief.

1528. Do you swear that you did not?—I have not the slightest recollection of any such thing.

1529. Your answer is, that according to the best of your knowledge and belief you did not; but you do not swear that you did not?—I am as certain as a man can be of anything.

1530. But Roberts is positive that you did?—To the best of my knowledge I did not offer it to Mr. Roberts or to any one else.

1531. *Dr. Newman.*] I wish to know whether you read the whole of that telegram from your brother?—Yes.

1532. Was the property in your hands, or at all in the hands of your firm—whether you were ill or not?—Not that I am aware of.

1533. Did Stark ever talk to you of the value of it?—He never alluded to it: the only allusion I ever heard was that he wished he had built a house on a ground floor.

1534. Have you had many transactions in business with Mr. Stark?—Yes.

1535. Were you in the habit of discussing the value of many properties with Stark?—Whenever we went in for a speculation; or when I advised him to go in for a speculation I also showed him the grounds upon which I thought it would be profitable.

1536. Can you not recall to your mind any conversation as to this?—Yes; I can recall a conversation on the day of the offer to Mr. Ross.

1537. Any other time?—I told him several times that it was the finest property I knew of.

1538. I would like to know what Stark told you of the property and of his anxiety to sell?—I cannot recollect anything about his anxiety to sell.

1539. Were you aware that he was anxious to sell the property for the last three years?—No.

1540. Were you aware that he made efforts to sell?—Yes; he may have made efforts to sell.

1541. Are you aware that he did make various efforts to sell this property?—I say that I had no knowledge of any offer except that to Ross.

1542. Are you aware that he made many efforts to sell: The question is a fair one, and you ought to have no difficulty in answering it?—I have no knowledge except of the offer made to Ross—I think that is a distinct answer to the question; but I have heard all sorts of rumours.

1543. *Mr. Wilson.*] You said the other day that you were not quite sure that you had telegraphed to your brother?—Yes.

1544. Were you consulted by any one as to the value of the property before the purchase was made?—By the Government?

1545. Purchase by any one?—I never was spoken to by any one connected with this transaction.

1546. *Mr. Gore.*] I would ask you some explanation of this telegram. I understood you to say that you never had this property in your office, but from what you have read it is evident that you did have this property in your office for sale?—No, I did not.

1547. Would not that telegram lead you to believe that it was in your office?—It would, perhaps, lead me to believe that Stark must have authorized an offer or it might not; but not that an offer was made.

1548. *Mr. Holmes.*] It has been suggested that you were in partnership with Mr. Stark up to the time he went to England. Were you a partner?—No; certainly not.

1549. What is your business—buying and selling land?—That is part of my business.

1550. What is the rest of it—a land agent?—Yes. I am connected in business with a good many things.

1551. Were you in connection with Stark as a partner?—No; there was no partnership existing. He held lands in undivided moiety with us. All lands sold I received commission for.

1552. When you made this offer of £16,000, were you in a position to carry it out?—I was.

1553. You were in a position to carry out the offer?—Certainly; I would not have made it if I had not been.

1554. Before that offer was made did Stark in any way intimate to you that this land was likely to be required by the Government?—Yes.

1555. He did so?—Yes.

1556. Was that one of the reasons why you made the offer of £16,000 for the land?—Yes; I would not have made the offer if it had not been for that.

1557. Then did you, directly or indirectly, intimate to Stark that you were going to make him an offer for the land through these agents?—Certainly not. What would be the use of intimating it to Stark, and then putting it into the hands of an agent? That would be an absurdity. My object in dealing with an agent at all was that Stark should not know from whence the offer came.

1558. Do you keep books in your office, or records, containing details of transactions?—Yes; we conduct our business on as good business lines as we can.

1559. Can you get from your brother a telegram giving extracts from your books as to whether this property was placed in your hands for sale in the ordinary way of business?—Yes.

1560. Will you do it?—Yes, if you wish.

1561. *Mr. Wilson.*] I suppose you know this land very well?—Yes.

1562. So well that you would hardly need to take any instructions for selling anything?—That would be Stark's business, to give me instructions.

Mr. Cowan: One of these telegrams says there is no record of the offer in Alison's office.

Hon. Major Atkinson: None, except the offer from Vines of eight acres of land, and house.

1563. *Mr. Holmes.*] Did property increase in value there between 1883 and the end of 1885?—Certainly. I was asked that question the other day, and I did not answer it as fully as I ought to have done. My reply that the increase of value was from year to year was correct; but I ought to have answered that there were special reasons for advances in value in 1884 and 1885. These reasons were: (1) That the Russian-war scare had taken place, the Government wanted the land, and were urgent in requiring it; (2) a tramway scheme had been promulgated, which would advance the value of property; and (3) because the demand for sea-frontages had increased.

1564. To what extent—did it double or quadruple the value, or what?—It increased the value very largely.

1565. To what extent, in your opinion?—I cannot carry my mind back so as to give you an exact idea; but I do know that the increase was very considerable.

1566. *Mr. Barron.*] Are you clear that in the telegram you sent you asked for particulars of the property in writing?—Yes.

1567. Why use the words "in writing"?—I asked because I knew they had offered the property in writing.

1568. If you had not used the words "in writing," I presume he might be able to tell you of a great many properties placed under offer; but you limited him by using the words "in writing"?—My object was to obtain from him evidence to show you that offers had been made in writing, and have his own acknowledgment for it.

1569. You might have made him an offer of many properties, although not in writing?—I have no knowledge of making any offer to him, or anything of the kind.

1570. You see the distinction: if you were sure you never made any offer, why use the words "in writing"?—I showed the telegram to the Chairman before I sent it, asking him if he would frank it for me. The reason was simply to obtain information to show that the offer was submitted and carried, as a business, so far that when he wanted it submitted in writing he had it in writing.

1571. Do you know Mr. Aitken, an agent?—Yes, I know him.

1572. Is he altogether an agent or is he a speculator in property?—I do not know that he speculates very much; I do not think he does.

1573. Do you know whether he has any direct or indirect interest in lands in Devonport?—I do not think he has at present; he used to have at one time.

1574. How long ago?—I think he sold his last piece to Roberts.

1575. Was it before this question arose about the value of lands?—Just about the time that Roberts was negotiating for this piece of mine on the beach he bought that piece from Aitken.

1576. Of your knowledge is Aitken interested in any syndicate or company of owners of land there?—I think not.

1577. Or in a company of owners of the ferry?—No; he has nothing to do with the ferry.

1578. *Mr. Holmes.*] What was the last transaction in land-buying that you had with Stark? How long is it since the last transaction?—I do not recollect the last date—it is within the last two years.

1579. Is it more than one year ago?—Certainly: I have bought some property of Stark recently.

1580. Before Mr. Stark went away, had you any interest in common with him?—I bought his interests before he left. Two months subsequent to the offer made for this property we purchased his interest in the Melrose, Roslyn, Belmont, and other estates, for some thousands of pounds. He sold out because he had decided on a trip to the Old Country as soon as he could make satisfactory arrangements in regard to his business.

1581. *Mr. Barron.*] Do you know where Stark is?—I got a letter from him from America.

1582. From where in America?—From San Francisco.

1583. Do you know if he is going to remain there?—I think not; I think he is travelling through America.

1584. *The Chairman.*] With reference to your appeals against the valuation, did you make many objections to the valuation put on property in Devonport?—We made several.

1585. To many of Seaman's valuations?—Yes; we lodged several.

1586. Can you remember what month it was in that the objections were lodged?—No; I cannot remember.

1587. About what time was it?—Shortly after Mr. Seaman made his valuation.

1588. When was that?—I do not remember: somewhere in October, I think.

1589. Mr. Seaman, in writing to the Property-tax Commissioner, said that the objections of Alison would not be defended. That was on the 15th. Can you explain that—that is, why you withdrew or on what grounds you withdrew?—I saw Mr. Seaman, and told him that I intended to appeal. He replied that as the district was being formed into a borough it would not affect the local rating; that there would be no valuation. It was not until some five minutes before the case came on that I withdrew the appeal. It was only after consultation with others.

1590. Do you consider that you were much overvalued?—Not a very great deal. There were differences of £25 and such amounts, which on several properties would make a respectable sum.

1591. Then you withdrew your objection because you expected the valuation to be reduced, not because you were satisfied that there would be an alteration in the valuation altogether?—Respecting that matter I would like the Committee to express their opinion as to whether there were any grounds, of any character or in any respect whatever, for reflection on my position or my action as one of the Board of Reviewers. I would like this Committee to establish my position in that.

The Chairman: That has no reference to the question I put to you.

1592. *Hon. Major Atkinson.*] We cannot go outside the order of reference, Mr. Alison; but you have told us that Stark, on one occasion, said to you that the property would never be sold without its passing through your hands: I want to know, when it was sold by Stark himself to the Minister, whether you, as a land and commission agent, felt in any way aggrieved at that?—No; I did not feel aggrieved, inasmuch as he carried out the transaction himself; if it had been done through any other agent I should have felt aggrieved.

1593. You do not think you had sustained any wrong or injury?—Not as he sold it himself.

1594. Did you not receive any consideration?—No.

1595. In that or any other transaction?—These transactions between Stark and me were in October. Two months after the offer was made I bought him out.

1596. Then you received no commission, directly or indirectly?—No. I was not entitled to any; but if he had acted through another agent I would have said that he had treated me very badly.

1597. Then by selling himself you were satisfied?—Yes.

1598. Is that a rule in this kind of business?—I did not feel hurt because he sold for himself.

1599. *Mr. Peacock.*] I understood you to say in your evidence that it was by your representations to Mr. Stark that the purchase by Ross was made to fall through?—Yes.

1600. That you suggested to him that he, Ross, was offering too small a price, and that Ross insisted on conditions with regard to the mortgage which gave him an opportunity of withdrawing: Now I understand you to say that at the time Stark said he would only sell the property through you—that is, the sale to Ross having fallen through, you were promised that it would not be sold but through you?—That is not the right evidence.

1601. What was it, then—when did the occurrence take place when he said he would only sell the property through you?—He said that he would not deal with the property without consulting me.

1602. You have been made aware that, five months subsequently, that is, in December, Stark did make an offer to Mr. Kingsford of the said property, the same lot?—I had no knowledge of it, being seriously ill at the time. I could have no knowledge of it; I could not attend to Mr. Stark's business or the business of any one else.

