

1045. Did you agree to it as soon as he suggested it?—I thought it was a very good thing if it caused the claim for compensation to be reduced. I considered the Government had a perfect right to do it if they wished. I considered it so for this reason: The Government originally gave the land, and I thought they had a perfect right to take back a small portion, if they wished to save paying a large amount of compensation, provided they gave adequate remuneration to the grantees for the land taken.

1046. You had no knowledge whatever of a suggestion to proclaim the whole of the land, prior to Kissling's negotiations with you about it?—I do not remember.

1047. *Dr. Giles.*] You are not aware that a Proclamation was actually drafted to take the whole of the land?—I cannot remember.

1048. *Mr. Napier.*] Why did you suggest that Mr. Ballance should give you *carte blanche* in the matter?—Because I think it is always better.

1049. Do you not think, in a claim of £6,000 the Government should have been consulted before the final arrangement was made?—There was no claim, to my knowledge, when I saw Mr. Ballance. I believe Kissling saw Mr. Ballance, and said the land had been taken for months and had never been compensated for, and requested that some officer of the Government should inquire into it.

1050. As a matter of fact, the claim of £6,000—was not that the amount assessed as being the value of the combined interests?—When I went to see Mr. Ballance, all I knew of the probable amount of the claim was what I heard at the Public Works Office at Wellington.

1051. Where did you get the basis of £6,000 from?—I am not prepared to say.

1052. When did you first officially, and not confidentially, receive the assessment of £6,000 as the value of the combined interests?—I cannot exactly say.

1053. From whom?—I have no papers before me to show. I only knew £6,000 seemed to be the sum generally fixed upon by everybody.

1054. Can you tell us one person?—I fancy Mr. Cheeseman was one. I cannot think now who were the others; but I am quite sure £6,000 was the basis.

1055. You agreed to accept Waymouth's estimate of £632 as the amount the Trustees were going to receive?—Yes.

1056. Did you take any step to ascertain if £6,000 was a fair amount for the combined interests?—I cannot remember what steps I took. I looked at the property, and formed a pretty good idea in my own mind.

1057. Did you personally form an estimate that £6,000 would be a fair price for the combined interests?—I thought from £5,000 to £6,000 was the value of the property. I am only speaking from memory.

1058. Do you know what was the property-tax valuation?—I do not.

1059. Did you endeavour to ascertain what was the property-tax valuation?—No. I should not have acted upon it if I had obtained it.

1060. Previous experience told you it was not a safe way?—Yes: I had acted upon it before, and much to my sorrow.

1061. In a letter to C. Y. O'Connor on the 21st November, 1885, you say the cost of the whole of the property will be £6,000?—Yes.

1062. Upon what grounds did you make that statement?—I think I made that statement upon a letter written by Waymouth when he fixed £6,000 as the basis on which he fixed the amount of compensation to be given to the Trustees.

1063. You knew Waymouth was only an accountant?—Yes.

1064. Therefore, Waymouth was not a valuator at all. Here you say the cost of the whole property would be £6,000. Had Kissling made any claim of £6,000?—I presume I meant the cost to the Government would be £6,000 if it went to Court.

1065. You do not say, "about £6,000;" you say, "£6,000;" a specific sum is fixed. You also say, "The Trustees cannot sell, although they would like to." Where did you get that information?—I meant to say, if the Trustees wished to sell they could not do so without legislation.

1066. You just transposed it in the letter?—My intention was what I have stated. I might have heard, perhaps, that the Trustees wished to sell. I cannot tell why I made the assertion. But that was what I evidently intended, that if they wished to sell they could not without legislation.

1067. You have heard the Trustees deny that there was any foundation whatever for that statement. Are you now prepared to say there was no adequate foundation for that statement?—I certainly never heard it from any of the Trustees.

1068. Were you employed at a salary by the Government?—Yes.

1069. Did you not consider that the arrangement you made with Kissling was an exceedingly good one for him?—I did not consider Kissling at all. I considered the arrangement was a very good one for the Government.

1070. And you still say that, after the additional knowledge you have of the Act of 1885?—I still think the Government made a good bargain, and the Government seemed to think so too in the correspondence with me.

1071. Were you acting solely in the interests of the Government?—Yes.

1072. Did you not think you could do a friendly act to Kissling by facilitating this transfer?—I never thought of Kissling. We were perfect strangers. I was acting for the Government—purely and simple in the Government's interest.

1073. Apart from your salary, did you receive from any person any consideration whatever for effecting this arrangement?—Not the slightest, in any way.

1074. *Dr. Giles.*] Neither directly nor indirectly?—No; never dreamed of such a thing.

1075. *Mr. Napier.*] Did you know when you were making that arrangement with Kissling that you were breaking the law?—I did not. They did not seem to know it in Wellington even.