

PAUL VERSCHAFFELT examined on oath. (No. 2.)

1. *The Chairman.*] Would you state now what you know about the case, in your own way, without any question being put to you. Just tell us your own story?—I am a Record Clerk in the Head Office of the Lands Department, Wellington.

2. Do you remember when the Mayor of Wellington came to the office with reference to this purchase?—Yes. The first thing I remember was that some time last year—I am not certain as to the date, but it would be the same date as in that memo. signed by Mr. Kensington—it was in the morning—my bell rang, and I went to Mr. Kensington's room. He asked me for the papers in regard to the derelict lands. It happened that we had been dealing about the same time with the Te Aro foreshore cases. There had not been any correspondence in regard to that piece of land in Woodward Street since 1901, I think; but we had correspondence regarding land in Cuba Street and Wallace Street. I was in his (the Under-Secretary's) room for a while, and he turned over the file, and turned to a letter written in 1901 *re* a sale. Mr. Hislop and Mr. Macdonald were both present. Since then I have seen both of them—a little while ago, when the trouble was about the area in question. Mr. Kensington was away at the time.

3. What transpired the second time?—I do not know. I only had the papers taken out for the Chief Clerk, Mr. O'Neill.

4. And that is all you know about this transaction?—Well, of course, the papers have been through my hands several times, and all the correspondence that has passed.

5. What you were probably wanted for here was to show that these gentlemen were both there on a certain date?—Oh, yes, I distinctly remember that. One of them was sitting on the big chair.

6. *Mr. Hislop.*] Who was sitting on the chair?—I am not certain whether you or Mr. Macdonald was sitting in the big arm-chair. I had known you, but I had not known Mr. Macdonald. Going out I asked the messenger, Letham, who was the gentleman with the Mayor, and he said it was Mr. Macdonald.

7. You say you brought in the papers?—Yes, sir.

8. Was there a file there connected with Woodward Street?—The first was not: it was dealing with the Te Aro foreshore cases.

9. The second lot?—I brought in the second file, in which there was a letter written in 1901 dealing with Woodward Street.

10. What was the letter about?—*Re* a reservation of land, or recommendation for a sale.

11. What was there on the file beside the letter?—That file dealt with the derelict lands. At the time there was a correspondence in connection with a piece of land in Cuba Street and a piece in Wallace Street.

12. What did the file show with regard to Woodward Street?—It showed a letter from the Commissioner of Crown Lands, dated 1901.

13. Anything else?—I do not know about previous to that. That letter was turned up before I left the room.

14. Is that letter shown here [indicating a file]?—Yes, on the first page. There was a recommendation on the back of it.

15. Did you hear any part of the conversation?—Well, I heard you speaking; but I cannot recall exactly what you said. It was in connection with Woodward Street, and I remember a letter coming out the same day—the one to the Commissioner of Crown Lands.

16. You cannot remember the conversation?—I cannot recollect any of it, only that you were there with regard to Woodward Street.

17. Were you there any time?—At least two or three minutes.

18. Do you recollect what was said?—I have not a distinct recollection. My chief duty was to see that the right papers were there. I did not trouble any more.

ROBERT AIMERS PATERSON examined on oath. (No. 3.)

*Witness:* I am Chief Accountant in the Lands Department, Wellington.

1. *The Chairman.*] What do you know about this transaction?—I know very little about the actual transaction beyond what has appeared in the correspondence in the Department; but I recollect Mr. Hislop and Mr. Macdonald coming to the Land Office in April last.

2. Are you sure about the date?—Well, as near as I could say, it would be about the end of the month.

3. Are you quite sure that it was at the end of April?—To the best of my recollection.

4. What transpired at that date?—I could not say what transpired, except that the Under-Secretary as a rule when any business out of the ordinary comes before him advises the Chief Clerk or myself as to what has taken place.

5. State to the Committee what you know about the case, in your own way?—On the occasion in question I had noticed the two gentlemen coming to the office.

6. Which two gentlemen?—The two I mentioned, Mr. Hislop and Mr. Macdonald. After a short lapse of time I had some business to do with the Under-Secretary, and, going to his room, I found that the business they had come for apparently had not been concluded. I then returned to my own office, and after a short time came back to do my business. The Under-Secretary was then by himself, and, as far as I recollect, he stated shortly what business they had been upon. That, as far as I recollect, was all that took place upon that occasion.

7. State what he said?—He stated that they had come upon a matter in connection with the Corporation wishing to acquire some land in Woodward Street.

8. Is that all you know about the transaction?—Those are the main facts on that occasion.

*Mr. Fisher:* At the beginning of his evidence he stated "in April last."