1603. Assuming this statement to be correct that the property had been offered on these terms—£3,500 for the five acres and buildings, and £4,000 for the ten acres—would you have insisted on getting commission from him if Kingsford had accepted the property?—I have no doubt he would have given me a commission.

1604. Could you have claimed it?—If he offered it to Kingsford and Kingsford accepted, I have no doubt he would have given me a commission, after the promises which he had made to me.

1605. Do you feel satisfied that the property was in your hands, so that you could have enforced a commission?—No; it was only a man's word: it was merely a verbal promise.

1606. *Mr. Cowan.*] Did you think that you had it sufficiently in your hands to warrant a demand for commission if it had been sold?—As he sold himself I did not think of it.

1607. Did you ever discuss with Stark the increase of value that attached to his property through the Government wanting possession of it?—Yes; Stark often said to me that he would not sell the property unless he got a big price for it—that the Government wanted it, and he would require a big price.

1608. Did he say the price for which he would sell to the Government?—No; he said he would want a long price.

1609. Was this prior to your offer of £16,000?—Yes; it was prior to the offer of £16,000 that he made mention about it.

1610. Can you remember the date of your offer to Mr. Stark through Messrs. Cochrane?—I saw Mr. Cochrane and asked him for the date; I think it was in August.

1611. 1885?—Yes, 1885.

1612. Do you know whether your offer influenced the Property-tax Assessor?—I have no knowledge of it at all, none whatever.

1613. Do you know whether it influenced the Land Purchase Officer in any way?—I never saw Mr. Brewer, and never knew of it having any influence.

1614. Did you ever hear that it influenced him in any way?—No, I never heard that.

1615. *Mr. Barron.*] You positively swear that you never discussed the nature of that offer before or after the valuation was made?—I never referred to it; most decidedly, I never referred to it at all. He told me that he had an offer, and, stating the offer given by himself, he asked me what I thought of it. I answered, "The property is your own; you ought to be the best judge."

1616. *Mr. Dargaville.*] Was there anything in that conversation to inform Stark that the offer came from you?—Nothing.

1617. *Mr. Barron.*] But you told us that he had been in the habit of consulting you?—Yes.

1618. And you never hesitated to advise him except in this case?—I did not say that,

1619. *Dr. Newman.*] When did Mr. Stark put this property in your hands for sale?—Never at all.

1620. When did he say that he would never sell this property except through you?—I do not think that was the answer I gave the Committee the other day.

1621. When did he say he would never sell except it passed through your hands?—I do not think that was the answer either: it was the time of the proposal to sell to Ross.

1622. When he said that, did you not ask him the price at which he was ready to sell?—No, I did not ask him the price.

1623. Is it a usual thing to have property for sale and not to ask the seller the price?—He did not put the property into my hands for sale.

1624. Did he not say he would not sell except through you?—He said he would not deal with the property without consulting me.

1625. Were you on friendly terms with Stark?—Yes; very.

1626. You knew that he wanted to sell this property?—I did not know anything of the kind.

1627. Did he not say that he would put it through your hands?—He said he would not deal with the property without consulting me.

1628. *Mr. Montgomery.*] Following up the questions put by Dr. Newman, I would like to ask if you consider that it was a right thing to do—when you were in confidential relations with Stark, and that you got assurance that he would consult you before disposing of the property, was it a right thing to make an offer to other persons, instead of negotiating with him direct, because you were virtually his agent?—I felt that I was at liberty to purchase, if he chose to sell.

1629. Why did you not negotiate with him direct?—The fact is, if I make an offer over there the fact of my making the offer enhances the value. For the last two years it was useless for me to make an offer: it is useless for me to deal with property myself. I buy through an agent.

WEDNESDAY, 21ST JULY, 1886.

Hon. E. RICHARDSON sworn and re-examined.

1630. *Mr. Dargaville.*] The particular point with regard to which you were sent for to be examined is that part of Mr. Brewer's evidence in which he has stated that, so far as he can remember, he only had two interviews with you on the subject of this purchase of Mr. Stark's property. In your evidence you stated that you had, I think, several long interviews with Mr. Brewer. Do you remember that part of your evidence?—I do not know about several long interviews.

1631. I should like to know whether you are clear that, between the latter end of December and the 1st January, when you went to the Waikato, and the date of the final offer that you made to Mr. Stark for the purchase of the property, you had more than two interviews with Mr. Brewer?—Of course; I am perfectly clear that I had more than two interviews. I have it in a sort of rough diary—a little pocket-book in which I am in the habit of putting down the people I have seen during the day—and which I have looked up since giving evidence. I can fix the dates on which I had some four interviews with Mr. Brewer, at any rate. The first interview I had with Mr. Brewer—indeed I believe the first time I ever saw him in my life—was when he called upon me with Mr. Stark at the hotel at which I was stopping. Afterwards, either that afternoon or the next morning—I think it was that afternoon: his name appears in my note-book on the line between the two days—I drove up to the ministerial office and sent for him, and had a long interview with him on the same day. That was the second interview. Then, when I returned from Waiwera, on the Monday following, I had an interview with him, and gave him instructions what to do—to get me what information he could while I was away. That was interview No. 3. When I came back from the Waikato I had another interview with him, and instructed him to put in writing what he had told me; and, having consulted my colleagues in the meantime, and having got several valuations, I had made up my mind what to do. That was interview No. 4. Then, I had another interview with him on the morning before I left Auckland; and I believe there was another one between the two.

1632. Were these four interviews previous to your having made the written offer?—All the four interviews were previous to having made the written offer of the 20th January.

1633. Mr. Brewer states that his report to you of the 20th January was brought in to you at half-past ten o'clock in the morning. I think he said it was brought in by himself?—Then that would be interview No. 5.

1634. Your written offer to Mr. Stark is dated the 20th January. Was that written before half-past ten in the morning or after, as far as you remember?—It was written after the interview in which I told Mr. Brewer to put his information in writing in a letter to me. My impression is that I wrote the offer to Mr. Stark on the evening of the 19th, before I left the office, having made up my mind what to do; in that case it was probably signed the next morning.

1635. It was, then, written after Mr. Brewer's report to you?—Yes.

1636. Do I understand you to say that Mr. Brewer had given you such information verbally as warranted you in making the offer, apart from his written report?—I considered so, seeing that I had his information confirmed from other quarters. It was not on his report alone that I acted.

1637. You had from him the gist of what he the next day put in writing?—Yes; he put it in writing by my instructions.

1638. You have said in your evidence that you had private interviews with several prominent men in Auckland as to the value of the property, but that the information was of a private nature and you felt it incumbent upon you to withhold their names?—Yes; I had interviews with two gentlemen.

1639. We have since heard from Mr. W. Aitken, the land agent, that he had estimated the value of the property at £18,000. I do not know whether you would still consider it a breach of confidence to say whether he was one of the two you had interviews with?—He was not.

1640. Then these other two gentlemen's valuations were in addition to that of Mr. Aitken?—Yes; I never saw Mr. Aitken's valuation, that I am aware of.

1641. *Hon. Major Atkinson.*] I should like to know whether these interviews with Mr. Brewer that you have mentioned were all before you made the offer to Mr. Stark—that is to say, the verbal offer, because in your evidence you said that the practical offer had been made two or three days previously, but that you did not know whether he had accepted it?—What took place was this: I had a long interview with Mr. Brewer, in which we went over all particulars, on my return from the Waikato; and later on, on the 19th, I saw Mr. Stark.

1642. It was after the interview with Mr. Brewer?—Certainly. I had the value confirmed from other sources, and had satisfied myself that I was right in taking the course that I did.

1643. The verbal offer was after you had taken verbal information from Mr. Brewer?—Certainly.

1644. *Hon. Mr. Ballance.*] Were the statements made in the letter to you from Mr. Brewer the same as expressed by him to you personally?—They were practically the same, but not so full as those he had given me verbally.

1645. You asked him to commit to writing the opinions he had expressed to you?—Yes.

1646. *Dr. Newman.*] How many interviews did you have with Mr. Brewer before the matter was settled?—I do not know whether it is intended to entrap me, but I was asked the question exactly the same three times before, and answered it when I was asked what had taken place. I have no objection to repeat the whole history for the fourth time.

1647. I would say at once that I have no desire to entrap the Minister. But we have had a mass of evidence and I was not aware that he had been asked the question. If he has done so I am satisfied. I can assure him I have no intention of entrapping him?—Well, I have no intention of being entrapped, for there is nothing to entrap me about. I had an interview with Mr. Stark in the presence of Mr. Brewer. I had a second interview with Mr. Brewer by himself in the ministerial office in the Supreme Court-room. The third was on my return from Waiwera, when I gave him instructions what to do in the way of getting information; and when I came back I had a long interview with Mr. Brewer before I made any offer to Mr. Stark. From what I have heard this morning it appears that I had another with him on the following day; and one on the 22nd, before I left Auckland.

1648. I should like to know why Mr. Brewer should be asked to give a valuation after the matter was accomplished?—I am not aware that he was asked to do so.

1649. Yes; he gives one on the 20th, and the matter was settled on the 19th?—I think this has been explained over and over again; it is a case of trap, trap, all round. But I am quite ready to go over the ground again. Mr. Brewer was not called upon to give any information after the offer was made to Mr. Stark. I instructed him to put the result of a long interview that he had previously had with me into writing. The interview had taken place before.

1650. *Hon. Major Atkinson.*] The difficulty is that we have had such positive evidence from Mr. Brewer to the contrary, and that is why I want to be quite clear about your evidence. It has been stated that the interview in which he gave you the information was after you had bought the property verbally?—You had better ask Mr. Brewer what induced him to put that into writing. It seems to me that the Committee has been turned into the worst form of a Police Court, by all this badgering of witnesses. I have repeated my evidence on this point twice in this room already. I have no objection to go over it all again; but I do object to this course of procedure.

The Chairman: I may explain to you that the evidence was so conflicting that the Committee decided that whenever it was contradictory it was necessary to put some of the witnesses on oath, and it would be impossible to do so without examining all on oath.

1651. *Dr. Newman.*] I should like to know why Mr. Brewer was asked to give a valuation after the matter was settled?—I have repeatedly stated that he was not asked to do so. He was asked to give it before the matter was settled. As the result of a long interview that he had previously had with me, that he was told to put what he had informed me into writing.

1652. Did he write this report after the purchase was completed with Mr. Stark?—I cannot say. I am told that the report is dated the 20th. Mr. Brewer had a long interview with me on the 19th, and when he left he was told to put his information into writing. Whether he did so on the 19th or the 20th is neither here nor there.

