

not say that he was under the impression that he was to give four or five perches. If I said so I was simply reporting what Mr. Macdonald had stated afterwards or some time.

58. I am coming by this information—it is not a newspaper report in the usual sense: it is a report of an interview with the Mayor, and published in the *New Zealand Times* of the 31st July, in which you state, "I know that Mr. Macdonald was concerned on account of the area which he thought was to be taken, but I did not understand why until after the letter from the Government had been received by the Council, when on discussing the amount to be paid by Mr. Macdonald for the Government's land I discovered that he was under the impression that the area we wanted was much greater than what the Council really did require"—Exactly. I never said anything about 4 perches there, and I do not think I ever did.

59. When you realised that fact did you inform the Government?—No. I did not think it made any difference to the Government so long as they got £652, which was absolutely "found" money, and I thought the least they should do was to share the benefit with the local bodies, instead of taking it all for themselves.

60. Do you remember that I raised this question at the Council meeting of the 18th June? You knew then that Mr. Macdonald had written this letter to the Government?—I did not; I did not see it. I knew that he had written a letter, but I had never seen it. When the thing was agitated by you a little time before that I had asked Mr. Macdonald. I had said, "How did this offer come about?" and he told me then that he had written the Government a letter. I asked whether he could get me a copy of it, and he said that he would try to get it. The Town Clerk also tried, but he had mislaid it, and could not get it. I never saw the letter until I went up to see those plans which you stated you had seen the day before, and that the area was 4 perches, and not 4.

61. I only thought it was curious, because you said after you received the letter of Mr. Strauchon of the 29th June you then discovered Mr. Macdonald had to give a very much wider area?—You are putting it in your own way. What I did say was that I had had a conversation with Mr. Macdonald, and the conversation showed he was under the impression that a great deal more was required than what was really wanted, but I never said anything about the letter.

62. Has Mr. Macdonald written the letter, then, without the knowledge of any official of the Council? You could not be aware of it?—I was not aware of it.

63. And no copy of that letter was ever laid before a member of the Council?—Directly I became aware that a letter had been written I asked Mr. Macdonald; but everything had been finished by then. The money had been paid and the title had been changed before I knew the letter had been written.

*The Chairman:* In that case the letter counts for nothing—whether you saw it or not.

*Witness:* I pitched into Mr. Macdonald, when I did see it, in a way I am rather ashamed of.

64. *Mr. Fisher.*] Do you remember stating at the Council meeting that the 6½ perches would be useless for anything except street-widening?—No, I do not. It was absolutely useless for street-widening.

65. Then, the three newspapers are wrong?—I do not know anything at all about the newspapers. What I do remember saying was that it was comparatively useless to anybody except Mr. Macdonald. It might be made use of by Mr. Joseph, but he would have to extend his store, and he is quite satisfied with things as they are. He is not a man likely to do it.

66. You have said that the first you knew of the transaction was on receipt of a letter from the Lands Department on the 29th June?—I am not quite sure whether it was mentioned by Mr. Macdonald before then or not. If it was mentioned before that it was in such a casual way as not to make an impression on my mind. I do not pretend to know every detail, and the date of every detail. I asked the Town Clerk what took place, and he said he was puzzled, and that when he showed it to me I stood quite a minute puzzled as to what it could be. Then I looked at the map, and I connected it with the conversation I had had with Mr. Macdonald.

67. In a memo. written by Mr. Kensington on the 23rd May to the Commissioner of Crown Lands Mr. Kensington is hurrying the matter as urgent, and says that a reply must be forthcoming at once?—I never knew anything that Mr. Macdonald was connected with that was not urgent. So far as I am concerned, it was not urgent—there was no urgency about it. The vote had not been taken, and I should not be justified in fixing up the matter or going on with the work until the estimates were prepared and put before the Council.

68. Then, it was Mr. Macdonald who was hurrying on Mr. Kensington?—Yes.

69. And he was doing that on his own authority?—Yes.

70. Can you explain what the City Solicitor would mean by saying in his memo., "Mr. Macdonald will have to take any risk"?—There were two risks—first, whether the Government had a right to sell; and, secondly, whether, having bought, the Corporation had the right to pass it over to another person. He pointed out what any cautious lawyer would if there is a risk.

71. And he advised that the Council could not legally sell?—I took it so, and I said so in my memo. to the Minister. I do not know that that was absolutely correct advice; but once a title was got under the Land Transfer Act subsequent dealings are protected.

72. The City Solicitor having advised that the Council could not sell?—That is your continuous misrepresentation. What was said was that, once having got the land vested in us, there was a question as to whether we could sell, but that we could apply to the Government to pass it over.

73. That is to all intents and purposes the same thing?—It is not the same thing: it is as different as daylight and dark.

74. The City Solicitor advised that the Council, having acquired the land, could not legally sell it?—Therefore we never did acquire it.