

92. *Dr Fitchett.*] It was not by a formal mortgage, but as a temporary advance?—Yes.

93. *Mr. Scobie Mackenzie.*] If you were prepared to give a guarantee later, why should you go to the Savings-bank to get the money?—We thought we would make better terms with the Savings-bank than with our own bankers. It would be about 6 per cent. there, instead of 7½ per cent.

94. Were you not interested in this mortgage security in the event of the first mortgagee selling?—We had other security.

95. What was the security?—We had a stock mortgage, and took the second mortgage on the land in order to secure ourselves against contingencies.

96. You were interested in the first mortgage. Why did you think it necessary to secure against contingencies?—As business men, we strengthened our securities.

97. You say that you had no correspondence with the department of any kind?—No.

98. Nor with the Hon. Mr. McKenzie?—No.

99. Nor with Mr. Ritchie?—None whatever.

100. Was there any communication on the part of Mr. Ritchie with you or your firm?—Mr. Ritchie was to have seen Mr. Tolhurst, of the Union Bank, with regard to allowing this mortgage to remain. Mr. Douglas advised us to the effect that Mr. Ritchie had seen Mr. Tolhurst, who was willing to allow the matter to stand over.

101. Was that telegram sent to your firm or to Mr. Douglas?—To Mr. Douglas; it was received in that note.

102. Was it ever in your possession?—It never was.

103. Did you know the contents?—The purport of it was that Mr. Tolhurst was agreeable to allow the mortgage to stand over. We expected to get advice from the Union Bank that they had agreed to do so, but when we applied to Mr. Grierson he said he had no information from the head office.

104. Could you not give us the terms of it?—It was something like this, "Have arranged with the bank here"; but it should have been, "Have you arranged with the bank"; the word "you" was left out in transmission. In fact, Mr. Ritchie had not done anything; the omission of the word "you" altered the meaning intended.

105. Then did you never get a telegram from Mr. Ritchie to the effect that he had fixed the thing up in Wellington?—Never.

106. What was the date when this telegram came?—I have no recollection.

107. After that telegram was received you went to the bank; was that the occasion when you gave the guarantee?—I suppose it would be about that time.

108. The petition was sent to you to be type-written. Who sent it?—Mr. Douglas; his letter is there itself.

109. Is this the letter enclosing the petition?—Yes (29th July).

110. It was after the petition was down in the district that it had been type-written?—Yes, so it would appear from that.

111. He asks you to type-write this, and to send it on to Mr. Turnbull; he must have sent the draft from Mount Royal. Had it not been in the district before?—Yes; for Mr. Douglas's letter says that Mr. Turnbull had returned the petition.

112. Was the first draft sent to you to be type-written?—No. That was the first intimation we had of it.

113. So you had it type-written?—Yes.

114. And when you had it type-written?—We sent two copies to Mr. Turnbull, as requested in Mr. Douglas's letter.

115. And you sent a letter of instructions with the copies?—No instructions were given. As requested by Mr. Douglas, we merely sent the copies.

116. You sent no communication to Mr. Turnbull about it?—That was the only correspondence we had with Mr. Turnbull at any time.

117. Did he report to you?—He never corresponded with us in any way. We have no personal acquaintance with the gentleman.

118. Had you no hand in the petition at all, with the exception of the type-writing?—None whatever.

119. Were you the auctioneers who sold the Popotunoa property?—Yes.

120. That sale occurred, I understand, since the sale of Mr. Douglas's land to the Government?—Yes.

121. This is an advertisement of yours giving a description of the property; so far as you know, is it tolerably correct?—Yes; I believe so.

122. You know the Popotunoa property?—Yes.

123. And the Waipahi, 10,147 acres; they were both managed as one estate?—Yes.

124. Was this estate cultivated?—The whole of Popotunoa was cultivated, with the exception of about 400 acres.

125. That property has been sold since. Can you give us any idea of the price?—Yes, it was sold in sections at an average of about £3 8s. 6d. per acre. There were large sections, and buyers had the option of buying adjoining sections in many instances.

126. Does the railway run through the Popotunoa?—Yes.

127. And the Main South Road?—Yes.

128. Are there roads in other directions?—Yes; I think there is a road round by the back of Popotunoa.

129. It is an old settled estate?—Yes; it is probably one of the best located in Otago for economical working.

130. There is a good house on it?—A splendid house; quite a new house, which cost, I believe, about £1,800 to put up.