

*"Woodward Street.*

"SIR,—I was addressed to-day by an intelligent citizen somewhat as follows: 'You gave Macdonald a soft thing.' I said, 'What do you mean?' 'Why, you gave him 6 perches of land for half a perch.' I said, 'But who paid for the 6 perches?' He said, 'The Council paid for it.' I replied, 'But who paid the Council?' He: 'No one, of course. He got the land for which you paid £652 for half a perch.' I asked him where he got this notion from. He replied, 'The *Dominion*.' I find on looking up your article that it is open to the interpretation put on it. I told the citizen that Mr. Macdonald had paid the £652, and he seemed astonished, and he assured me that he had spoken to six or seven people, who were under the same impression as he was. I explained to him where the land was, and he agreed that the price paid for it was a large one. 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. You suggest an enormous probable profit on the transaction, based on the assumption that £8,000 could be procured for the whole of the two areas, and the further assumption that the area bought was equal in proportionate value to the Woodward Street area. The area bought is in Wellington Terrace, whereas the bulk of the land is in Woodward Street, and the value of the frontage to Woodward Street exceeds that the Terrace by at least three times.

"Perhaps while I am writing you will allow me to state the matter shortly.

"(1.) The Council was trying for over a year to get the owners of the section in Woodward Street to agree to something reasonable, so as to carry out the great improvement which has now been effected, but nothing could be done.

"(2.) After Mr. Macdonald agreed to buy the freehold, he having had previously a long lease to run, we continued our negotiations. He was very anxious that his area, which was small, should not be materially diminished.

"(3.) 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.'

"(4.) I do not consider that the question is really affected by the mistake made in reading the plan, but, so far as the Council and I are concerned, we tried to make it clear by furnishing the plan showing the area and measurements, which I believe were given in feet, and this was the plan sent on to the Lands Department.

"(5.) A valuation was made in the usual way by the Government Valuation Department, and I feel certain that the price assessed would not have been paid by any one except the owner of the Woodward Street section."

[No clause 6 in cutting.]

"(7.) The piece of land is awkwardly shaped and on a higher elevation than the land on two sides, and is one upon which the law and the by-laws would have prevented a dwellinghouse being erected which would be commensurate with the price given, and which could scarcely have been utilised for anything else. Yet the price was at the rate of £16,000 per acre. The Corporation received a parcel of land which, according to the value of land in Woodward Street, and irrespective of its being at the corner, was worth, in my judgment, £180, and according to Mr. Fisher's estimate a great deal more. This £180 added to the purchase makes it £830. Before the owner can utilise it he must take out 20 ft. in depth of excavation at least.

"(8.) In my three years' connection with the Council I have only known of two instances—and this is one—where the owner has co-operated with the Council in erecting a retaining-wall which was required for street purposes. On the estimates submitted by the Engineer we saved about £70 by the arrangement, besides having the whole of our land in Woodward Street left free for use, instead of having the wall on it.

"(9.) The whole of the circumstances were known to the members of the Finance Committee when the arrangement was entered into, and I feel certain that if it had to be done again the same agreement would be made. No member except Mr. Fisher has, either in Committee or Council, expressed himself otherwise than favourably with regard to it.

"(10.) The Government got a fair price for their land, and they helped along an arrangement for the benefit of the city. The Government knew from my letter of September 5th that the parcel of land was going at the price to Mr. Macdonald, and that the price was no concern of the Council's.

"(11.) Mr. Macdonald paid well for what he got, and it yet remains to be seen whether he will make a profit or if he wouldn't have been better off to-day if he had done what 99½ per cent. of people do—sat still and got what he could out of the Corporation, leaving it to chance to see whether he could get the Government's parcel afterwards at a fair price.

"I am, &c.,

"August 2nd."

"T. W. HISLOP.

*Witness:* The whole is absolutely correct except, perhaps, that clause 9 might require a slight explanation—where I say "the whole of the circumstances were known to the members of the Finance Committee when the arrangement was entered into." What I mean is, the circumstances so far as they affected the Council or were known to me.

10. *Mr. Fisher.*] You are satisfied that that statement is correct?—I think it is, subject to what I have said.

11. At the beginning of the letter you will notice, on meeting with a citizen, that the citizen, in speaking of the land, said, "The Council paid for it," and the Mayor said, "But who paid the Council?"—was the Council ever paid?—Yes.