

I saw Mr. Kensington. I went there alone. I said to him that there was a bit of land on the Terrace near Woodward Street belonging to the Government, and it adjoined land at the corner of Woodward Street and the Terrace, a part of which the Corporation wanted for street-improvement. I asked if there was any way for the Corporation getting it and making an arrangement with the owner of the land wanted for street purposes. He sent for information, and I think I then ascertained the area. What I at the time wished to bring about was an arrangement under which there would be no personal loss and at the same time which would enable the work to be carried out. I was under the impression that the area wanted by the Corporation would greatly restrict my building-area. I have no doubt that I put strongly what was the fact—namely, that it was the City Council that wanted to carry out the work, and that an equitable arrangement made with the Council would facilitate the matter. Mr. Kensington adopted my view, and suggested that I should write, and I did so. I did not mean by my letter that I was acting as agent for the City Council. Mr. Martin, the Government Valuer, afterwards called on me, and I showed him the piece of ground, and told him that the Council wanted to take a part of mine, which I pointed to. The next thing was Mr. Palmer, the Town Clerk, called upon me and said that the Mayor thought that a letter received from the Commissioner of Crown Lands, offering a piece of ground at a price, had something to do with Woodward Street. I replied Yes, I expected that this would be done, and asked him if he would let me have the details, and he promised he would send me a copy of the letter. I got a letter enclosing a copy of the Commissioner's memorandum, and almost immediately afterwards went and saw the Mayor in his professional office. I suggested that the Woodward Street matter could be fixed up by the Council acquiring the vacant land and handing it over to me as part compensation for the land to be taken from me. He replied, "Nonsense; we only want a few feet of your ground." I replied, "You want a good lump of it." He said, "You're utterly wrong; you had better go with the Engineer, and he can show you what we want. I'll ask him to arrange with you." He then said, "What are you going to do with the old building at the corner?" I said, "I propose to take it down and to build." He then said, "Why not make an arrangement with us to make a party wall, which will do for a retaining-wall and a wall for your building?" I said, "I'll see Morton and then see my architect about it." I did see Mr. Morton, and discovered that I had been under a wrong impression about the area, and I came to the agreement which was afterwards signed. A question afterwards arose about the wall, and a new arrangement was made as to my contribution.

1. *The Chairman.*] That is your evidence, Mr. Macdonald?—Yes.

2. Have you anything further to state?—No, I am entirely at the services of the Committee if they want to ask me any questions.

3. *Mr. Fisher.*] I suppose, Mr. Macdonald, that you wrote the letter of the 2nd May—I mean; dictated it?—Yes.

4. It was in that letter you stated it was necessary that the city should absorb some four or five perches of the present section at the corner of Woodward Street?—Yes.

5. And later on you refer to the disability of the city not being able to transfer to the owner of the corner section a section of somewhat similar size and value?—Yes.

6. Were you really under the impression that you had to give away one-third of your corner section?—I was under the impression that I had to give away four or five perches.

7. Were you not aware that your corner section was only 12·57 perches in area?—No, I did not know the exact area.

8. And, of course, you did not know you were offering to give away one-third of your land?—Oh, no! not for a moment.

9. Then you enclosed a plan with the letter of the 2nd May with the City Engineer's seal?—Yes.

10. Can you state how that plan came into your possession?—Speaking from memory, I sent to the City Engineer's office for a plan of the property, and one of the junior clerks, I understood, brought it back just at the time that the letter was going. I gave instructions to put it in the letter.

11. You got that about the time the letter was going?—Yes.

12. You did not take it when you called upon Mr. Kensington?—No, not at all.

13. And you are absolutely clear in your own mind that you went to Mr. Kensington alone?—Absolutely. I cannot understand how that difference of opinion arises.

14. Did you have any reason for omitting to state to Mr. Kensington, or anybody else concerned, that you were the owner of the adjoining section?—No, no reason in the world. It is a mere matter of practice that we never discuss the owners of the land.

15. Can you tell who authorised you to write the letter of the 2nd May?—Yes, I authorised myself. It was a promise made by me to Mr. Kensington that I would write after I had interviewed him.

16. That letter was really suggested, then, by Mr. Kensington?—Practically; in that sense.

17. And you had no instructions from the Wellington City Council?—None whatever to write that letter.

18. You stated—of course, it is a newspaper statement and you can repudiate it if it is not accurate?—I do not desire to repudiate any statement—newspaper or otherwise—if it is correct.

19. You said, "It was suggested by me that the Council might purchase the vacant piece, and make an adjustment with me respecting the difference between the two pieces." That was on the 31st of last month. Can you say what you mean by that?—I do not quite follow that.

20. You say, "It was suggested by me that the Council might purchase the vacant piece, and make an adjustment with me respecting the difference between the two pieces"?—You see,