

63. You are speaking of the gross, but do you not know that several sections in the business part of the town were let at a much higher rental than is now being got from them?—I should not be surprised at that. Another thing is that a lot of those are assignments which are for three days short of the term.

64. Then the valuer comes along and values each of those small sections with his separate section, and he puts the same rental on those sections that the subtenant was paying, and you get the benefit of that increase when you are issuing new leases?—The benefits are conjectural—we have not had them yet.

65. Is it not a fact that out of the hundreds of tenants your remarks only apply to two tenants, O'Shanaghan and O'Donnell?—What term?

66. Those leases providing for three days short of the term: we are speaking of those cases that you mentioned, of subleases that have been granted providing for three days short of the term?—I could not say what the proportion is.

67. I put it to you that it is a fact that only two tenants of the Reserve are subletting on those terms—namely, O'Shanaghan and O'Donnell. Can you deny that?—No. I think there are some who have leases instead of assignments.

68. Can you contradict the statement made by the Town Clerk from the records of the borough that £87,719 has been spent by the borough out of borough money in drainage and other public works on this Reserve?—No, I should think it would be correct.

69. What do you say becomes of the value of the improvements that the tenant has put upon his holding at the termination of his lease when the new assessment takes place in the rent, and the tenant, being dissatisfied with the new assessment, declines to take up a new lease on the increased ground-rental?—It has not occurred in my time. I should say that, looking at the amount of rent we are receiving for the actual value of the thing, there would be any number of others willing to take it up. We have not had experience of any one in that connection during my time.

70. Now we will come to the case of Mrs. McDonnell, the widow's lease, that the auctioneer declined to sell over her head. Is it not a fact that the New Zealand Government Insurance Department were renting offices erected on portion of that lease?—Yes, but they were about to be pulled down.

71. How do you know that?—Well, it was known to everybody.

72. Well, I did not know it, and I am representing Greymouth, and live there?—They were tenants of Mrs. McDonnell's.

73. And that your agent beat Mrs. McDonnell down in the value of those improvements, and got her by his representations to agree that the improvements only represented the small sum of £200?—No, I distinctly deny that. We have never beat anybody down. If they think they have been beaten down they have the right to refer the matter to arbitration. I deny that there was any beating down.

74. Is it not a fact that your agent was acting in conjunction with the New Zealand Government Insurance Department in order to beat Mrs. McDonnell down so that they could outbid her at the sale, and get hold of the offices for themselves?—I say emphatically it is not so.

75. Is it not a fact that the whole of the people in Greymouth were up in arms against such action, and attempted to prevent the sale by public auction to this representative of the New Zealand Government Insurance Department?—No, it is not so.

76. Do you say it is not a fact that, when the tenants and the friends of Mrs. McDonnell represented the circumstances to the Premier, he ordered the sale to be withdrawn?—Yes, a telegram was sent to the Premier and to Mr. Richardson and myself.

77. Can you produce the telegram that was sent to the Premier?—I may have a copy of it here. I will read the whole of the telegrams that passed between yourself and myself and the Premier if you wish. On behalf of the agent and the office also I refute any suggestion that there was any collusion between the agent and the Government Insurance Department. I can put in the file to prove it.

78. I suppose you know that that was one of the reasons, rightly or wrongly, that the public got hold of?—Well, the public are so sensitive about these matters that they are likely to get a wrong impression.

79. What was ultimately done?—Ultimately the amount that was offered was accepted. A special meeting of the Board was called to consider the matter, and the property was put up again for tender, as it was thought it was useless to put it up to auction. There was no tender received, and Mrs. McDonnell got it at her own figure—the upset rental.

80. *Hon. Mr. Carroll.*] That was, of course, to the benefit of the owners?—Oh, no! to the benefit of Mrs. McDonnell. The owners should have got much more rent. The Government Insurance Department were quite prepared to bid much more than Mrs. McDonnell was.

81. *Hon. Mr. Guinness.*] Does not that prove the point that it was the site in Greymouth where this person had made a business, and which was a particularly good site for that line of business—that it was the business goodwill for which they were bidding, and not the value of the land?—No; in this case it was the value of the land for which they were bidding. The arrangement was for a certain amount, and others thought it was worth more.

82. Was not the Government Insurance Department bidding for that as it was considered the most valuable site for them on which to carry on their business?—Perhaps it was. I understood they could not get offices, and they thought it was better to build for themselves.