1653. *Mr. Wilson.*] There is a political aspect to this question. It has been freely remarked in Auckland that Mr. Stark was a candidate for Parliament: do you know if that was the case?—I never heard of Mr. Stark before I received a telegram, before I left Wellington, asking what the Government were going to do with regard to the land they had taken belonging to him.

1654. It is freely stated that the whole thing has a political aspect, and I thought I would give you an opportunity of denying it?—I thank you for doing so. There is absolutely no political element

1655. *Mr. Barron.*] I would direct your notice to this part of Mr. Brewer's evidence. He says, "I heard nothing more about the matter except that the Minister was getting estimates from various land agents," &c. You say the only estimates you got were given you in confidence, and you could not name the persons who gave them?—I believe I told Mr. Brewer that I should take my own course, and get information from various land agents. That was at the first interview, before I went to Waikato.

1656. You are not at liberty to give these names?—I was not referring to those gentlemen at all.

1657. I wanted to know about these "various land agents?"—If you refer to the correspondence you will see that I have mentioned the names of several agents. But the gentlemen I applied to were outside of these.

1658. There is no official valuation from land agents in the correspondence?—I do not know what you call Mr. Seaman.

1659. Then this evidence as to your having received various estimates as to the value of the property from various land agents is correct? You did get these estimates?—No, I did not. I told Mr. Brewer it was my intention to do so, and he may have thought that I was doing it.

1660. But, as a matter of fact, you did not?—I got valuations from two parties, but I am not going to disclose their names to this Committee or to any one else, or whether they were land agents or not. But I based my action on the information given me by our own officer and the information of those two.

1661. The only valuations you got, then, were from those whose names you are not at liberty to disclose?—I got valuations from the Land Purchase Officer and from the Property-tax Commissioner; and he was questioned as to whether he still adhered to his valuations, and he gave his reasons for doing so. The whole thing has been before the Committee.

1662. But the whole question turns on these words—"various land agents?"—I do not know what question turns on it.

1663. Mr. Brewer tells the Committee that he had heard nothing more about the matter, except that you were getting estimates from various land agents—indicating that you had got them?—I directed Mr. Brewer to get what information he could as to the value of the property to lay before me on my return from the Waikato. I told him that I should myself take means to ascertain the value, and I certainly led him to believe that it was my intention, as it was, to employ three or four land agents.

1664. But no official values were obtained from land agents?—No.

1665. *The Chairman.*] There is an answer of Mr. Brewer's that I will quote to you. He was asked, "You are not quite sure as to when it was decided not to go into the Compensation Court?" He says, "No, I never received any instructions at all, except on the day when my report was drawn up"—the "report" meaning, I presume, the letter he wrote in advising you to purchase. We understand you to say that he had received instructions from you previous to this?—His receiving instructions from me led to his giving in that report. The more one speaks of a thing the more difficult it seems to make the Committee understand. I say that he drew up his report on the 19th and sent it to me on the 20th. He had an interview with me on the 19th, and when he left me he was told to put his information in writing. I had an interview afterwards—having made up my mind—with Mr. Stark, and possibly without Mr. Brewer knowing anything about it. I verbally, that evening, fixed up the thing.

1666. One of the points is this: Mr. Brewer appended to his report a statement that he did not think that Mr. Stark would accept the offer if you made it?—Very likely that was in his mind. He told me positively that Mr. Stark would not take less than £20,000.

WEDNESDAY, 21ST JULY, 1886.

Mr. H. M. BREWER sworn and re-examined.

1667. *The Chairman.*] In the evidence which you gave before the Committee you stated that you had only two interviews with the Minister for Public Works?—To the best of my recollection.

1668. One when you waited on him to introduce Mr. Stark, and the other when you received instructions to make up the valuation?—Yes; the former in the Star Hotel, and the other in the Minister's office.

1669. The Committee wish to know whether you are perfectly sure that these were the only two occasions?—I have thought over this thing night and day, and I cannot remember any other interviews. I may have met the Minister in some of the passages and had a conversation with him, but to the best of my knowledge I do not remember any other interview. It is six months ago, and one cannot always carry one's mind back. If I have had such interviews I must give in and say I have forgotten. I have tried to think if I had any other interviews, and I cannot remember another one.

1670. I do not think it is quite clear from whom you received instructions to make the valuation and write your letter of the 20th?—From the Minister.

1671. When did you receive them?—On the date of my letter.

1672. You put in a letter from Mr. Stark of the same date?—Yes.

1673. What connection is there between the two?—None at all.

1674. I understood that you had been assured by Mr. Stark that the matter was settled?—That was verbally, the day before. Mr. Stark was passing my office, and he looked in and said, "I have practically settled the matter with the Minister, and ask you to send the voucher as soon as possible, as I want to get away South." I said that I had received no particulars, and he said he would send me them. The next day I found a letter on my blotting-pad on my table from him.

1675. Did you receive his letter before you had instructions to send in the valuation?—I received instructions to write a report I think about half-past ten in the morning, and Mr. Stark's letter was put on my desk about half-past one in the afternoon.

1676. The difficulty is in connection with the conclusion of this letter, in which you state that Mr. Stark would not accept the offer?—I think I have stated something in evidence on that point.

1677. We should be glad if you could explain that again?—I looked upon my report as a *pro forma* one, and one not much bearing on the question, and I wrote it as if I did not know anything about the agreement. In fact I did not—I only had Mr. Stark's word. I cannot quite say why I wrote in this particular way.

1678. *Hon. Major Atkinson.*] Did Mr. Godden come to fetch you to the Minister at any time?—I believe he did, on the 20th.

1679. Was that the only time?—As far as I can remember. I may be mistaken, but I have no recollection of any other occasion.

1680. If Mr. Godden and Mr. Richardson were both clear that you had several interviews with the Minister, in which you had given full particulars, what should you say?—It is impossible that I could have had more than three. I may possibly have had a third interview; but I cannot remember more than two.

1681. You gave the Minister no particulars at any interview before the purchase?—As far as I can remember I gave no particulars at all.

1682. Can you not say definitely?—I am on oath and I do not like to say definitely. I do not think I did, and could state so more positively but that I am on oath and do not like to speak so definitely.

1683. *The Chairman.*] Why do you draw that distinction?—Because it is simply a matter of memory, and I may be mistaken in it. If I had memoranda to go by I should not mind at once giving my oath. But I only speak from memory, and, as it happened six months ago, I do not like to trust to memory implicitly. I wish to be clear in the matter.

1684. *Hon. Major Atkinson.*] After careful thought on this question of interviews you adhere to what you stated the other day?—Yes, as far as my recollection goes. I have lain awake at night thinking of it, and I cannot think of any other interviews. I should have no reason for not saying so if I had had them. It would bear out my report if I had an interview, and I should have no reason to back out of it in any way.

1685. *Mr. Dargaville.*] The first interview you had with the Minister was in the presence of Mr. Stark, at the Star Hotel?—Yes.

1686. Do you remember seeing the Minister on that same afternoon, when Mr. Stark was not present, in the Government office?—No, I do not; but I may have seen him.

1687. This is an important matter, and I would like to be clear. We have it in evidence that that interview took place. Mr. Richardson, speaking from notes, has testified on oath to this interview having taken place. I ask you now if you are prepared to put your oath against his?—No; I am speaking from memory, he has his notes and his Private Secretary to refer to. It is possible that the interview may have taken place.

1688. Did you have one again or not with the Minister prior to his leaving for Waiwera Hot Springs, on the afternoon of the 8th or the morning of the 9th?—I did not even know that he had been to the Hot Springs.

1689. On the afternoon of the 8th or the morning of the 9th had you or not an interview with the Minister?—The interview on the 8th was the first one, with Mr. Stark; I do not remember the day of the week.

1690. I want this to be quite clear. Had you or had you not an interview with Mr. Richardson on the afternoon of the 8th or the morning of the 9th?—I do not remember; it is possible, but I do not remember it.

1691. Did you go to see the Minister any evening pretty late, about dinner-time, say?—No; I do not think I did. I know I went down to see him several times, because he was full of deputations; but I do not remember finding him. I remember one thing—I remember writing to Mr. Godden to ask him if he could tell me whether the Minister had had a reply about the defence property, and he said the Minister would see me on his return.

1692. Did he do so?—Not till the morning of the 20th, to my knowledge.

1693. Did you not see him on the afternoon of the 8th—or it may have been late in the evening? I should think that an interview after business hours ought to remain in your memory?—I cannot remember it. You know how a Minister is full of deputations, and sometimes you have to wait for days before you can see him. I may have seen him, but I do not remember it.

1694. *Mr. Cowan.*] You are a Government officer?—I joined the service eighteen years ago to-day.

1695. In the conduct of your business do you keep a diary?—No; only my letter-book.

1696. You keep no record of your daily business transactions?—No.

1697. *Mr. Holmes.*] Is it a fact that you saw Mr. Stark on the 19th January, and that he told you that he had settled with the Minister for the sale of his land?—He passed my door and looked in and said, "I have settled with the Minister." I am prepared to swear to that.

1698. Then you received your instructions to write your report on the 20th?—Yes.

1699. In this report you have these words: "I do not think that Mr. Stark will agree to this." Is that correct?—That is correct.

1700. Then this was written after Mr. Stark said that he had absolutely settled on the same terms mentioned in your memorandum?—No: he did not tell me the exact terms that he had settled upon, but merely that he had settled.

1701. Your evidence states, "On the 19th January Mr. Stark told me that he had settled with the Minister on the basis of 10 per cent. over the property-tax valuation." Are not those exactly

the terms on which Mr. Stark told you he had settled with Mr. Richardson?—No; because they are not the terms. My report says £17,500. I believe the terms he settled on were £17,100.

1702. These are your words—"This would be 10 per cent. over the property-tax valuation"?—Yes.

1703. You say, "He told me he had settled with the Minister on the basis of 10 per cent. over the property-tax valuation"?—Yes.

1704. Then I want to know why it was that you misrepresented to the Minister that Mr. Stark would not accept this offer, you knowing at the time that he had accepted it?—You mistake me. I wrote a letter in an official way, the same as if I had written it three days before, and as if I knew nothing about the transaction. I understood that the Minister had taken it in hand himself.

1705. Why should you write a valuation, when you received instructions to write in on the 20th, as if you had written it three days before?—Because I was not supposed to know that it was completed in any way.

