

these institutions are languishing for want of funds. Farms, &c., have been thrown on their hands.

187. Could you give us any instances?—I have only in my mind a private case.

188. Take England for instance. Could you give an instance of an institution, a school, or company, or family, which have been endowed with lands either by the Sovereign or some other person, and where those lands have proved insufficient for the purpose of maintaining the prosperity of the institution or people?—I could mention the cases of two private families which came to my knowledge within the last few months, but I know of no public institution.

189. It has been the practice, I think, since the foundation of this colony for the Government to endow schools with land rather than with money-grants—schools and charities of all kinds.

*Dr. Giles*: I suppose that is because they had got the land and had not got the money.

190. *Mr. Napier*.] Such a thing as the unearned increment of money is not known—that is to say, money can only earn its interest?—That is all.

191. The influx of population does not tend to increase the value of money, but rather to diminish it?—I am not prepared to say.

192. There is no power given to Mr. Kissling or to the other Trustees to subdivide this land?—No.

193. Therefore Kissling's interest in the land would be greater if he had power to subdivide even at the present time for residential sites?—I suppose it would give him a little more value for his interest.

194. Would it not greatly enhance the value?—As a freehold, undoubtedly it would, but as a leasehold it would be very difficult indeed for him to sublet it and get tenants to build on it.

195. But as a freehold it would be of very much more value?—That is different.

196. Did the Trustees desire to sell this property before the Government entered upon that portion of it for the purpose of erecting these defence works?—No; they had no desire to sell.

197. Had they a desire to sell any of their trust properties?—Not that I am aware of.

198. Did they express any idea, either to Brewer or any other person, that they entertained such a desire?—I think not. I never heard of it.

199. This is a letter written by Mr. Brewer to the Under-Secretary for Public Works, Wellington: "November 21st, 1885.—C. Y. O'Connor, Under-Secretary for Public Works.—In answer to your telegram of the 19th instant, *re* land in the occupation of Mr. Kissling, Point Resolution.—Sir, —When the Hon. the Defence Minister was in Auckland Mr. Kissling went to him, taking a plan of his property, and explained everything. The claim made for Mr. Kissling was £2,500 for the piece to be taken, but this was understood to include the Church Trustees' interests as well. The property belongs to the latter, but is let on a long lease—forty years of which have yet to run—at a nominal rental. The Minister sent for me, and instructed me to settle for the property for less than the sum claimed, if possible, but to give more sooner than take the case to Court. I had several interviews with Mr. Kissling, but he would not take less. I discovered, however, that he was very anxious to get the freehold of the property. Now, the Trustees cannot sell, although they would like to. I suggested that the Government might be asked to take it and hand back the portion not required; but that he would have to reduce his demand very much. He agreed to this, and I think I shall settle the whole matter for £1,750. I am only awaiting a reply from the Trustees. This will be a saving of £750. The cost of the whole property will be £6,000, and I have a written undertaking from Mr. Kissling that he will give the Government £4,250 for the portion not required. The property is a very choice one; in fact, one of the prettiest spots in Auckland. There are many wealthy men here who would not consider the price if they could get such a place. If we took the case to Court we should certainly lose; so if I settle the matter on the proposed basis we shall be well out of an awkward claim. There is another small piece belonging to Dr. Philson. This is not settled for yet.—H. M. BREWER, Land-purchase Officer." You see there he alleges that the Trustees would like to sell. As far as you know, had Brewer any foundation for that allegation?—I think not. I never heard any wish expressed.

200. Do you remember sending by telegram a copy of the correspondence you had with Brewer to the Committee of the House of Representatives at Wellington?—Yes.

201. You also remember receiving a letter from Brewer, dated the 20th November, 1885—that is, one day before this letter was written to the Under-Secretary for Public Works?—Yes; I produced that letter last Friday.

202. This is the letter, I think. [Letter from Brewer to Trustees, dated the 20th November, 1885, read.] That was written on the 20th to you. Had you written any answer to that letter before he wrote the letter to Mr. O'Connor?—No.

203. You laid this before the Board?—Yes.

204. You see in that letter he heads it "*Re* land required for battery at Point Resolution," and he also alleges that the Government are going to take the whole of the property for that purpose?—Yes.

205. Did that letter convey the impression to the minds of the Board that the Government were going to take the whole of the property for defence purposes?—Yes; and that they wanted it.

206. You omitted from that telegram that material heading of Mr. Brewer's letter, "*Re* land required for battery at Point Resolution"?—That was omitted by accident. I gave the papers to the clerk to copy.

207. You stated that, in assessing the amount at £632, you proceeded on the same basis in making your calculations as you usually do in making calculations for compensation cases under "The Public Works Act, 1882"?—Yes.

208. Do you think, then, that it is a fair way of treating a permanent trust—assessing its future interests at the present value?—The only reason I did it was because, in one of the first cases there were, we appeared before the Supreme Court in a compensation case. We tried to prove that