

12. Then, who paid the Council?—The mortgagee of the property paid the Council's Solicitor. I have already said in my evidence how this was done. If you knew anything about legal transactions you would know that it would be quite improper for the solicitor representing the mortgagee or Mr. Macdonald handing over the money except contemporaneously with the title being obtained. On this occasion the usual practice was followed—that the things were done simultaneously.

13. But, in point of fact, the Council's funds were not touched at all in connection with the transaction?—They were never meant to be, in my view of it.

14. A little further down in that letter is this statement: "I showed him what was known to the committee during its negotiations—namely, how difficult it was to utilise the land because of its very limited area and the expensive foundations, which would require to go down about 20 ft. on two sides if a building were erected upon it." That could not very well have been known to the committee when the land was granted by the Crown on the 29th May and it never came before the committee until the 29th August?—How do you mean, the 29th May?

15. That is when Cabinet approved of the sale?—We did nothing on the 29th May.

16. But Cabinet approved the sale of the land to the Council on that date?—The Council did nothing on the 29th May.

17. The Council knew nothing on the 29th May. If you take paragraph 1 of that letter you will find this statement: "The Council was trying for over a year to get the owners of the section in Woodward Street to agree to something reasonable." Which Council was that?—The City Council, I suppose.

18. The present City Council?—The City Council of Wellington never dies.

19. It changes its body very considerably though?—Sometimes. It was over a year after the first vote of £870 was put on before the matter was finished.

20. Do you remember when the Council were elected and when you were elected Mayor?—On the 24th April I was elected, and took office at the beginning of May, being sworn in on the first Wednesday of May.

21. On the 24th April the new Council and Mayor were elected. Three days after that is the date on which Mr. Kensington swears yourself and Mr. Macdonald called on him. On the 2nd May, three days later still, Mr. Macdonald wrote his letter to the Government. That was before the new Council had met. Mr. Kensington says that the Mayor and Mr. Macdonald had called on him. On the 2nd May Mr. Macdonald wrote to the Government, and on the 6th May the Council met for the first time?—It was before I was sworn in. I do not know what my position was. I do not know whether I was Mayor or not.

22. I suppose, if the Council never dies the Mayor never dies?—It does not follow, of course. But I should think that that was a very good reason for my not taking upon myself any new work at that time, or doing anything with regard to a work which was not approved by the new Council. I am perfectly certain, apart from other things, that I would not have done it.

23. Did this question of the 6½ perches come before the old Council?—No.

24. Can you tell us the date when it first came before the present Council?—I could not. I know it was mentioned to the committee some time after the letter was received from Mr. Strauchon—in an informal way. There was no business to be done in connection with it—simply Councillors were made aware of it.

25. In paragraph 3 of that letter you say, "Like Mr. Fisher, who assured the Council that he had seen the plan sent to the Land Office and that it was shown thereon that 4 perches were required, Mr. Macdonald misread '4 perches' for '4 perches.'" You suggested to Mr. Kensington on his evidence that an experienced man ought not to make such a mistake with the plan. Do you really think that Mr. Macdonald wrote and offered one-third of his valuable site on the corner under a wrong impression?—You ask me whether Mr. Macdonald did certain things which I do not think he did. If you look at his letter you will see that what he did was in order to facilitate the arrangement between the Council and the owner—that the Government might pass over this land, and that there might be an exchange. And then he goes on to say afterwards that the parties could adjust the matter between themselves—that is, adjust the value and areas.

26. You would not take his letter to convey that the city was to get four or five perches of land?—You mean in exchange for 6 perches?

27. Yes?—No; certainly not. I do not know what Mr. Macdonald thought—he did not tell me—but putting myself in his place I should not think he was nearly so foolish as to do anything of the kind.

28. Did you never entertain the idea yourself that 4 perches was to be acquired by the city on the corner?—Certainly not. It is utterly and totally opposed to my whole conception of the matter of the work to be done. I knew that in order to get the proper grade you would have to cut into the Terrace as far as possible. One fellow has been writing in the *Dominion* yesterday a letter in which he has the suggestion that the turn-off should be 40 ft. or 50 ft. down Woodward Street. Any one who knows what was desired knows that that would have spoiled the very thing we wanted—which was to get up as far as possible into the Terrace, and so improve the grade. I knew that from the jump.

29. I did not read the letter, and do not know what the writer said or anything about it. Take paragraph 4 of this letter: Have you been able to ascertain since the Committee last met how Mr. Macdonald received the plan with the seal of the City Engineer?—No, I made no inquiry. You ought to know that the Mayor has enough to do without entering into these little details. On the Finance Committee we sometimes have thirty things to deal with in one little afternoon. Once a thing is settled I do not interfere with the officers unless they appeal to me and ask me something, or unless I find on looking over the papers that they have not done something contemplated by the committee.