

Macdonald's ceding this '45 perches of land, the Council was to apply to the Crown for a title to the 6'55 perches of derelict land on Wellington Terrace; and that upon receiving the title it would sell it to Mr. Macdonald, he paying all costs. The Mayor will correct me if that statement of the agreement is incorrect.

*Mr. Hislop:* I do not wish to correct Mr. Fisher at all.

*Witness:* The adjoining owner of the section on the northern side of the 6'55 perches is Mrs. M. A. Williams or Mr. J. H. Williams, her son, and Mrs. Williams's tenant, who occupied the house adjoining, had upon this piece of Crown land a motor-car shed. Mrs. Williams was desirous of getting hold of the Crown land, and naturally considered that when it was alienated from the Crown it would be offered to the adjoining owners at auction. But it became known to her and her tenant one day that a title had been issued to the Hon. Mr. Macdonald. The matter was brought under my notice by the tenant first of all—a Mr. Hayward—and also at the same time there was some correspondence or some letters addressed to the newspapers asking for particulars. Then a Mr. Forsyth, a resident of Wellington, wrote to me on the subject, and said he had communicated with the Mayor, and had failed to elicit any information. He had asked at the City Council offices if he might see the file, and had been refused. I went to the City Council to see the file, and asked for the Woodward Street file, and I got it. I looked through it and could see nothing of a doubtful nature, but it was still urged upon me that there was something wrong with the transaction, and I asked two or three times and each time got the same file, carefully went through it, and could discover nothing to take any exception to. Then the information that I had was strong enough to warrant me or to put me on the track of asking if these were the only papers connected with any transaction the City had in Woodward Street. And then I got the second file. It was then I discovered that the City Council had two files concerning Woodward Street, one of which dealt entirely with the plan of the erection of the retaining-wall, and the other with the alienation of the Crown land and the transfer to Mr. Macdonald. Then, when I got that file I went through it. I would point out first of all that the two files are now here. One of the files is marked "City Council Record, 1906-1928" (?), the other "1907-1145." One has on it, "Department of Lands and Survey." That is the one dealing with the land. The other has on it, "City Engineer," presumably dealing with the stone wall. Well, then, I went through the papers, and found one or two memos. on the papers that struck me as being somewhat extraordinary. On the file marked "1145" there is a copy of a letter of the 5th September of His Worship the Mayor to the Minister of Lands (see Appendix B). That letter was not on the file the first time I went through it. The second time I went through it the letter was there, and it was not what I should call an official letter. Apparently it has been handwritten, copied in a letter book, torn out, and attached to the file. Then I went through the file, and came across this memo. of the City Solicitor dated the 24th August, in answer to a memo. from the Town Clerk, forwarding the draft agreement in reference to this land in Woodward Street which the Council would in all probability purchase from the Government in connection with the arrangement now being concluded with Mr. Macdonald for widening Woodward Street. This is the City Solicitor's memo.: "Alterations, Woodward Street.—T. K. Macdonald and Wellington City Corporation.—The Corporation can purchase under section 117 of 'The Land Act, 1892,' owing to the smallness of the piece of land. The Council cannot legally sell to Mr. Macdonald, but as we have a Land Transfer title the land can be vested in him. As the suggested alteration of Woodward Street will be of benefit to the city, and no risk will be taken by the Council in purchasing the land, I see no objection to the proposal being carried out. Mr. Macdonald will have to take any risk.—JOHN O'SHEA, City Solicitor." Now, I thought, in connection with an ordinary transaction, that it seemed curious that the City Solicitor should advise the Council that whatever risk there was in connection with the transaction should be taken by Mr. Macdonald, and I propose later on to call the City Solicitor and ask him what he meant by that. But it seemed to me, at any rate, that the circumstances were peculiar. Then I turned to the draft agreement which was dictated by the Mayor and sent to the City Solicitor, and I found on that a plan (see Appendix C), which at first I was unable to understand, being the land shown which was to be given by Mr. Macdonald to the city. That plan I propose to show to the members of the Committee, because they will see, in the first place, that the plan published with the Paper C.-13 and forwarded in Mr. Macdonald's letter of the 2nd May, 1907, is quite a different plan altogether to the plan that is shown on the back of the agreement signed by the City Engineer.

*Mr. Remington:* What date was that?

*Witness:* 11th October, 1907.

*Mr. Remington:* That is the date of the agreement?

*Witness:* Yes. I would like the members of the Committee to understand this: that the important feature of this case to me was this: I knew nothing about Mr. Macdonald's letter for the Council. So far as I can ascertain, there is no record in the Wellington City Council offices to show he was ever appointed agent. I concluded that there was something between Mr. Macdonald and the Mayor, because when the letter of the 28th June—I think it is—from Mr. Strauchon to the Town Clerk informing him that the Government had agreed to sell the land to the City Council—arrived, the first thing that was done was to forward that letter—which presumably was an official communication between a Government official and His Worship the Mayor—the first thing that was done was to forward that, or a copy of it, to Mr. Macdonald. And, although, as you will see in a memo. here, Mr. Kensington had written to Mr. Strauchon and stated that it was necessary for the matter to be treated with urgency, it seemed to me curious, after this had been received by the Council and sent to Mr. Macdonald—that is, about the 28th June—that it was not brought again before the Finance Committee until two months afterwards. I did not know as a member of the Finance Committee anything about Mr. Macdonald's letter to