

593. Did not Waymouth go into that?—Not that I am aware of.

594. Did not Waymouth's letter contain the estimate of £632?—Yes; but not of £6,000.

595. You know the way that £632 was arrived at from the basis of £6,000?—Yes; I am about to say that the valuation of the freehold as it stood was made at £6,000.

596. Do you know where that valuation first came from?—The £6,000? I do not know, but I should presume from the person who occupied the land.

597. At all events, it was assumed by Waymouth as the basis?—In a certain sense. [Mr. Mahony handed witness Mr. Waymouth's letter.] Yes, this is it. This letter is as follows: "17, Sheriff's Buildings, 23rd September, 1885.—G. S. Kissling, Esq.—Dear Sir,—*Re* adjustment of value of lease of land at Parnell recently taken by the Government, the value of money being at 6 per centum per annum: The view I take of the matter is, that you purchase the land of the Trustees for £6,000, and that the Government have to pay you (exclusive of difference of value by reason of its position) for their one-fourth thereof—namely, £1,500. Then you pay the Trustees the present value of £17 per annum for forty-eight [*sic*] = £266, and the present value of the purchase-money (£6,000) at the date of the expiry of your lease—namely, forty-eight years = $\frac{£366}{632}$. This is

the simplest method of settlement.—Yours truly, J. WAYMOUTH." That is the allocation of the interests. He proposes that the tenant should extinguish the interest of the freeholder, and then himself deal with the Government. I entirely differed from that view, and do so now. I think the proper course would have been for the Government to deal with the freehold and allow him to extinguish the tenant's interest—an exactly opposite course. I recollect saying that when I saw the letter. As for the question you asked me about these two interests, that is a very simple matter indeed. The question really is, Is Waymouth's valuation a true basis for a valuation of this kind? I think it is. I think it is not impugnable. I do not think you could possibly attack it. It is perfectly sound in principle, and after the principle is settled it is a mere matter of tables to ascertain whether the amount is right.

598. That is supposing £6,000 is the right sum to begin with and 6 per cent. the right rate of interest?—Yes.

599. Can you tell us now whether that proposal or the substance of it came before the Board in any way—that is to say, whether it was known to the Board that it was proposed that Kissling should deal with the Government only?—I am inclined to think that letter was before the Board.

600. The Board answered Kissling that they preferred that the Government should make an estimate?—The Board really did not think it necessary that the Government should take the whole of that land, but they did not think—at least, this is my impression—it to be the duty of the Board to indicate to the Government what they should do, or to resist them in what they wished to do. It was for a public purpose the land was being taken, and they therefore, in their resolution, implied really what they meant. They said, if the Government proposed to take the whole of the land they would rather the Government fixed the value, and if it were a fair value they would take it, and if it were not a fair value, of course, it would be subject to revision.

601. Then, if the substance of this was before the Board they must have known the proposal was that Kissling would acquire the freehold if there was any handed back by the Government?—I do not think that is so at all. That is a very different question. That is not in that letter. That is a recommendation of an accountant as to the way to proceed to settle an account. We repudiated the sentiment altogether. That is a very different question.

602. You think the Board considered the whole estimate a fair one?—I think so.

603. They did not quarrel with the basis of it?—Certainly not.

604. They did not think £6,000 was too small a sum to fix as the probable value at the end of the term?—They did not consider the question of the value at the end of the term; the question they considered was the value on that day. I think they thought it was rather above than below the mark.

605. At that time?—I think so. I do not think it was ever worth £6,000.

606. But the calculation made was: what sum then paid down at compound interest would amount to £6,000 at the end of forty-eight years?—That was so far as their interest in the freehold was concerned.

607. That was reckoning the probable value at the end of forty-eight years at £6,000?—No; I think it means the opposite. The Trustees were entitled to two things—they were entitled to £17 a year rent, and they were entitled to £6,000 in capital for the value of the estate—but they were not entitled to the estate for forty-eight years. The question is what sum of money in forty-eight years, at a given rate of interest, will yield £6,000.

608. That is reckoning that their interest would be likely to be worth £6,000 at the end of forty-eight years?—No; the basis of the whole thing is the value on such-and-such a day in 1885 was £6,000; but you are not entitled to receive it for forty-eight years. It is a delayed payment.

609. That, surely, is reckoning the value at the end of forty-eight years at £6,000?—No, I do not think so. Supposing it was worth £6,000 on a certain day in 1885, and instead of delaying the payment it was made at once, how is Kissling's interest going to be ascertained as leaseholder? Why, the Trustees would have an increase of £400 a year instead of £17.

610. It seems that what was not known to the Board in any way was the proposal to reconvey any part of the land?—That undoubtedly was not known to me, and certainly was never mentioned at the Board in my hearing.

611. Do you know when you first knew anything about that?—I could not say at all. It became a subject of conversation in the town after some time, but I could not say when I first heard of it.

612. When you did hear of it, did you think there was anything wrong about it?—I certainly did not think it was a proper transaction on the part of the Government. I thought it a very wrong thing indeed.