

lease it; it was sold. On the 11th March Mr. Goodbehere, a land and commission agent at Feilding, wrote submitting an offer to lease with a purchasing-clause.

751. *Mr. Macdonald.*] If you refer to the papers you will find that you wrote to Mr. Goodbehere in October, 1888, offering the property for £600?—I considered it should fetch £600. Then, on the 16th March I wrote to Mr. Goodbehere suggesting a sale at £705, £50 cash being paid down, and similar amounts at reasonable intervals.

752. On the 13th October, 1888, you wrote to Mr. Goodbehere stating you thought the property ought to bring £600?—Yes.

753. And several other parties were after it at the time?—Yes.

754. Why, then, on the 15th February, 1889, did you serve notice on the Property-tax Department objecting to the valuation of £600, when a few months before you wanted £600 for the property?—The reason was, that it was higher than the former property-tax valuation, which was £550.

755. Does it not look peculiar for one Government department to want £600 for a property, and to object to another Government department valuing it at £600?—It is quite one thing to want £600, and another thing to get it.

756. We notice through many valuations made for you that the mortgagors have systematically undervalued their property for the property-tax. Supposing a man wants, for example, £5,000, his property-tax valuation will be £7,500 or £8,000; but he values it in sending in for a loan at £10,000 or £12,000?—Yes.

757. You find fault with that as a moral proceeding?—Yes.

758. Yet, in October, 1888, you quoted £600 as being a fair price for the property?—I wanted to sell it for £600.

759. In February, four months afterwards, you object to the Property-tax Department valuing it at the very rate you wanted for the property. Are you not tarred with the same brush as the mortgagors you are objecting to?—I must do my best for every client and every estate.

760. *Mr. Loughrey.*] You sold the property?—Yes, for £705—£50 down.

761. And what about the balance?—I wrote on the 26th March to Mr. Goodbehere that “if your client will covenant to pay off £25 per annum for seven years, which, with deposit, will amount to £225, and after the seven years will pay 7 per cent. on the unpaid balance, I will accept his offer as contained in your letter of the 23rd.”

762. Did the purchaser accept those terms?—No, he did not. The purchaser agreed to the following terms: “Price to be £705, of which £50 to be paid down; balance to remain on mortgage for ten years; interest for the first five years to be $2\frac{3}{4}$ per cent., for the next two years $3\frac{1}{2}$ per cent., and for the last three years 7 per cent.; £100 at the end of seven years, and the balance at the end of the term; at least fifty acres of bush to be felled, burnt, and laid down in permanent pasture, and 75 chains of permanent fencing to be erected, during the first two years of the term.”

763. Did you think it more advantageous to sell on those terms than to lease it?—I did think so.

764. What rent had you expected from the place when you intended to lease it?—It was a bush section, and the rent would have been very small indeed. There were 235 acres, and the rental would be equal to 1s. 6d. per acre for the first five years and 2s. per acre for the next five years. That, it will be found, equals a percentage of $2\frac{3}{4}$ per cent. and $3\frac{1}{2}$ per cent. respectively.

765. *Mr. Macdonald.*] You had several other inquiries besides that of Mr. Goodbehere?—Yes.

766. Might you not have done better by putting it up to public auction in the district?—It must not be forgotten that this particular property was in the hands of the Palmerston North agent for many months, and he did his best to obtain a purchaser or lessee.

767. Do you think, as a principle, it is not wise when you have several applications to submit the property to public auction in the district to which it belongs, instead of selling privately?—As a rule, I think it is so.

768. *The Chairman.*] Would you not say absolutely, as a rule, that all property coming into this office ought to be sold and realised by auction?—Not all; there are some properties that absolutely would not pay the costs.

769. What are the costs?—Advertising, auctioneers' fees, &c. I am speaking now of properties far remote from any town, and which are held by the office under section 20 of “The Public Trust Office Amendment Act, 1873.”

770. But, supposing those properties, whether small realties or small personalties, that separately would not pay expenses, were all put together periodically into an auction-room, the whole expense would be divisible among the several small estates. Would it not then be better to sell by auction?—No doubt. If the law is so altered, I quite agree.

771. Do you not think it vicious to allow the Trustee to deal with property privately, realty or personalty?—Yes; but I should like to say my difficulty has been that where an estate has no funds I have been powerless to do anything with it at all.

772. *Mr. Macdonald.*] Mrs. Luby, the mother of the lunatic, in her letter addressed to you on the 12th December, 1888, stated that she had written to Dr. Alexander expressing her willingness, on application from him, to allow an extra cost for the maintenance of her son, and you wrote to Dr. Alexander refusing to allow the extra maintenance cost agreed to by the mother. Will you please explain the reasons for that action?—The maintenance has been paid at £80 a year. In this letter Mrs. Luby “hopes the Public Trustee got her letter, requesting him to pay £2 a week, which is what Dr. Alexander said was the usual charge. This is to include all expenses, she thinks, but, if not, perhaps the Public Trustee can add something additional, if necessary; but she would always like to know exactly what is paid for all expenses relating to her son, J. R. Luby.” Dr. Alexander says, under date 3rd April, 1889, “Mrs. Luby, in writing last October, was willing to pay our regular charge of £2 for Mr. Luby, and said she had written to you to that effect. As her