

38. Is this agreement as executed substantially the same as that draft?—No. I have a fresh draft in my possession embodying modifications and new terms. There are new terms. Mr. Macdonald opened up new matter after the original proposal was made to him. You can make any number of offers to a man, but he has to accept them.

39. But that was fully discussed—the matter of the agreement—between the Mayor and yourself in March, 1907?—There was nothing fully discussed at that time.

40. What instructions did you have?—I had instructions to arrange and prepare a certain agreement with Mr. Macdonald, but Mr. Macdonald did not accept the terms suggested.

Wellington City Council, City Solicitor's Office.

Memorandum for W. Collings, Esq., the Clerk to Lands Committee, House of Representatives, Wellington, 4th September, 1908.

I HAVE to thank you for your letter of the 3rd September, 1908. I return herewith evidence given by me before the Committee, which I have corrected in various places.

I must ask you to state in the printed evidence that any privilege which the Corporation had with regard to my evidence was waived by the Mayor on behalf of the Corporation.

JOHN O'SHEA, City-Solicitor.

JOHN R. PALMER, Town Clerk, sworn and examined. (No. 13.)

1. *The Chairman.*] You know what this inquiry is about?—Yes.

2. *Mr. Fisher.*] The first you heard of the Crown land in connection with this transaction, I understand, was the receipt of a letter from Mr. Strauchon dated the 28th June of last year?—Yes.

3. Had you any knowledge prior to that that Mr. Macdonald had been negotiating for this land on behalf of the Council?—None whatever.

4. On receipt of Mr. Strauchon's letter you showed it to the Mayor?—Yes.

5. Can you tell us whether you said anything to the Mayor about it or he said anything to you?—Yes. I asked the Mayor if he knew what it was about. He seemed to be rather surprised, and not to understand it, but after a few minutes, upon reference to the city map, he said he thought it might refer to the matter of Woodward Street.

6. Did he ask you to see Mr. Macdonald?—Yes.

7. Did you see Mr. Macdonald?—Yes.

8. With what result?—Mr. Macdonald stated that it did concern the matter of Woodward Street, and I promised I would send him a copy of the letter, which I subsequently sent.

9. Did Mr. Macdonald tell you then that he had written to the Government?—No.

10. When did you first know what first prompted the letter from Mr. Strauchon?—I do not know that I ever heard or knew anything that prompted the letter from Mr. Strauchon until I saw the printed parliamentary papers—not, at least, until long after I wrote the letter making the application.

11. You are the chief executive officer of the Council?—Yes.

12. Mr. Macdonald was never officially appointed to write on behalf of the Council?—No.

13. You remember your letter to Mr. Strauchon of the 5th September?—Yes.

14. Who directed you to write it?—The Mayor.

15. Did the Mayor see the letter after it was written?—Yes, I think he saw it the same day—I am sure he did.

16. Did he dissent from its terms?—No, he did not dissent, but, as nearly as I can remember, he thought I had not amplified the matter sufficiently.

17. Did he ask you to withdraw the letter?—No.

18. Or to send another letter amplifying it?—No, but I think he said he would write himself.

19. That was on the 5th September?—Yes; that is borne out by the fact that another letter was sent to the Minister.

20. You say in that letter the Corporation have in view certain exchanges of land in the vicinity: can you tell us what you meant by that?—I knew then that the Corporation had in view these exchanges.

21. Which exchanges?—The piece of land subsequently purchased by Mr. Macdonald and the piece wanted at the corner. I did not know to what extent the exchange was to be, but I knew it was contemplated.

22. You really should have said "exchange" instead of "exchanges." You say in your letter "certain exchanges"?—It might better have been so expressed.

23. You did not understand that 6½ perches of land was to be exchanged by the Council for 4 perches of land on the corner?—No.

24. Your letter is dated the same as the letter from the Mayor to the Minister of Lands?—Yes.

25. Did you see the Mayor's letter?—Not at the time, but some time subsequently.

26. Can you remember how long subsequently?—No, I cannot say.

27. You cannot say when the Mayor attached his letter to the file?—No, but it was probably soon after—within a day or two.

28. You received a letter from the Commissioner of Crown Lands dated the 28th June: when was that letter placed before the Finance Committee?—My impression is that it was referred to at a Finance Committee meeting by the Mayor before the matter was really down for discussion, but no minute was made.

29. In a letter from you to me you state that it came before the Finance Committee on the 27th August. Your letter is dated 12th May, and you say, "I have to state that the matter of the purchase of this piece of land by Mr. Macdonald was dealt with generally, together with the