

[For Parliamentary Paper containing correspondence, diagrams, &c., relative to an exchange of land at Woodward Street and Wellington Terrace, see C.-13, 1908.]

## MINUTES OF EVIDENCE.

WEDNESDAY, 5TH AUGUST, 1908.

WILLIAM C. KENSINGTON examined on oath. (No. 1.)

*Witness:* I am Under-Secretary for Lands. I suppose what you want from me is a statement of what occurred in the first interview I had, and that which brought this matter up?

*The Chairman:* That would be the beginning.

*Witness:* On the morning of, I think, the 29th April, I was particularly busy, and so I told a messenger who sits outside my door at a table not to allow any one in unless they were wishful to see me on very urgent business. He came in and said that the Mayor of Wellington (Mr. Hislop) and Mr. Kennedy Macdonald wished to see me. I said, "Very well. Show them in." They came in, and Mr. Hislop said to me, "We wish to see you about a small piece of Crown land that the Crown has in Wellington Terrace, just at Woodward Street." He said, "The Council are anxious to widen Woodward Street." I said, "Yes, it is a very narrow street, and wants widening very badly." He said, "It would materially assist the Council in their negotiations with the owner of the area at the junction of Woodward Street and the Wellington Terrace if the Government would sell to the Council"—or, the words he used were "dispose of to the Council"—"that area, so that they could exchange it with the owner of the area at the corner." I said, "Yes, that is a reasonable thing. It is a public work, and it is a public body that is asking the Government to do it." I then said, "I will just send for the papers, and we will see the area." The Record Clerk, Mr. Verschaffelt, brought in the papers to me, and stayed at my side a few minutes while I was turning over the tracings showing the area in question. When he had stood a minute or two, I said, "That will do, thank you," and he left. The Mayor said, "Well, we ought not to be made to pay heavily for this, it being a public work." I said, "It will have to be by valuation. If you will write a letter, I will lay the whole matter before the Minister of Lands." The Mayor said to me, "Oh! Mr. Kennedy Macdonald will write the letter for us." He was sitting there at the time. I said, "Very well. Let me have the letter as soon as you can." The Mayor said, "I hope there will not be any delay about this matter." I said, "No. I will take steps at once, and if you will let me have the letter I will lay it before the Minister." I think the Minister was in Auckland at the time, or on his way down. I said, "The Land Board will have to approve of it." I am not quite certain whether I said to the Mayor and Mr. Macdonald, "Have you seen Mr. Strauchon?" I fancy I did, but we can get that evidence from Mr. Strauchon, if necessary. The Mayor said, "We do not want to go to auction, because people might run us up more than the worth of the land. Is there any section under which it can be dealt with?" I said, "Section 117 meets a case of that kind. You own the street, and I do not suppose the adjoining owners will offer any objection." I do not know whether the Mayor or Mr. Macdonald said "No, there will not be any objection." I had not the remotest idea that Mr. Macdonald was the owner of the adjoining section. In our tracing Mr. Love is shown as the owner, and I was unaware until afterwards that Mr. Macdonald was in it. I wrote that afternoon to the Commissioner of Crown Lands, and told him to have a valuation made. On the 2nd May, a letter signed on behalf of Macdonald, Wilson, and Co. was sent to me, and I sent it up to the Minister with my recommendation, which you will see on the paper. I may say that section 117 is chiefly used in cases of this kind. The Department, the Government, and Ministers always recognise that public bodies, when they want to widen streets or roads, should not be dealt with as private persons. It is also recognised in cases of the kind that it is not the policy of the Government to get all the money possible. The valuation here is a fair valuation. The detailed correspondence of the whole thing initiated with the Under-Secretary, and the Minister indorsed what I did. Any blame in the matter must rest on the Under-Secretary, because the negotiations were conducted by him. But, as I said, we are in the habit of assisting public bodies whenever possible in widening streets. You have only to look at section 86 of the Public Works Act to see the same principle laid down there. Just before the Mayor and Mr. Macdonald left our Chief Accountant, Mr. Paterson, wanted to see me very urgently on some Treasury matter. He came inside the door, and stayed there a few minutes, and heard what I was talking about, and saw the Mayor and Mr. Macdonald.

*The Hon. Mr. McNab:* Confine yourself to the sequence of events.

*Witness:* I am doing that. Shortly after that Mr. Paterson left. I think that is the sequence of events. I do not know if you wish for any further explanation on any other points.

*The Chairman:* You might explain what was the result.

*Witness:* The result was that the letter came up on the 2nd May, signed "Macdonald, Wilson, and Co." That letter is in the correspondence here. That letter I forwarded to the Minister. My minute is printed here. My memo. to the Minister, referring that, is dated the 29th May. There was some delay from the date that it reached me, because the Minister was not in Wellington, and the memorandum is dated the 29th May. In it I stated that Messrs. Macdonald, Wilson, and Co. have applied to be allowed to purchase. You will see the letter on page 4. It was some little time afterwards—I think a day or two—when there happened to be a Cabinet meeting, and this matter went before Cabinet. On the 29th it went, and Cabinet approved of the sale on my recommendation. I stated the price, £652. That was the value given by the Valuer-General.