1706. Then what you wrote on the 20th you knew not to be true?—No; I knew that the facts of the case were true.

1707. Was it true that, on the 20th, you knew that Mr. Stark would not accept the property-tax valuation and 10 per cent.?—Not until I got his letter, which I got about the middle of the day.

1708. Though he told you he had agreed to accept the offer?—But he did not tell me the amount.

1709. Is this evidence (question 1054) correct?—I think I made a little mistake. He did not mention it when he looked in at the door. I have confounded that with his letter, which came the next day.

1710. *Dr. Newman.*] Would you be able to tell the Committee whether you were in Auckland on the 7th, 8th, 9th, and 13th?—Yes, I was; to the best of my belief.

1711. Would you have any evidence to show from notes that you could or could not have had interviews with the Minister on those dates?—No, I do not think so.

1712. *Mr. Barron.*] Were instructions to make a report given you by the Minister in detail?—Verbal instructions.

1713. Were they only instructions to make a report, or was there any indication of what it should be?—I was simply instructed to write a report on the Takapuna property. There may have been some other conversation.

1714. What induced you to put your valuation in writing?—The Minister asked me to do so.

1715. *Mr. Montgomery.*] Was this report a statement of the conversation that had taken place before—of your opinion with regard to the value of the property?—It was a report of my opinion as to its value based on the property-tax value, and given to the Minister on the 20th.

1716. The report was a written memorandum of what had taken place formerly?—Yes.

1717. At the request of the Minister?—Yes.

1718. *Mr. Holmes.*] Was Mr. Godden present at the interviews between you and the Minister?—Yes, he was.

1719. At all of them?—I do not think he was present at the first; but he certainly was on the 20th.

1720. *The Chairman.*] You wish to make a statement?—Yes; there is something I wish to point out. I asked for permission to look over the papers presented to the House; I never had an opportunity of doing so before, and I think I ought to have. I took one or two extracts, which I should like to bring before your notice. In the first place, there is a telegram from the Minister to the Under-Secretary—"Takapuna property," &c. The point I wish you to notice is this, "Who do you think should be asked to value?" The next is a telegram from the Under-Secretary to the Minister, "I have directed that one or two land agents," &c. One more, "Do I understand that Moss," &c. The point I want to show is that I was never asked to act with these men at all. I never knew about their names being mentioned. I should have been glad to be associated with them, but I was never asked to in any way. Does not this show that the matter was to a great extent taken out of my hands? The very fact of the Minister employing these gentlemen, not in any way associated with me, proves conclusively that the matter was to a certain extent taken out of my hands. Then, there is another telegram from the Under-Secretary to the Minister, "Sperrey says," &c. I maintain that the Minister was in possession of more information on the matter than I was. I was not in possession of this. Then, there is another point, in the last telegram—one from Sperrey to the Minister, "The property-tax valuation is by Seaman," &c. Now, as I am a stranger in the place, and unacquainted with the value of property, I make my valuation on the estimate of the best valuer in Auckland, and I cannot see where I was to blame. I am placed in an embarrassing position. I have to defend my reputation from what appears to be a charge of neglect and incompetency, and in doing so I have to go in distinct opposition to the head of my department.

Mr. D. GODDEN sworn and examined.

1721. *The Chairman.*] The Committee wish to know if you can give them any information as to the interviews between Mr. Brewer and the Minister for Public Works—as to the number of times that interviews took place?—I cannot settle upon the specific dates, because I took no notes; but the first was on the 7th. That I remember well. He attended with Mr. Stark in the morning, at the Star Hotel. I believe Mr. Brewer also saw the Minister in the afternoon or evening of the same day, but I cannot say for certain. Then, he saw him again on the afternoon of the 8th or the evening of the 9th, before the Minister went to Waiwera; and again, I believe, on the morning or afternoon of the 11th, when he returned from Waiwera. We left Auckland on the 12th for the Waikato, and returned on the 18th, and the Minister went to see him himself either on the 19th or 20th.

1722. Then there were four interviews?—There were more than that; but I cannot say positively how many.

1722A. You left on the 12th?—Yes.

1723. Did Mr. Brewer see the Minister, to your knowledge, after that?—Yes, either on the 19th or the 20th. We were driving round, and at the Supreme Court buildings the Minister got out and saw two or three gentlemen, and Mr. Brewer amongst them. He also saw him several times after that.

1724. *Mr. Holmes.*] Were you present at any of the interviews between Mr. Brewer and Mr. Richardson?—Once—when Mr. Brewer came with Mr. Stark.

1725. What was said on that occasion?—I do not recollect. I was doing some different work in the room at the time.

1726. Were you present at the interview previous to the Minister going to Waiwera?—Yes; I went and brought Mr. Brewer myself to see the Minister, but I cannot say the date.

1727. Did you hear the Minister give Mr. Brewer any instructions?—Just that he was to go into the matter and let the Minister know as much about it as he could. The instructions were general.

1728. His instructions were to the extent that he was to go into the matter?—Yes; general instructions.

1729. What are “general instructions:” they might mean nothing or they might mean a great deal?—All I heard the Minister say was telling him to go into the matter.

1730. You heard the Minister give Mr. Brewer instructions to go into the matter, and inquire into particulars of value, &c.?—Yes.

1731. And that he was to have it ready by the time the Minister came back from Waikato?—Yes; and that he did so there was no doubt, because he made an estimate of it.

1732. How do you know?—It is on record.

1733. You have no doubt in your mind that before the 20th the Minister had four interviews with Mr. Brewer?—I have not the least doubt.

THURSDAY, 22ND JULY, 1886.

Mr. T. SEAMAN, Valuer, sworn and examined.

1734. *The Chairman.*] Mr. Seaman, as the evidence has been conflicting, the Committee have resolved to re-examine on oath those witnesses whose testimony is in conflict. You have had, have you not, an opportunity of correcting the evidence already given by you?—Yes.

1735. Are you prepared to make oath that that evidence is correct?—Yes.

1736. *Mr. Gore.*] I presume Mr. Seaman has read his previous evidence?—Yes.

1737. *The Chairman.*] You have seen the printed copy?—No, not the printed copy.

1738. But the manuscript copy?—Yes.

1739. The most important points in your evidence were these: You state in one of your letters to Mr. Sperrey that you knew nothing, before your valuation, of the offer made to Stark of £16,000; and, on the other hand, when you made your valuation, that you were guided by the making of that offer?—I think in my evidence I stated that my valuation previously made was thereby confirmed.

1740. You wish to state that the word “guide” is wrong?—The question put to me was, “Are you satisfied, and do you maintain the valuation?” I might have used the word “guide” as to being thereby supported in my valuation.

1741. The other point is that you had discovered an “error;” but you do not make it clear when you discovered the error?—It was on noticing a report in the papers that Mr. Mason had written to Mr. Sperrey or the Government that this property appeared in the rate-book for three years back, valued for £3,000 or £3,500: that led me to refer to my note-book.

1742. It is not clear whether you refer to twenty-eight acres or forty-two acres in your evidence?—It was to forty-two acres odd, valued by me in 1882 for £7,500.

1743. Then it was not twenty-eight acres you valued at £7,500?—No; it was forty-two acres. I have the valuation in my notes: “14 acres 3 roads 2 perches, as part of lot 4, £4,500; and allotment 3 and part 1, 28 acres 16 perches, £3,000.”

1744. On which block did the house stand?—On the fourteen acres.

1745. Can you say why it was valued separately from the twenty-eight acres?—In 1882 I was requested by the Commissioner to value each lot separately as we came to it. I did so.

1746. Then the fourteen acres was one lot in itself?—Yes, it was one lot in itself—lot 4.

1747. You referred to Mr. Frater in your evidence. What you said was this: that Mr. Frater told you—and Mr. Frater is known as a person of unimpeachable character—that had he been Stark he would have asked £50,000 for it. Do you consider that Mr. Frater was really in earnest when he said he would ask £50,000 for it if it were his?—The impression conveyed to my mind was that he considered it worth £50,000 to the Government considering the purposes for which it was required, and the opinions which had been given by three distinguished gentlemen that this was the property which must be taken for defence purposes.

1748. Do you consider that his statement had any reference to the actual value of the property itself?—Not independently of the purposes for which the Government required it.

1749. Then you do not attach value to the remark as indicating the actual value of the property itself?—No; I do not wish it to be understood as referring to the intrinsic value of the property.

1750. You state that you valued it at £15,600 perfectly independent of the offer of Cochrane?—I knew nothing of that offer.

1751. And that valuation is without reference to the Government requiring it?—I had no idea of the Government requiring it.

1752. Mr. Alison has said that he made the offer chiefly because the Government did require the property—that it was that circumstance which made him attach such value to it?—Mr. Alison certainly never gave me any hint on the subject.

1753. *Mr. Barron.*] I wanted to ask you a question as to the property where the defence works are in progress. You referred to that?—Yes: it is commonly called the North Head Reserve, where the defence works are already placed, and where there is a large number of constabulary placed.

1754. *The Chairman.*] Whose property was that?—It was Government property, of which I can give you full particulars.

1755. Did you have to value that?—Yes; we were required to value all property of every kind—churches, schools, and everything which had a value—although such might not be subject to property-tax.

1756. *Mr. Barron.*] Was that valuing from one department to another? Was it for defence purposes?—Yes.

1757. You did not see either of the Ministers when they visited Auckland?—I did not. I went over all the properties very carefully. If you will tell me the "number" I could tell you all particulars respecting the North Head valuation.

1758. *The Chairman.*] You referred to the property purchased by Professor Thomas as indicating the value of property in the neighbourhood. It has been stated that property was purchased upwards of three years ago?—About three years. The property was originally valued to Mr. Hammond.

1759. The price given by Professor Thomas three years ago—was that the price you quoted?—I do not think I quoted the price. I referred to my valuation. In 1882 the whole area was valued to Mr. Hammond—five and a half acres, at £1,250. I did not state the price given by Professor Thomas. The value of the area, one and a half acres to Professor Thomas, was £1,600, and the remainder to Mr. Hammond, £1,000. I was asked a question, but I was not then able to give particulars of the Vauxhall property, which is directly opposite to Thomas's, and almost immediately opposite to Mr. Stark's, 5 acres 1 rood 10 perches, which in 1882 was valued at £1,020 to Mr. Wells, then the owner, who, having received an appointment in the Domain garden, sold it to Mr. Tanner for, I believe, less than £1,000. He immediately cut up that property, and it realized £2,205, which was more than double my valuation.

