

noon. There should be a searching inquiry, and if there was any blame it should be put on the right shoulders. There had been comments amongst the ratepayers and citizens of Wellington upon this and upon some other transactions. Experts had spoken to him in reference to the erection of the wall that had been referred to. Builders, contractors, and men experienced in such work would tell you that it was absolutely impossible to erect a wall such as had been erected in this Woodward Street work for the price stated by the Council and made public in the Council's reports. This matter had caused a good deal of anxiety and comment on the part of citizens of Wellington, and it ought to be cleared up. The Prime Minister had taken the proper course in referring the matter at once to a Committee for inquiry.

Mr. FISHER (Wellington Central) desired to make a personal explanation. He gathered that the Premier rather misunderstood him. He did not impute a wrong motive or any blame whatever to the Government.

Mr. MASSEY.—I said, "criminal negligence."

Mr. FISHER was not referring to what the honourable member said, but to what he himself said—namely, that the Government had been hoodwinked in connection with the matter; and he might say that when he went to the Minister of Lands for information it would not have been possible for any man to have received him more courteously, or to have placed information more readily at his disposal.

Mr. IZARD (Wellington North) congratulated the Premier upon the course he had taken in dealing with this matter. It appeared to him (Mr. Izard) that it was, under the circumstances, the proper procedure, and he was glad the right honourable gentleman had taken it at once, and that the matter would be immediately referred to the Committee.

The Hon. Mr. McNAB (Minister of Lands) felt, with other members of the House, that in a matter of this kind, where so much had been said and where so much had been suggested by one holding the responsible position of leader of the Opposition, the reference of the whole matter to a Committee of the House was the only solution of the difficulty. It was the only solution of the difficulty in another respect, because the Committee would find as they inquired into it that it was one of the most complicated problems they could deal with in connection with land matters, for the reason that the administrative work in connection with it only went up to one point. Beyond the question of the papers as they appeared on the file there was a transaction between the City Council, with whom the Department were dealing, and a third party; and there were also transactions that followed on that, even beyond that transaction again; and these the Committee, with power to call for persons and papers, would be able to deal with, but no discussion in the House that afternoon could possibly deal with. For instance, as the honourable member was speaking, members of the House would have noticed that the matter resolved itself into, first of all, the relationship between the Administration and the City Corporation; then the coming into the transaction of a third party, Mr. Kennedy Macdonald; and the difficulties which the honourable gentleman laboured under in the City Council in getting to the bottom of the transaction. To go into all these points was a thing that could only be done by a Committee, and it would be utterly impossible to go on and discuss the matter fully that afternoon. He was at a loss as to the extent to which one should go into the matter at the present time; but he felt sure honourable members would bear with him for a few minutes while, without commenting on the matter or introducing anything in the nature of criticism, he dealt with one or two points in connection with the transaction and put them on record for honourable members' information, because so far it had not really been explained to the House what the transaction really was. The transaction had commenced during one of his visits to the south of Auckland by an interview, referred to by the honourable member for Wellington Central, Mr. Fisher, which the Mayor and Mr. Kennedy Macdonald had with the Under-Secretary. Then, correspondence took place with the Under-Secretary, and as the Mayor had indicated—so he (Hon. Mr. McNab) understood from the Under-Secretary—that Mr. Kennedy Macdonald was acting as the agent of the City Corporation in the transaction, honourable members would understand the nature of the letter that he was going to read—a letter from the firm of Macdonald, Wilson, and Co. They wrote as follows, under date the 2nd May, 1907:—

"The Secretary, Crown Lands Department.

"SIR,—The Government recently took possession of a small section of land on Wellington Terrace, immediately opposite the Wellington Club, which is now required in the interests of improvement by the City Council. The Council are desirous of creating a low-level street in Woodward Street, running from Lambton Quay to Wellington Terrace, and making the present portion of Wellington Terrace in that quarter practically a high-level street. To accomplish this it is necessary that the Council should absorb some four or five perches of the present section at the corner of Woodward Street. This would, however, mean so serious a loss of space as to make the compensation to be paid by them very heavy and possibly prevent the improvement taking place. This, however, could be avoided if the Council were in the position of being able to transfer to the owner of the corner section a section of somewhat similar size and value—the one recently vested in the Government. We shall, therefore, be glad to know if the Government would assist the matter by placing a fair price upon the latter section, when the City Council and the owner could adjust the matter, and a very necessary public work be made possible.

"We have, &c.,

"MACDONALD, WILSON, AND CO."

Honourable members would notice that the letter pointed out "some four or five perches" of land, and the exchange was to be made for a piece of land of "somewhat similar size and value," and the land in question for which the exchange was proposed was $6\frac{1}{2}$ perches to turn it into a street. Here was a strange thing in connection with the letter. No plan was referred