

the portion of land coloured red on plan No. 1 shown hereon, and his consent to alterations of levels of streets abutting on such land, and as part of the arrangements made between him and the Council the Council is to apply to the Commissioner of Crown Lands at Wellington to purchase the parcel of land shown on plan No. 2 hereon, and therein edged red, for the sum of £652, which sum is to be paid by the said Thomas Kennedy Macdonald upon the Council procuring for him a transfer of the said land." This is the agreement by which the Council agreed to apply to the Commissioner of Crown Lands to purchase the parcel of land for the sum of £652. So that, when I realised that this agreement, signed and sealed by the Mayor, Councillor Murdoch, and Mr. Palmer, Town Clerk, enabled the city to get all the street-widening it wanted and the levels it wanted, and to put up a retaining-wall at a cost of £200, half of which was to be paid by Mr. Macdonald, and that Mr. Macdonald was giving the 47 perches without compensation, I could not understand why, after it was signed and sealed, there was a variation brought about by which, instead of the ordinary retaining-wall foundations, we erected foundations for a six-story building. I did not know that. I need go no further; but these were the circumstances that led me to investigate the matter, and, not being able to get the complete file in the Council, to bring the matter before the House and before the Committee.

1. *The Chairman.*] Did you say that instead of a retaining-wall there were foundations for a building put down?—The agreement was varied.

2. *Mr. W. Fraser.*] Which agreement is that—the 11th or 31st October?—This is the 11th October. The agreement of 31st October is ceding 47 perches. The agreement of the 11th October is the agreement by which the Council agrees to obtain a title from the Crown and transfer to Mr. Macdonald, and also deals with the erection of the wall—"the said Thomas Kennedy Macdonald shall contribute the sum of £100 sterling towards the cost of a wall which is to be built along Woodward Street and Wellington Terrace upon his land as altered by excluding therefrom the parcel of land shown on plan No. 1, and by including therein the said parcel of land shown on plan No. 2, under the supervision and according to the designs of the City Engineer."

3. This foundation would take the place of a retaining-wall?—The foundations take the place of a retaining-wall. The wall subsequently built takes the place of the retaining-wall, but it is at the same time run from the lowest corner of Woodward Street right up the side and around the corner to the northern boundary on Wellington Terrace, and is a foundation for a six-story building, instead of being a retaining-wall which was to cost £200. Of course, there is an alteration in the agreement that towards the cost of the foundations Mr. Macdonald was to contribute £275, instead of £100 as originally agreed.

4. *Mr. Greenslade.*] Of the total cost?—That is what I propose to call the City Engineer to find out. The estimate has been stated by the Mayor to be £428.

*Mr. Hislop:* It is stated in the papers. Mr. Fisher has not read the pertinent part of the agreement in regard to the retaining-wall.

5. *Mr. W. Fraser.*] I ask whether the agreement is to come into evidence. Therefore, if the whole of it goes in we shall see the whole of it?—I understood the whole of it was to go in. I think that is all I have to say.

6. *Hon. Mr. Mills.*] When you read the letter from Mr. Macdonald's firm and compared it with the plan, did it ever strike you that in the type the dot may have been left out?—The dot out of where?

7. In the 4 or 5 perches?—That it should have been a dot instead of 4 or 5?

8. Yes?—No; it was the phrase "four or five perches," which was sustained by the repetition lower down of "a section of about equal in size and value." No, that never occurred to me.

9. Then, did any question of valuation occur to you? Four or five perches, in this letter, of a corner, would be worth, I suppose, double as much as the other, if not more?—I do not think it would. You see the point that you lose sight of is this: I do not say that these figures are correct. The City Engineer can give them. But, as far as I know, the City Council, by rounding the corner of Woodward Street and the Terrace, has brought about an immense improvement at an expenditure of between £2,000 and £3,000—well, say £1,000. I do not know the cost; I am not an expert; I cannot tell. But we have certainly benefited Mr. Macdonald's land to an enormous extent, and it appears reasonable to me to suppose that that had been taken into consideration by the Government when they were asked to let him have the 6½ perches of Crown land. He would give, as I understood it, 4 perches off the corner and still have that piece of land, nearly all frontage, with a low-level street in front of it; and that Woodward Street, being on the south side, never gets any sun at all, but that by getting this it would be better for doctors and dentists.

10. Would not that be a matter entirely between the Council and Mr. Kennedy Macdonald?—What?

11. This alteration?—My point is that in the letter to the Government, and as Mr. Kensington stated yesterday, that the Mayor in his interview with Mr. Kensington gave him to understand that if Mr. Macdonald got that piece of Crown land the city was going to get 4 perches on the corner; whereas the Council only got less than half a perch.

12. I ask whether the fact that an improvement was made in that portion of the section would not be a matter entirely between the Council and Mr. Macdonald—that it had nothing to do with the Government?—But it had to do with the Government, because you would be led to believe that the Council could not get the portion at the corner without the Government giving the 6½ perches to the Council. It could not be a matter entirely between Mr. Macdonald and the Council, or why do the Council ask the Government for the title? You cannot ignore that.

13. The Under-Secretary said it was more a question of valuation in the exchange, the Government giving one piece for the other?—Well, of course, I cannot explain to the Committee what Mr. Kensington's view of it is.