1760. In what way?—In sections for building. Of the five and a half acres eight sections realized at the rate of £400 an acre, and none of it is near as valuable as Stark's for building. In 1882 the Devonport Road Board did not accept my valuation, but they did in 1885; and when the district became a borough they also accepted it. A telegram has been received by Mr. Alison, who is a member of the new Borough Council. It appears now that the Council are not able to levy a rate without some fresh legislation. Mr. Malcolm Nicol, who is the Mayor of the new borough, says that this legislation should be in the direction of validating the Road Board valuation. This shows that they are satisfied with my valuation.

1761. Then you consider that confirms your valuation?—Yes. I may state that in 1882 my valuation of the whole district was £206,258, and their valuation was less, although they objected to mine as being low. It was £204,537, which realized, at a rate of $\frac{3}{4}$ d. in the pound, £639; my valuation in 1885 being £408,513, almost double that of 1882, at which sum the rate will realize £1,276.

1762. Who is Mr. Nicol?—He is the Mayor of Devonport.

1763. I think you mentioned Hastings?—I did; and I quoted that in 1882 the property—twenty acres, was valued at £1,600; that in January, 1885, it was sold for £6,000; that, being cut up, a portion has been sold for £3,460, and the balance is still valued at £6,000: showing an increase from 1882 of six-fold. I was asked with reference to the value of the beach-frontages. I allude now to a property of Mr. T. L. White's, being section 1, allotment 11. In 1882 my valuation was £550 for allotment and house. The house I considered as deteriorated in value; so that in 1885 I only valued at £630, an increase of £80; but recently Mr. White has refused £1,100 for the property—he wants £1,250. This latter information I received from Mr. Mays when in Wellington last week.

1764. Do you make these statements of your own knowledge?—Mr. White objected to my valuation, and told me he wanted a great deal more for it.

1765. What is the amount?—£1,250. Mr. Mays also knew that Mr. White had refused £1,100 for it.

1766. But what relation has that to Stark's property?—I mention it as confirming my own opinion as to the value of the beach-frontages. I was asked to give the value of the beach-frontages, which I have already given as not less than £10 per foot.

1767. Is it not a corner section?—Yes; but that very little enhances the value of that property.

1768. *Mr. Dargaville.*] What is the area of it?—It is—beach-frontage, 50ft.; back frontage, 164ft.; depth, 212ft. one side, and 262ft. on the other.

1769. Is there anything exceptional in it as affording facilities for sea-bathing?—It has the same access to sea-bathing as other adjacent properties, and is some distance from the beach, a good depth of loose sand intervening.

1770. The area is less than an acre?—Yes, less than an acre—not more than about half an acre.

1771. What do you value the house at at present?—£380.

1772. Can you give us the valuation of the North Head property as valued for the Government or defence purposes?—There is one other property I should mention—namely, the property of Mr.

Brassey—2 acres 1 rood 6 perches. The value in 1882 was estimated at £1,500; in 1885, £2,000. Mr. Brassey himself has returned the value at £2,500.

1773. Is that near Stark's?—Distant about the eighth of a mile.

1774. About ten chains?—Yes.

1775. Is it near Professor Brown's?—It is the property that Professor Brown occupies. Mr. Brassey is the owner.

1776. Will you give us the valuation of North Head?—My valuation of the Defence Reserve at the North Head, Devonport, was as follows: Allotment 38, twenty-five acres, £11,250, less, for defence-works in progress, £5,000, being £6,250, or £250 per acre, and not at all adapted for building-purposes.

APPENDIX.

Memorandum for Mr. Sperrey.—The Public Accounts Committee wish to know when Mr. Allison was appointed Property-tax Reviewer in Auckland; for what district he is appointed; on whose recommendation; what other Reviewers were appointed with him; and what other gentlemen were recommended, and by whom. Will you be good enough to let me have the information?—F. J. Moss, Chairman.—1st July, 1886.

Auckland, 12th March, 1886.—Mr. Thomas Seaman, Assessor, Auckland.—Will you be good enough to give me a copy of the entry in your rough note-book, assessing the property Mr. Stark sold the Government, and at the same time state your reasons for valuing the property at the sum at which it is assessed. Will you state whether the property is assessed at the same value as similar land in the locality. I should be glad to receive a somewhat full report from you.—CHAS. M. CROMBIE, Deputy Property-tax Commissioner.

31, New Zealand Insurance Buildings, Auckland, 15th March, 1886.—C. M. Crombie, Esq., Deputy Property-tax Commissioner.—Sir,—In compliance with your request, I forward herewith the few objections which I had not returned to Wellington. The objections of Mr. Alison (one of the Reviewers) and his friends will not, I find, be defended. I have also the honour to report as follows *re* the valuation of Mr. Stark's property, the objections to which have, I have no doubt, a political significance, that gentleman having announced his candidature for a seat in the House of Representative as a supporter of the present Government: A 90/15, Stark, R. A. M.; 3 and part 4, Takapuna, &c., 30 acres 1 rood 18 perches, £15,600; dwellings and all other improvements, £4,400; leaving the land at about £365 per acre. In this valuation, in addition to my own opinion of its value, I was guided by the following circumstances: Mr. Stark had, within a short period of my assessment, received a private offer of £16,000 for the whole estate; and an offer had also been made through an agent of £450 per acre for six acres of the unimproved and least valuable part; but, declining these offers, the proprietor had decided on cutting up the property into 162 sections, for which plans had at considerable expense been prepared. These sections show 8,300ft. of frontage, which, at an average of £2 per foot (some considerable portion of which would doubtless bring double that amount), would yield £16,600, to which add the buildings, which are of a costly nature: it would be between £19,000 and £20,000; and, with such a prospect, the owner agreed with me that both the Government and the local bodies should have the benefit for the purpose of taxation. With regard to other properties in the vicinity, my assessment will show that several are equal and others higher in value, although they do not occupy such commanding positions for building-sites. Part of same No. 4, Mr. Hammond, £1,000 for three and a half acres. This I did not consider so valuable as the above; but the owner has told me this day that he is wishing to sell it, but not for less than £1,500—or, he is asking £4 per foot for frontage. Part of No. 6, 4 acres and 14 perches, is valued at £1,320; not near so good a site, and without improvements. And another part of same lot, 6 acres 3 roods, £3,000. Many other instances I could refer to, but trust I have said sufficient *re* my valuation to justify it in the estimation of both the Commissioner and yourself. One other remark I will make, and that in consequence of certain insinuations which I have heard. When assessing Mr. Stark's property I had no idea that the Government at all contemplated taking the same, either for defence or any other purposes.—I have, &c., THOMAS SEAMAN, Property Assessor.

Auckland, 18th March, 1886.—Mr. Thomas Seaman, Assessor, Auckland.—I have received your letter of the 15th, and should like some further information. Please state the name of the person by whom the offer of £16,000 for Mr. Stark's property was made, and give any further circumstances in connection with the offer you may be aware of; also the name of the agent who offered £450 per acre for six acres, and state what part of the estate was included in the six acres. Are you of opinion that the 162 sections would have sold at an average of £2 per foot frontage? Do you consider the buildings and other improvements value for £4,400, and what part of this represents the value of the buildings? Will you be good enough to explain the meaning of the following: "With such a prospect the owner agreed with me that both the Government and local bodies should have the benefit for the purpose of taxation." I should like a sketch of land in the vicinity, with the values noted on it.—CHAS. M. CROMBIE, Deputy Commissioner.

Auckland, 23rd March, 1886.—Mr. Thomas Seaman, Assessor, Auckland.—Will you be good enough to let me have, not later than to-morrow (Wednesday), an answer to my memorandum of the 18th *re* the assessment of Stark's property?—CHARLES M. CROMBIE, Deputy Commissioner.

31, New Zealand Insurance Buildings, Auckland, 24th March, 1886.—C. M. Crombie, Esq., Deputy Property-tax Commissioner.—Sir,—I have the honour to reply to yours of the 18th instant *re* the valuation of Mr. Stark's property. (1.) After making a careful survey of the property, and eliciting what information regarding the cost of improvements, &c., I felt at liberty to do, on arriving at my valuation of £15,600 the owner remarked that he could not object to that value, having had a *bonâ fide* offer of £16,000, and that by one of the most respectable estate-agents in Auckland; but I was not told who the agent was, nor the name of his client, and I did not feel that I should be justified in asking for that information. I have, however, been told recently by one of Auckland's leading public men, but in confidence, that he had seen the offer of £16,000, in writing, addressed to Mr. Stark, and was told that the offer was declined as being below its value. (2.) I was also told in confidence by another leading business gentleman that he knew of an offer having been made by a highly-reputed agent on behalf of a gentleman in Australia of £450 per acre for six acres of the northern portion of the land, or that sloping towards the narrow neck, and which has no buildings thereon. (3.) If cut up as has been proposed, and as shown on plan, I believe many of the sections with sea-frontage would fetch from £4 to £5 per foot, others with main-road frontage from £2 to £2 10s. per foot, and the balance at such prices as would realize on the estate an average of £2 per foot. (4.) I consider the improvements to be fairly valued at £4,400, the houses and other buildings £3,250, and the balance for fencing, draining, planting, and general laying-out of the estate. (5.) The remark as to giving the Government and local bodies the benefit of a full but fair valuation for the purposes of taxation in the assessment of this as well as all other properties that have come under my notice I considered to be the principle on which, as an Assessor, I was expected to act. I will endeavour to procure for you as early as possible a sketch of the adjacent lands.—I have, &c., THOMAS SEAMAN, Assessor.

Armidale, Devonport, Auckland, 18th June, 1886.—*Re* Stark's property.—T. Peacock, Esq.—Dear Sir,—I should not have referred to this matter had not my name been mentioned in the *Star* of this evening as having written the Government respecting the purchase of Mr. Stark's property for defensive purposes. It states there, "I would refer

you to an absurd report that Mr. Stark offered his house and ten acres of land three years ago for £3,500." The house and ten acres of land was offered to a friend of mine not eighteen months ago for £4,000, or the house and five acres for £3,500, clearly showing that Mr. Stark's valuation of the land was £500 for five acres, or £100 per acre. I see in the *Herald* of to-day that the Government valuation of the property for property-tax was £15,500. As I stated to the Government, it stands in the rate-book last year at £3,500, and it is curious that, while other property has depreciated in value, Mr. Stark's should have risen from £3,500 to £15,500. It also states in the *Herald* of to-day that Mr. Stark had been offered £16,000 for the property. This offer, I have been given to understand, was made to Messrs. Cochrane and Son; but it would be well to ascertain by whom it was made, for it must have been made within about twelve months of the time when Mr. Stark was asking for ten acres and the house £4,000, and during that time property has been very much depreciated in value. Apologizing for troubling you with the matter, my excuse for doing so is that, while the colony is borrowing large sums of money, it is but right that the representatives of the people should see that these sums are properly expended.—I have, &c., PHILIP H. MASON.—P.S.: As I see by this morning's paper that Mr. Mitchelson is looking after affairs in Waitemata during Mr. Hurst's illness, if you think will please show this letter to him.

