

it is proceeded with, but if not commenced then it is treated absolutely as a new work. Therefore, nobody connected with the Council had any right to go on with the thing until the new vote was passed. Before the old vote lapsed the City Engineer was anxious to commence the work, but we did not see that we were in a position to do it. We were trying all the time to get this piece of ground either for nothing or a small definite sum, but we could not get it.

*The Chairman:* Is that the piece you got from the Government?

*Witness:* No; the other bit. The Government piece did not come on the scene up to this time, and, personally, I knew nothing of it. I did not know that it was derelict land, or anything about it. We did not bother about that piece of land, because we contemplated—at least, the City Engineer did—the erection of a retaining-wall right up there and outside of it, and it did not come into our consideration at all. All that concerned me was the terms on which we could get the corner, including a small section of the building standing on it. I knew it was quite unsafe to deal with it under the Public Works Act, because from my experience of these compensation cases I was quite certain we should be in for a fairly large claim on account of it. At that time there were two buildings on the ground—this one I mentioned and another. They were old buildings, but there was no reason why, by the expenditure of a few pounds, they could not have been put on a basis of earning a very fair rate of interest—sufficient, I should think, to make the interest upon what I considered the valuation of the property at the time. So that, of course, we should be disturbing that element in taking the corner and cutting off a part of the building. I do not remember when I first heard of this derelict piece of ground, but it was in a very casual way, and it was a suggestion by Mr. Macdonald that if that piece could be procured it would help towards the settlement of this corner; but I am not clear about this. I found that Mr. Macdonald himself put a higher estimate upon the value of this corner than I did under all the circumstances. I did not know what its value was. Then, the next thing that occurred was the putting-on of the sum of £870 again on the estimates of the City Council; and that was carried on the 6th June, 1907. The next thing was that this letter from Mr. Strauchon was placed before me by the Town Clerk (see Appendix G). For a minute or two I was puzzled, and then we had a look at the map and saw where it was, and I said, “Oh! that must be something to do with that suggestion of Mr. Kennedy Macdonald’s.” I said, “You had better see him, and see how it is going to help us.” The Town Clerk saw him, had a conversation with him, and he afterwards told me that Mr. Macdonald wanted to know how much it was valued at, and was there any objection to let him know. Then Mr. Macdonald was sent a copy of the letter. He came round to me at my private office, and said, “I think we can come to a settlement with regard to that corner if you arrange to let me have that piece of Crown land by way of exchange, coming to an adjustment as to the relative values.”

*Mr. W. Fraser:* What date was this?

*Witness:* I should think about the beginning of July. I said, “Well, you seem to put a tremendous store upon this corner. The work is going to improve your ground, and—look here, I am not going to agree to this street going up there if it is going to cost us more than about £870. I want to know what it is going to cost us before we start.” He then said, “But you are going to take a great lump of my ground.” I said, “But we are not; we are going to take a small area; I do not know how many feet, but I will have a look at the plan. I will see the City Engineer, and you and he had better go upon the ground and see what he does want.” I said this because the Engineer told me the survey had only been roughly done, and he could not tell exactly how much he wanted to take. He said, “You have a look at the map. I will have a look at it too, and go upon the ground and see what you want.” At that conversation, or subsequently to it—I rather think it was at that conversation—I said, “What are you going to do with your section?” He said, “I am going to build on it.” I said, “That wretched little building is no use to you.” He said, “It will have to come down. I suppose I’ll get something for it.” I said, “If it will have to come down, don’t you think we might make an arrangement by which, instead of making a retaining-wall on our ground, we will have a common wall, which will be suitable for you to erect your building upon?” I may say that the plan originally prepared was on the street-line, but was merely a retaining-wall. It has been suggested that the extra cost to the Corporation through deviating from this plan has been very great. I think it convenient to point out that this was not so. The base of the foundations was to be 2 ft. 6 in. in width, coming in at the top. The final arrangement made with Mr. Macdonald fixed the width at 3 ft. The walls, and certain other work caused by coming on an old culvert, cost about £120 more than was estimated, but if the Council had done the work without a contribution we should have had to deepen the foundation, and as the extra size of the wall at the base was only 6 in., the requirements of Mr. Macdonald only caused one-sixth of this £120, or £20. I told Mr. Macdonald that by joining with us it would save him, as well as the Council, some money.

*Mr. W. Fraser:* Did you say that the increased cost of the 6 in. was only £20?

*Witness:* No, no. The increased cost of the extra foundation and the strengthening of the culvert was only £120, and making the foundation 6 in. wider only cost £20 of the £120.

*Mr. W. Fraser:* Was the culvert on your land or the street?

*Witness:* It was on both, but if we had carried out our original design it would still have cost us an extra £100. The alteration to suit Mr. Macdonald only accounted for £20 on account of the extra width of the wall, and, when you consider the extra cost caused by the culvert, still less than that. He seemed to take the idea of the retaining-wall very well, and said that all he wanted was something fair, and so on. Then he asked me again about those 6 perches. I said, “I will have a look at the land and I will see what the committee think with regard to the value of it. It may suit the Corporation to keep it. I do not know, but it may suit them.” I subsequently brought the matter before the committee and informed them of the offer. The plan was shown and the letter was