

69. "As to make the compensation to be paid by them very heavy, and possibly prevent the improvement taking place." Did not that help to confirm the impression in your mind that the city was going to get this larger area?—Well, looking at it now I would probably consider that was why they wanted the exchange in place of money payment for this land. If they could get from the Government a piece somewhere else and give it to him that would do away with the necessity for compensation. I do not say that that was in my mind, because I cannot recollect. No doubt if the negotiations had ever taken place with me up to the time referred to I would be able to answer your question.

70. As a matter of fact, you acted on the memo. of your Under-Secretary?—I never saw the parties.

71. You were out of town when the matter was initiated?—It was about the time of the death of Mr. E. M. Smith, and I think I was returning from Auckland. That was in the early portion of the negotiations. About the time that the memo. came up I was away down in the south, so that I have only the correspondence to fall back upon to refresh my memory.

72. *Mr. Hislop.*] What I understand you to say is that so long as you got the purchase-money and the Corporation were enabled to get the land they wanted—whether a perch or otherwise—it would satisfy you?—So long as the purchase-money was paid by the Corporation.

73. It did not matter though, contemporaneously, Mr. Macdonald was paying it?—I would say that, under these circumstances, the City Council was not paying it.

74. You see, we paid you, and Mr. Macdonald paid us?—My letter stated the terms.

75. "If therefore your Council will pay this amount to the Receiver of Land Revenue to the credit of the Hon. T. K. Macdonald, the Commissioner for Crown Lands will be instructed to issue a certificate of title direct to him"?—My answer was that if your Council carried out what I suggested it could be done.

76. Unfortunately there is another letter from Mr. Kensington, which says, "If the Wellington City Council pay this amount to the Receiver of Land Revenue to the credit of Mr. T. K. Macdonald, then the Government can grant the area direct to Mr. T. K. Macdonald?—He is repeating the paragraph in my letter.

77. Of course, that did not strike me—that it made any difference whether it was paid out of the coffers of the Council or of the person who ultimately had to get the land?—You see the point now. I did not see your point until you pointed it out yesterday—that you were recasting the scheme.

78. I thought my letter very distinct?—Just as distinct as mine, which did not accept it.

79. I think yours was practically accepted?—I am not making a charge against the City Corporation—I am defending the Department, and I want to show that we retained the exchange to the last. I do not say now that there has been no exchange—I do not know.

80. You passed the thing over to the Corporation completely?—That is so.

81. If the Corporation found out by search or by any circumstance that they could do with only 4 of a perch or half a perch, you did not mind that?—No so long as they paid us for the land. They told us the object they wanted it for, and it was for them to carry out their own object, not for us.

82. I suppose, from your knowledge of things, that a very cursory look at that plan, with the 13 ft. and 12 ft. marked on it, would show anybody acquainted with these things that it is not 4 perches: one would never suppose that—never mistake it?—If it was by itself, and not accompanied by Macdonald, Wilson, and Co.'s letter.

83. But, supposing you turned that over to a surveyor?—If I asked him for a report and analysis he would probably call my attention to the fact that the plan and application did not correspond.

84. There is another plan which is produced on the file. They would probably be looked at together—I mean, any person dealing with the arrangement would have the two plans together—one with 6 perches and 4. Would not any one looking at that decimal at once see that one section is 37 ft. by 46 ft., and at once come to the conclusion that there must be some mistake here?—That is what I say a surveyor would do. I would require to look up the book to see.

85. But you are looking at the other one at the same time—the 6.55 perches?—Are they on the same scale? If the two were on the same plan, the same document, and the same scale, the contrast would be brought up, but not if they were on different plans.

86. Here is the map supplied to us [map produced]—49 ft., 36 ft., and 57 ft. My point is, there are 6 perches—37 ft. by 46 ft. Would not any person noticing the 37 ft. by 46 ft. is only 6 perches conclude that the triangle with 13 ft. on one side and 12 ft. on the other was not as much?—If it was on the same plan.

87. But on any plan, if he noticed the measurements?—In answer to that there is the plan of the 6.55 perches. Now, here is this sketch in regard to Woodward Street. You cannot institute a comparison between them. If they were on the same plan I admit your contention, but when they are on different plans and on a different scale it would not strike you. Then, one is in links and the other in feet.

88. There is about 37 ft. by 46 ft. in the 6.55 perches, and yet you want to make 12 ft. by 13 ft. 4 perches?—I should have to look up a book to see how many square feet were in a perch.

89. You see, this is another way of looking at it: Here is a plan showing 12 ft. by 13 ft., which is only the size of a room. Now, would you ever suppose that any person was going to give £652 for 13 ft. by 12 ft.? You say there was to be an equivalent?—That was the general idea.

90. Do you not see that the measurements on the plan showed 12 ft. on one side by 13 ft. on the other, and 20 ft. down, which is equivalent to a square 13 ft. 6 in. by 6 ft.? Surely no person would suppose that any one was going to give £652 for that?—Although they have got it in type from one of the keenest business men in New Zealand—Mr. Kennedy Macdonald.