Copy of telegram sent to John Ross, Esq., Auckland.—Parliament House, 25th June, 1886.—John Ross, Esq., Sargood and Co., Auckland.—The Public Accounts Committee, having been informed that you had arranged some time ago with Mr. Stark for the purchase of his house and ten acres land at Takapuna Point, since bought by Government, direct me to ask if you will be good enough to telegraph date and particulars of the arrangement, stating also what portion of the land and what buildings were included; also, if you have no objections, why the negotiations fell through. Reply paid.—F. J. Moss, Chairman.

25th June, 1886.—Copy of telegram sent to Messrs. Cochrane and Son, Auckland.—The Public Accounts Committee find, from the report of the District Valuator, that you had, as agents, made to Mr. Stark an offer of sixteen thousand pounds for his house and land at Takapuna Point, lately purchased by the Government. I am directed to ask if the information is correct, and, if so, if you will be good enough to say for whom the offer was made. Reply paid.—F. J. Moss, Chairman.

Copy of telegram sent to Mr. Thomas Seaman, Assessor, Auckland.—Parliament House, 25th June, 1886.—In your letter of 24th March to the Property-tax Commissioner you refer to information received from one of Auckland's leading public men, who had seen the written offer of £16,000 made to Mr. Stark for his property lately bought by the Government; also to another leading business gentleman, who knew of an offer of £450 per acre for six acres of the northern portion. The Public Accounts Committee, to whom the letter has been sent, request that you will be good enough to state the names of the gentlemen referred to in your letter. Reply paid.—F. J. Moss, Chairman.

Auckland, 25th June, 1886.—Property-tax Commissioner, Wellington.—Have just ascertained on reliable authority that the £16,000 was offered in writing by Samuel Cochrane and Son, and that it was shown to many. I did not see it, nor was I informed by whom the offer was made, but only assured that it was *bonâ fide*.—THOMAS SEAMAN.

Auckland, 26th June, 1886.—F. J. Moss, Esq., Wellington.—In a second telegram to the Property-tax Commissioner yesterday I gave the name of the firm who offered the £16,000 for Mr. Stark's property, having after my first reply ascertained that it was Samuel Cochrane and Son. I have seen Mr. Cochrane, and he says it was a *bonâ fide* offer so far as he knew, but he declines to give the name or names of their clients. I have heard outside that it was for a syndicate. Mr. Oliver Mays has told me that he saw the offer in Mr. W. S. Cochrane's handwriting, and he knows that it was shown to other gentlemen. The offer of £450 per acre was, I was told, made by a gentleman in Australia. My informant was Mr. Ewen Alison, one of the late Assessors for Waitemata.—THOMAS SEAMAN.

Memorandum for F. J. Moss, Esq., M.H.R.—Re purchase of Stark's land: Reply to Major Atkinson's question, comparative valuation of Stark's land, 1882 and 1885—Blocks 1, 3, and 4, 1882, £5,750; Blocks 1, 3, and 4, 1885, £21,400.—J. SPERRY, Commissioner.

Auckland, 28th June, 1886.—F. J. Moss, M.H.R., Wellington.—We did make Stark an offer of sixteen thousand—two thousand cash, balance 5 per cent. It is not usual to reveal principal.—SAMUEL COCHRANE AND SONS.

Auckland, 28th June, 1886.—F. J. Moss, Esq., M.H.R., Wellington.—Delayed replying ascertain exact date: May, 1884. Ten acres, the cultivated portion, best frontage—to main road and sea—with house, stables, and all outhouses. Arranged purchase for three thousand five hundred pounds; exceptionally easy terms. He inserted clause in deed restricting power of cutting up should I wish; and, friends and others who knew value of land there deeming price high, I objected, and negotiations fell through. He valued land £2,000; house, &c., £1,500. Hugh Campbell, Esq., solicitor, who perused deed, can confirm price.—JOHN ROSS.

Telegram from the Chairman, Public Accounts Committee, to H. M. Brewer, Public Works Department.—Wellington, 29th June, 1886.—In your letter of 20th January to the Hon. Minister for Public Works you recommend offer to Mr. Stark of £17,500 for his property. In a subsequent memorandum of 22nd January you disclaim having had anything to do with the settlement, and therefore have no report or valuation to forward. These papers have been sent to Public Accounts Committee, who request you to explain the discrepancy between the two letters. Reply paid.—F. J. Moss.

Telegram from the Chairman, Public Accounts Committee, to P. H. Mason, Esq., Armidale, Devonport, Auckland.—Wellington, 29th June, 1886.—Your letter to Mr. Peacock of 18th June has been laid before Public Accounts Committee. Will you be kind enough to let them know to whom the offers of Stark's property referred to in your letter were made—namely, ten acres and house for £4,000, and five acres and house for £3,500.—F. J. Moss.

Devonport, 30th June, 1886.—F. Moss, House of Representatives, Wellington.—Cottenham Kingsford, Devonport. Government should appoint inquiry here.—PHILIP H. MASON.

30th June, 1886.—Mr. Brewer, Land Purchase Department, Auckland.—Committee meet at twelve, but have not yet received your reply.—F. J. Moss, Chairman.

Wellington, 30th June, 1886.—H. M. Brewer, Esq., Land Purchasing Office, Auckland.—You are hereby required forthwith to attend a meeting of the Public Accounts Committee of the House of Representatives at the Parliament Buildings, Wellington, to give evidence on the subject of the purchase of Stark's property, North Shore, Auckland, by the Government. Reply, stating when you will leave Auckland.—CHAIRMAN, Public Accounts Committee.

Wellington, 30th June, 1886.—Le Bailly, Esq., Devonport.—The Public Accounts Committee, having been informed that you were offered Stark's property at Takapuna Point some time ago, will be obliged for the particulars and date. Reply paid.—F. J. Moss, Chairman.

Wellington, 30th June, 1886.—Messrs. Ashton and Sons, Auckland.—The Public Accounts Committee, having heard that Stark's property at Takapuna Point, purchased by Government, was in your hands at one time for sale, will be obliged to you for date and particulars. Reply paid.—F. J. Moss, Chairman.

Wellington, 30th June, 1886.—E. Hammond, Esq., Devonport.—The Public Accounts Committee having been informed that you ask £860 for your property adjoining Stark's, lately sold to Government, will you oblige by stating if this is correct; also the acreage. Reply paid.—F. J. Moss, Chairman.

Wellington, 30th June, 1886.—Cottenham Kingsford, Esq., Devonport.—The Public Accounts Committee, having been informed that Stark's property, lately purchased by Government, was some time ago offered to you, will be obliged if you will state particulars and date.—F. J. Moss, Chairman.

Wellington, 30th June, 1886.—P. H. Mason, Esq., Devonport.—Thanks for your telegram. Have telegraphed to Mr. Kingsford.—F. J. Moss, Chairman.

Auckland, 30th June, 1886.—F. J. Moss, Esq., M.H.R., Public Accounts Committee, Wellington.—Mr. Stark wrote me a letter on the nineteenth of January saying he had settled with Minister, and asking me forward voucher as soon as possible, as he wished to go south. My report of the twentieth was simply a *pro forma* one, based on this information, and saying I considered ten per cent. over the property-tax valuation, the basis on which I was informed the Minister had settled, was unreliable. Previous to this settlement I had not sent any report or valuation to the Government. If the matter had been left to me I should have sent it to a Compensation Court, and it would have relieved me of all responsibility. This is always my practice in large claims. As the Minister telegraphed to Wellington for information *re* property-tax, got valuations and estimates from Auckland land-agents, and finally settled without further reference to me, I considered the matter entirely out of my hands, and so reported in my memorandum of twenty-second. I have since heard the property-tax valuation was too high. I do not know whether this is correct or not, but it is always the rule to allow ten or fifteen per cent. of that valuation for land taken for railway or defence purposes; and Land Purchase officers, when going to a new district, where they are unacquainted with the value of property, always make this valuation the groundwork on which they go. My report of the twelfth of April was simply a statistical account of information I could get of the value of properties surrounding Mr. Stark's, with suggestion as to the future disposal of the property, and was supplied at the request of the Government.—H. M. BREWER, Land Purchase Officer.

Devonport, 30th June, 1886.—F. J. Moss, Esq., Wellington.—Mr. Stark's house and ten acres of land was offered, through my father-in-law, Mr. R. J. Roberts, to me in March, 1884, for three thousand five hundred pounds. This offer was declined by me, as I preferred another place, which I afterwards bought.—H. O. LE BAILLEY.

Auckland, 1st July, 1886.—F. J. Moss, Chairman Public Accounts Committee, Wellington.—August, eighty-three. Twenty acres, house, and all improvements, five thousand pounds; one-fifth cash, balance three years, four per cent.—H. ASHTON AND SON.

Devonport, 1st July, 1886.—Chairman Public Accounts Committee, Wellington.—In answer to your inquiry, Stark offered me his house with ten acres for four thousand pounds, or with five acres three thousand five hundred. This was in December, eighty-four.—COTTINGHAM KINGSFORD.

Auckland, 1st July, 1886.—F. J. Moss, Esq., M.H.R., Wellington.—I have never offered land referred to for £860. Though only three and a half acres, being narrow, it has a long sea-frontage on one side and road-frontage on the other, and is therefore valuable.—EDWARD HAMMOND.

Auckland, 1st July, 1886.—F. J. Moss, Esq., Parliament Buildings, Wellington.—Present press of business and a special engagement on Wednesday next will prevent my leaving until following day, 9th instant, but will do so then by "Rotomahana."—THOMAS SEAMAN, Government Property Assessor.

