

40. You do not know?—I could not say.

41. Do you know or can you say that the Council ever owned this land?—No; the land was transferred direct from us at their request to Mr. Kennedy Macdonald.

42. The Council, as a matter of fact, only had the title or provisional title to the land?—Unless any equitable sort of title.

43. And you do not know anything about the payments?—No; that goes to the Receiver of Land Revenue.

44. I suppose, Mr. McNab, the conception you had of the arrangement has been altered very considerably by what has come to your knowledge during the past two or three months?—Well, there is the original plan of Mr. Macdonald in his letter. That, of course, was modified by the subsequent correspondence and the final arrangement with the Government. You have got to look to that letter of mine to His Worship the Mayor dated the 14th September, wherein it is stated that if the Council pays the money the title will be issued direct to Mr. Macdonald. That, of course, was a modification of the original scheme. Under the original plan we should be getting the money from the Corporation and giving the title to them; and when, in the letter of the Mayor, they asked to have Mr. Macdonald's name put in we stated we would put it in if they paid us the money to his credit.

45. I suppose you did not realise at that time that in essence that was complete alienation of the land from the Crown to Mr. Macdonald?—Oh, yes! I realised that; but that did not affect its being exchanged, provided the Corporation paid us for it. The essence of the exchange was still retained.

46. Providing it was an exchange?—If it was a shorter way to get to it we would help them in that respect.

47. Would you with your personal knowledge, knowing what you know now of the transaction—that the city was getting forty-five or forty-sevenths of a perch instead of four or five perches, and knowing that the city was not going to pay the money, but that the money was to be paid by a private individual through its agents to the Crown—would you have recommended the transaction?—If there had been no exchange we certainly would not. If Mr. Kennedy Macdonald had communicated with us and asked to be allowed to purchase it would have been refused.

48. He would not possibly have got it?—Not without competition. It would have been put up for competition.

49. Did it ever occur to you to ask if the adjoining owners had asked for this land?—No, because we were disposing of it to the City Council to enable them to carry out the street-widening.

50. Did you understand that the section was to be used for street-widening?—Yes, for the purpose of enabling them to get a piece of ground for street-widening.

51. You did not understand that it was to take place on the Crown land itself?—No, the position would be negative that.

52. And I suppose the area of four or five perches would have weighed with you in helping the city?—In some cases we would give the land for nothing.

53. To a local body?—We give it for recreation purposes in such cases.

54. You wanted in this instance to help the local body?—Yes.

55. Therefore the terms of the letter, "some four or five perches," and "a section of somewhat similar size and value," seemed to you to mean that the city was carrying out a fair and reasonable transaction?—I do not say that the area was a material factor. If they liked to pay us our valuation of £652 for $6\frac{1}{2}$ perches it would not affect us if they gave that—that, having bought it, they exchanged it for the hundredth part of a perch. It would mean simply that they had paid £650 for that, and that was their lookout. So long as they paid us, it did not matter.

56. That illustrates my point—under these circumstances the city would be paying £652 for the hundredth part of a perch?—That is so—if it had been exchanged.

57. But if the city was to get four or five perches in exchange they would be making what would appear to be a reasonable bargain?—Oh, yes!

58. And it must have appealed so to you?—No doubt I would see that point at the time.

59. You must have been quite astonished when you saw that plan about two months ago and discovered that it was not 4 perches that was to be exchanged?—Well, I was astonished at your contradicting me in the street when I said it was 4 perches.

60. And you were somewhat surprised, too, when I brought along a copy of the plan on the City Council agreement showing the area actually given by Mr. Macdonald to the Council?—Still, of course, I found out about the 4 perches about that time.

61. In sending the letter to you Mr. Kensington referred to the plan—"for the area tinted pink" I think is his expression?—That was accompanying Mr. Macdonald's letter.

62. Yes; he says, "they can exchange it for the area tinted pink": that is in the memo. of the 29th May, page 4, second paragraph. Was that plan placed before Cabinet?—Yes, that was on the file.

63. So far as you know, no Minister knew that that represented $\frac{1}{100}$ of a perch? You did not know yourself, at any rate?—I did not know myself.

64. *Mr. Remington.*] Was that the original plan that came with the letter?—Yes.

65. That was the same plan that was referred to on the 2nd May?—Yes, that is the one.

66. That is the one that was enclosed in the letter?—Yes, this is the plan.

67. Coloured pink?—Coloured pink.

68. *Mr. Fisher.*] If you turn up Macdonald, Wilson, and Co.'s letter, on the top of page 3, you will see this sentence: "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." That is to Mr. Macdonald or the adjoining owner?—To his clients.