

leave sufficient margin on the amount of the mortgage, so that the mortgagee would be able to realize principal and interest on a forced sale.

930. What margin do you suppose you would have left on £10,000?—Sufficient to cover the interest and expenses that might accrue.

931. What do you call sufficient margin. If people are careful they insist on a margin of at least one-third. What margin would you have prepared for in this case?—That is coming back to the question, what was its cash value to us at the time?

932. That is just the point I want to get at?—You are placing me in a position of having to answer a question to which I am not in a position to give you a positive answer, because I have not calculated the value of the interest of the capital invested.

933. You have told us that you are an expert and are in the habit of being asked to value properties for the purpose of advancing money, and you say that you know this property well, and yet when I ask you a simple question as to its cash value you cannot answer it?—You cannot call it a simple question. I would never give an offhand value on a property like this to any one.

934. Had you been asked by a loan company in Auckland, "We have been offered this property as security: will you value it and report on its value to us," never minding a margin or anything else, what would you have advised them to be its value?—I should have gone into the matter thoroughly, subdivided it, and considered the question of what it would realize calculating the interest on the money for a certain time; and then given an answer. I should not have given an answer in five minutes.

935. What would your answer have been?—That I cannot say.

936. Supposing Mr. Stark had said to you, "I cannot sell on terms—I will only sell for cash;" and supposing that you had found that for reasons of your own it was necessary to find the full amount of the cash, how would you have set about doing it? If you had gone to a loan company and said, "I want so much money advanced against this property," what would you have reasonably expected any loan company to advance you on mortgage?—I have told you—£10,000.

937. *Mr. Wilson.*] You stated that in making a calculation for the purchase you allowed £1,000 for interest and incidental expenses. One would infer from this that the cash value would be £16,000, less £1,000?—I do not know how that inference would be drawn.

938. Would you have considered that £7,000 was a great bargain in buying the property for cash?—Most certainly I should have considered it a very great bargain, and the cheapest property that I know of.

939. Would you have considered £10,000 a bargain?—I would.

940. £12,000?—I should consider it well worth £12,000 for cash.

941. Would you consider it a bargain at £13,000?—I would not say that.

942. Then about £12,000 would be your probable limit for a cash purchase?—Taking into consideration the capital invested, and that it is a large sum of money in cash to invest in one undertaking. I should say that it would be about as much as I, as a speculator, would have been prepared to give.

943. *Mr. Ballance.*] Do you know Mr. Mitchelson?—I do.

944. Are you on intimate terms with him?—I know him very well.

945. Have you seen him since you came down here?—I have.

946. Have you had any conversation with him?—Not very much. I have met him in connection with district and other matters which I have had to attend to since I came down.

947. Business matters?—Yes.

948. Have you had any transactions with him in Auckland?—I have dealt with the firm.

949. Would you be surprised to hear that you have been described by the epithet "notorious" in one of the letters we have had in evidence?—From two of the names mentioned yesterday I should not be surprised at anything.

950. Do you know of any reason why Mr. Philcox should apply it to you?—Only his personal antagonism to me.

951. Have you had any business connection with Mr. Philcox?—Up to two years ago he was a director of the Ferry Company, of which I am chairman.

952. Have you had any dispute with him?—I have had no dispute with him, but he endeavoured to depose Mr. Stark from the position of managing director of the company, in which position he was its mainstay. Mr. Philcox was himself deposed from the directorate, and since that time he has a most bitter feeling against me, and would use every means, fair or unfair, to injure me.

953. Has he shown this by any acts?—Time after time, and in letters to the paper—and, in fact, in all his actions.

954. Is this well known in the neighbourhood?—Yes; it is one of the scandals of the place.

955. Is there any reason why Mr. Mitchelson should entertain a similar feeling towards you?—I do not know of any.

956. *The Chairman.*] It is only fair that Mr. Allison should know that no statement has been made by Mr. Ashton against him except that the property was in his hands for sale. Do you know Mr. Roberts?—I do.

957. Did you offer the property to him on any occasion?—No, I did not.

958. You repeat your denial to-day?—I do: I never offered the property to any one that I know of.

959. Have you had any dealings with Mr. Roberts?—I am a director of a company of which he is a director.

960. The evidence shows that you offered Mr. Roberts ten acres of Mr. Stark's property for £3,500 with great pertinacity (page 4 of evidence)?—I have no knowledge of it at all. I sent a telegram this morning to ascertain whether it had been submitted to Mr. Roberts by any one belonging to my office.