Wellington, 1st July, 1886.—The Chairman of the Public Accounts Committee.—Sir,—Yesterday, when giving evidence before your Committee, I was asked a question by Mr. Barron, Whether I did not consider that Stark's property could have been purchased at a much cheaper rate if it had been taken under the Public Works Act, and the value set upon it by the Compensation Court? To this question I replied, Yes—at about half the price; and, further, I consider that, if such undue haste had not been exercised, I was of opinion that the purchase of the property could have been made at half the price—and, most probably, considerably less than half the price paid—by private negotiation. To illustrate what I mean, I wish to state that during my term of office a claim was sent in by the owner of the property that was required for the site of the Te Aroha Railway-station. This claim was referred to the late Mr. Thomas Macfarlane, Mr. Brewer's predecessor, who sent in a report recommending what I considered a most exorbitant amount, which I refused to agree to, knowing that it was outrageously high. My contention has since been borne out by the fact that the land has since been purchased for about one-third the original amount asked; and I have no hesitation in saying that the same, or nearly the same, result would have been obtained in the case of Stark's purchase had not such undue and indecent haste been exercised. I shall be obliged if the Committee will consent to add this to my evidence where I have made a cross with red ink in my corrected evidence.—Yours truly, E. MITCHELSON.

Property-tax Department, Wellington, 2nd July, 1886.—F. J. Moss, Esq., M.H.R.—Sir,—In reply to your inquiry *re* Property Assessment Reviewers, I have the honour to inform you that Mr. Allison was appointed on the 3rd March, in conjunction with Thomas Leigh and R. W. Moray, on my recommendation. R. M. Stark was also recommended by me, but he declined to act. I may state that my recommendations were made after a personal inquiry in Auckland in January.—I have, &c., J. SPERREY.

Copy of telegram from Hon. Mr. Richardson to Hon. Mr. Ballance.—Auckland, 7th January, 1886.—Hon. John Ballance, Hastings.—Battery-site, Takapuna: Have seen the owner to-day with Brewer, Land Purchase Officer. You entirely destroy his property. He states he pays property-tax on value of land, £15,500. There are twenty-eight acres in all. You cut it in two, and your fence comes close to his house, and whole land is under line of fire. He says he is prepared to deal for whole, or go into Court for the portion taken for battery-site; and, in latter case, shall claim nearly as much as if you take whole. Brewer values whole at about twenty thousand, and Government could sell all that is not wanted hereafter. I am inclined to think it will be better to take whole. What do you wish done?—EDWARD RICHARDSON.

Extract of telegram from Hon. Mr. Ballance to Hon. Mr. Richardson.—Hastings, 7th January, 1886.—Hon. E. Richardson, Auckland.—With reference to battery-site, if it is thought that it is best to buy the whole land, let it be done. I leave the matter in your hands.—JOHN BALLANCE.

John Ross, Esq., Sargood and Co., Auckland.—Did you conduct the negotiations for purchase from Mr. Stark through an agent? If so, please state whom.—F. J. Moss, Chairman.

Auckland, 2nd July, 1886.—F. J. Moss, Esq., M.H.R., Wellington.—All negotiations with Mr. Stark personally. No agent nor any one else saw or spoke to me on the matter. Stark's solicitor, Mr. Coleman, prepared deed.—JOHN ROSS.

Auckland, 3rd July, 1886.—F. J. Moss, Esq., Chairman, Public Accounts Committee, Wellington.—Can give evidence offer by Stark to sell £3,500 site now occupied, and remainder £3,000. Reside opposite. "Hinemoa" here.—W. WILKINSON, 177, Queen Street.

Mr. W. Wilkinson, 177, Queen Street, Auckland.—When was offer made? Committee do not meet till Tuesday I can only pay expenses of witnesses summoned by their authority. Reply paid.—F. J. Moss, Chairman, Public Accounts Committee.

13th July, 1886.—F. J. Moss, Esq., Chairman, Public Accounts Committee.—Dear Sir,—The properties composing the Calliope Estate, independent of the new dock, are allotments 24 and part 24A. The respective valuations of 1882 and 1885 are as follow: Lot 24, containing 7 acres 2 roods 11 perches, valued—in 1882, £1,630; 1885, £4,971. Lot 24A, containing 9 acres 1 rood, valued—in 1882, £1,360; 1885, £3,590.—Yours very obediently, THOMAS SEAMAN.

13th July, 1886.—To Professor Thomas, Devonport.—The following has been reported to the Public Accounts Committee: "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." Will you kindly say if this is correct? Reply paid.—F. J. Moss, Chairman, Public Accounts Committee.

13th July, 1886.—To Mr. R. J. Roberts, Devonport.—*Re Stark's purchase*: It is stated to the Committee that in March, 1884, E. W. Allison offered you ten acres, containing all the buildings and improvements, for £3,500, or the buildings and five acres for £3,000; and that this was pressed upon you with great pertinacity. Be kind enough to say if this is correct; and, if incorrect, in what particular. Reply paid.—F. J. Moss, Chairman.

Devonport, 14th July, 1886.—Mr. Moss, Wellington.—Mr. E. W. Allison offered to me, for Mr. Le Bailley, the ten acres with house and out-buildings for £3,500 in March, 1884, but not the five acres for £3,000, and did not use more than ordinary business pressure; but the offer was declined for a better piece in the neighbourhood.—R. J. ROBERTS.

Rotorua, 14th July, 1886.—F. J. Moss, Chairman, Public Accounts Committee, Wellington.—When buying the property was told the house cost £800 to build; have since spent £150 in improvements. Have offered to sell the property for £1,800, but have not said that I would take £1,700. Rest of statement correct.—A. P. THOMAS.

In the Defence Office is a plan of Takapuna Point, prepared for defence purposes by the Public Works Department in June, 1884, by direction of Major Cautley. His Excellency gave a lecture on the 4th October, 1884, in which he stated, "It would be advisable also to place a battery on Takapuna Head." The Defence Department, however, did nothing further in the matter till December, 1885, when the land was entered upon, by authority of the Hon. the Minister for Public Works, in consequence of application of the Mayor, to find employment for the unemployed. Some months prior to this Major Boddaun had been at the intended battery-site with Mr. Vickerman, of the Public Works Department, and drove in two pegs to mark the spot where the guns would ultimately be placed, in order to facilitate the making of the necessary plans prior to beginning work on the battery. There has been no formal Proclamation of the intention of the Government to take this land for defence purposes. The correspondence herewith begins with Mr. Stark's telegram asking, as the Government have entered upon possession, to be informed if it was their intention to arrange the purchase privately or otherwise. This telegram is dated the 22nd December, 1885.—G. S. WHITMORE.

July 13th, 1886.—F. J. Moss, Esq.—Dear Sir,—My impression being that in my evidence yesterday I stated that the valuation of Devonport District as a whole had doubled since 1882, permit me to state that I find, on inspecting the valuation rolls in the hands of the Property-tax Commissioner, that the exact difference is thus: 1882, £206,058; 1885, £408,513—thus being nearly double. I also stated that my valuation for 1882 was not accepted by the Devonport Road Board, the reason assigned being that my assessment was in many instances much too low, and would therefore not realize a sufficient amount of rates. I find, however, that in the local valuation, whilst a few only were increased, a very great many were decreased; so that their total valuation was £204,539, against mine for £206,058.—I have, &c., THOMAS SEAMAN.

62, Queen Street (opposite Bank of New Zealand), Auckland, 8th January, 1886.—H. M. Brewer, Esq., Public Works Office.—Dear Sir,—I have a section at the North Shore which may suit your views. It is nearly an acre and a half in extent, has frontage to Clarence Road of 173ft., the lower part is about 300ft. from Beach Road, and the first wharf is within seven minutes' walk; the ground has some hundred and fifty shelter-trees planted, besides fruit-trees and fancy shrubs; the walks are laid-out and scoriaed, and the whole is fenced and ready for building. As a site for a gentleman's residence it is unrivalled, and as a speculation it should pay, as it can be cut up into eight smaller allotments at a profit of some £200 or £300 on the £1,200 asked for it. Should you care to take only half of it, I have a professional man willing to take the other half. Terms may be arranged if it suits you.—I have, &c., W. J. SULLIVAN.

John Ross, Esq., Sargood and Co., Auckland.—It has been stated to Committee that you were not in Auckland between Christmas and 20th January. Committee wish to know if correct, and, if so, when away.—F. J. Moss, Chairman, Public Accounts Committee.

Wm. Aitken, Esq., Auckland.—Mr. Brewer has stated that he heard you had given a valuation of £18,000 for Stark's land at Takapuna Point during the time the Minister for Public Works was in Auckland. That the valuation was given to Minister for Public Works. The Committee wish to know if that statement or any part of it is correct.—F. J. Moss, Chairman of Public Accounts Committee.

Auckland, 20th January, 1886.—H. M. Brewer, Esq., Land Purchase Agent.—Sir,—I beg to inform you that I saw the Hon. the Minister for Public Works, Mr. Richardson, yesterday, and he informed me the Government would not give me the amount I claim—viz., £20,000, but they were prepared to give me 10 per cent. above the property-tax valuation—viz., £17,160, which sum I agreed to accept.—I have, &c., R. A. M. STARK.

Auckland, 15th July, 1886.—F. J. Moss, M.H.R., Wellington.—I stated that Stark's property was subdivided into 162 allotments, which, if sold at the same rate as land in the district, and including house, would have realized eighteen thousand pounds. I furnished Mr. Brewer with particulars of all land sold in allotments near to Stark's; in nearly every case the price is in excess of that obtained by Stark. Ask Brewer to show you this.—W. AITKEN.

R. J. Roberts, Esq., Devonport.—Please say if Allison's offer was in writing, or what proof you have of its having been made. Reply paid.

Auckland, 16th July, 1886.—F. J. Moss, Esq., M.H.R., Wellington.—Telegram vague—no year mentioned. You have, however, been misinformed, and, should say, knowingly. I arrived in Auckland Christmas morning, 1882, and since then have not been absent from Auckland between Christmas and 20th January of any year. Besides, as already wired you, negotiation with Stark was in May, 1884.—JOHN ROSS.

Auckland, 16th July, 1886.—F. J. Moss, Chairman of Public Accounts Committee, Wellington.—My only proofs are that the offer is written in my diary by myself. Mr. Le Bailley will prove that I conveyed to him the offer. I do not remember Mr. Alison giving the offer in his own handwriting.—G. J. ROBERTS.

19th July, 1886.—A. Alison, jun., Devonport.—The Public Accounts Committee wish you to say if Stark's property at Takapuna Point was ever in the hands of Alison Brothers or on their books for sale. Reply paid.—F. J. Moss, Chairman, Public Accounts Committee.

19th July, 1886.—T. L. White, Esq., Auckland.—Evidence before Public Accounts Committee states that you offered Stark's property to Mr. Cooper for £5,000. The Committee request you will be good enough to state if this is correct or if you had authority from Stark to sell at any other time or price. Reply paid.—F. J. Moss, Chairman, Public Accounts Committee.

19th July, 1886.—T. Cooper, Esq., Devore and Cooper, Auckland.—Evidence before Public Accounts Committee states that you were offered Stark's property, Takapuna Point, for £5,000, by T. L. White. Committee request you will be good enough to state if this is correct; and, if not, whether, and when, and at what price, offered it by any one else. Reply paid.—F. J. Moss, Chairman, Public Accounts Committee.

19th July, 1886.—Melville, Esq., Auckland.—It has been stated in evidence before the Public Accounts Committee that you were at one time offered Mr. Stark's property, Takapuna Point, for sale. The Committee request you will be good enough to telegraph price and particulars, and whether from Stark direct. Reply paid.—F. J. Moss, Chairman, Public Accounts Committee.

Auckland, 19th July, 1886.—F. J. Moss, M.H.R., Wellington.—Mr. Alison away. Back in the morning at nine.—G. HEDLEY, clerk.

Auckland, 20th July, 1886.—F. J. Moss, M.H.R., Wellington.—Mr. Stark's property at Takapuna Point was not in our hands nor on our books for sale.—ALEX. ALISON, Jun.

Wellington, 19th July, 1886.—The Chairman, Public Accounts Committee.—Sir,—Enclosed I hand you letter received from Messrs. Aslton and Sons, forwarded by them to me on account of their having seen a paragraph in the *Auckland Star* (copy of which is attached to the letter), also a copy of instructions given to them by Mr. Stark *re* the sale of his property.—Yours, &c., E. MITCHELSON.

No. 8, New Zealand Insurance Buildings, Queen Street, Auckland, 19th July, 1886.—E. Mitchelson, Esq., M.H.R., Wellington.—Dear Sir,—With reference to Stark's matter, now before you, and about which we received telegrams from yourself and Mr. Moss, to both of which we replied, we now give you a little further and fuller information than we could in telegram; and, for this purpose, enclose you a copy of Mr. Stark's instructions to us to sell this property in three different ways. We have it in Mr. Stark's own writing, dated the 4th August, 1883, and was withdrawn from sale about beginning of 1885. We have the plans of it still, showing the three portions—that is, the house and five acres for £3,000; house and eight and a half acres for £3,500; and house and all improvements and twenty acres for £5,000. Others besides Mr. Stark and ourselves were trying to sell, but could not find a purchaser for £5,000; and certainly land and house property has not risen in value since that time, as you know yourself. We are induced to write you on this matter, having read in last night's *Star* that Mr. Seaman and Mr. Alison, two witnesses before the Public Accounts Committee, both say that the price paid was a fair one.—We are, &c., H. ASHTON AND SON.—[Extract from the *Evening Star*, 12th July, 1886.—The Public Accounts Committee resumed the inquiry into the Stark purchase to-day. Mr. Seaman and Mr. Alison, two of the witnesses from Auckland, both say the price paid was a fair one.]—Copy of instructions received from Mr. Stark, 4th August, 1883.—(1.) House, stable, cow-shed, fowlhouses, &c., with five acres of land, having part frontage to main road (50ft.), fenced complete, one entrance-gate, sea-frontage, with concrete way to beach, £3,000. Terms: Quarter cash; balance at 6 per cent. for three years. (2.) House, lodge, stable, two entrance-gates, cow-shed, &c., complete, fenced, and eight and half acres of land, having main-road and sea-frontage, £3,500. Terms: One-fifth cash; balance 5 per cent. three years. (3.) The above, and twenty acres to Narrow Neck, having sea and main-road frontages, thoroughly drained with tiles and tithe, £5,000. One-fifth cash; balance 4 per cent. for three years. Present insurances to be kept on properties in my name—house, £1,400; stables, £200; lodge, £200.

20th July, 1886.—W. Wilkinson, 177 Queen Street, Auckland.—The Public Accounts Committee request you will be good enough to state date and particulars of offer of Stark's property at Takapuna Point made to you, and by whom made. Reply paid.—F. J. Moss, Chairman, Public Accounts Committee.

20th July, 1886.—W. Aitken, Esq., Auckland.—Referring to your telegram *re* Stark's property at Takapuna Point, the Public Accounts Committee would be obliged by your stating what you consider it would have been likely to bring in January last in the open market, in one block, for cash.—F. J. Moss, Chairman, Public Accounts Committee.

Auckland, 20th July, 1886.—F. J. Moss, Chairman, Public Accounts Committee, Wellington.—Evidence apparently given under a misconception. Instructions received by me from Stark about nine months ago were as follows: Ten acres, with buildings and improvements, £4,000; ten and three-quarter acres adjoining, £3,000. This left seven acres, which Stark at that time reserved from sale, valued, say, at £2,100: total, £9,100.—T. LEIGH WHITE.

20th July, 1886.—T. L. White, Auckland.—Telegram received. Can you give the exact date? Reply paid.—F. J. Moss, Chairman, Public Accounts Committee.

Auckland, 20th July, 1886.—F. J. Moss, Esq., Wellington.—The offer made of Stark's property to me was through an agent whose name I cannot at present recall. I was asked to exchange two properties, valued at that time at about five thousand two hundred pounds, for Stark's property. I did not inquire if that included the whole of Stark's land or not, as I did not wish to exchange. This happened about four years ago.—T. MELVILLE.

Auckland, 20th July, 1886.—F. J. Moss, M.H.R., Wellington.—Impossible to state what Stark's property would have realized in January if sold in one lot for cash. Last September I sold Sheep Mount, eleven acres, for five thousand pounds. This land is near Stark's, and one-half only available for building-lots.—W. AITKEN.

S. Cochrane, sen., Auckland.—E. Alison has given evidence of an offer by him through your firm of sixteen thousand pounds for Stark's property. The Public Accounts Committee request you will be good enough to telegraph at once copy of the offer. Reply paid.—F. J. Moss, Chairman.

Auckland, 21st July, 1886.—F. J. Moss, Esq., Chairman, Public Accounts Committee, Wellington.—T. L. White at a conversation in Auckland Club on Easter Monday, eighteen eighty-five, offered me Stark's property, Takapuna Point, for £5,000. Acreage was not mentioned. I was building at Ellerslie at that time, and told him if he could sell Ellerslie property for £3,000 I would give £4,500 for Stark's. Nothing came of it.—THEO. COOPER.

Auckland, 21st July, 1886.—F. J. Moss, Chairman, Public Accounts Committee, Government Buildings, Wellington.—Cannot fix exact dates. I offered Cooper house and ten acres for £5,000 in April, 1885; and Stark's amended instructions were given to me some months afterwards.—T. L. WHITE.

Auckland, 21st July, 1886.—F. J. Moss, Esq., Chairman, Public Accounts Committee, Wellington.—Terms of offer were given in my telegram to you. Date of offer about twelve months ago. Written offer to Mr. Brown, land-agent, Vauxhall, next door to me. Will get offer when I see Brown, but know the terms were as telegraphed to you by me. If not, will wire again.—W. WILKINSON, 177, Queen Street.

Auckland, 17th July, 1886.—E. W. Alison, Albion Hotel, Wellington.—Offered Vine's, August, 1883. House, eight acres, £3,500. No other record, certain.—ALEX. ALISON, Jun.

Auckland, 15th July, 1886.—E. W. Alison, House of Representatives, Wellington.—You offered me Stark's house and ten acres of land for £3,500 in March, 1884. I wrote the offer down in your presence in my office, which I submitted to Mr. Le Bailley. He declined in favour of the land he bought.—R. J. ROBERTS.

Auckland, 14th July, 1886.—E. W. Alison, Albion Hotel, Wellington.—No record such offer. Hedley or myself know nothing of it. Roberts says you did.—ALEX. ALISON, Jun.

Auckland, 15th July, 1886.—E. W. Alison, House of Representatives, Wellington.—May Fourteenth, 1884, you offer 95ft., Beach Road, for £1,250. Only offer on record or otherwise to Roberts that we know of.—ALEX. ALISON, Jun.

Issues suggested for Consideration of the Committee.

1. Whether it was expedient, in the interests of the community, to purchase the property?
2. Whether the purchase was conducted in a legitimate manner?
3. Whether the price paid was fair and reasonable?
4. Whether the Government could, under the circumstances, have acquired the property within a reasonable time for a less price than was paid for it?
5. Whether the whole property should have been bought, or only the portions required for the purposes of the battery?
6. Whether the Government were justified in paying for the property the price they did?
7. Whether the property could have been obtained for a less amount through the Compensation Court?
8. Whether, in view of the conflict of evidence, it is not desirable that the inquiry should be further prosecuted on the spot, and the Auditor-General or some other competent officer sent to Auckland, with power to take evidence on oath for that purpose?

F. J. Moss,
Chairman, Public Accounts Committee.

26th July, 1886.

LETTER from Mr. HOLMES in reference to the above issues.

DEAR SIR,—

Wellington 30th July, 1886.

Having broken my leg, I am unable to attend the meeting of the Committee this morning. I understand that the report respecting the purchase of Stark's property will be considered by the Committee this day; and, as I have taken considerable pains to master the evidence given concerning this matter, I would feel obliged if the Committee would extend to me the privilege of expressing my views and giving my vote upon it.

It seems to me, from the sworn and detailed evidence of Messrs. Brewer, Alison, Seamen, and others, that—first, the whole of the property should have been bought, as that was the most economical way of securing a site for the battery; second, that the Government were justified in paying for the property the price they did; third, the property could not have been obtained by the Government for a less amount, either in the Compensation Court or otherwise.

Regarding the suggested issues,—

For the first, I vote Yes.

For the second, I vote that it is not necessary.

For the third, I vote Yes.

For the fourth, I vote No.

For the fifth, I vote that the whole property should have been bought.

For the sixth, I vote Yes.

For the seventh, I vote No.

For the eighth, I vote No.

It seems to me, from the exhaustive inquiry held, it would be utterly futile to expect to obtain any further information about the transaction than that which we have already got; hence I vote No to the eighth suggestion.

JOHN HOLMES.

The Chairman of the Public Accounts Committee.

