

23. Looking at the whole transaction now, do you think it is unreasonable for some to think that it may have assisted you?—I confess that the telegram is not sufficiently guarded against misconstruction, and in the absence of a knowledge of the circumstances in which it was sent, I feel no resentment at the interjection Mr. Allen made in the House.

24. *Mr. E. Newman.*] Do you think, Sir John, that the Advances Board should consider anything but the security when deciding upon advances? You said that you thought the conditions in regard to this strike should have affected the judgment of the Board in making the advance. Do you think that is right?—No, I scarcely think you understood me correctly. What I mean is this: assuming the security is ample, and that the money will be advanced when certain technicalities are complied with, that the situation might well be considered with a view to expediency and with a view to advancing a portion of the money, assuming the security is good. I would apply the same test to the Board as I would to you as a lender: if a man borrowing from you could show that the immediate advance of a portion of a loan would greatly help him, I would expect you to make it if the security offered to you was good.

25. *Mr. Myers.*] Under the same set of circumstances presumably you would act in a similar way again to what you did then?—Precisely so; and I would go further and say that there is not one man round this table who would not have done the same.

26. In no way did your action influence the result of the election—the majority of the strikers were not living in your electorate at all?—No. Remuera is not a residential part for the workers.

27. You were fully alive to the fact that the loan had been provisionally authorized some months previously?—I was told that months before it had been agreed to. There was no question about the security, but the formalities were in question.

28. You know that public opinion in regard to that strike was at high tension?—It was, as you know, a very bitter strike, and suspicion was the prevailing element between both parties. You know how suspicious the workers were as to the *bona fides* of the Board.

29. And if there had been any doubt in the minds of the strikers or if there had been any breach of faith on the part of the Remuera Road Board, it might have led to further trouble?—That is so.

30. *Mr. Hanan.*] Will you read this report of an interview with the Chairman of the Remuera Road Board which appeared in the *Auckland Star*?—Yes. It reads: “‘It is all a concoction,’ remarked Mr. C. A. Cawkwell, Secretary to the Waitemata County Council and late Chairman of the Remuera Road Board, when replying to a representative of the *Star* this morning concerning a parliamentary inference to the effect that a loan amount of £37,000 had been forwarded to the Remuera Road Board three days before the general election for the purpose of influencing the candidature of Sir John Findlay in the interests of the Government of the day. This imputation was made during a criticism by the Minister of Finance (the Hon. James Allen) in the House of Representatives on the administration of the State advances-to-local-bodies system, and a telegraphed report of the debate appeared in Saturday’s *Star*. Adverse references were also made by the Minister to alleged excessive grants to the boroughs of Onehunga, Newmarket, Birkenhead, and Mount Albert. Representatives of the local bodies in these suburbs were seen this morning by a reporter, and without exception the policy adopted by the late Government was championed by them. Speaking in a more general sense, Mr. Cawkwell said the negotiations for the Remuera loan were commenced by himself in June, 1911, which was long before any suggestion of Sir John Findlay’s candidature was made. ‘It was absolutely essential to raise the loan,’ he continued, ‘and but for the facilities provided by the advances-to-local-authorities system we would have had to go on the money-market on our own initiative. As it was we secured the money for 3½ per cent., and probably we would not have had our present water-supply and drainage system without it.’ Mr. Cawkwell strongly commended the policy of the Liberal Government, and contended that such advances were in the best interests of the Dominion. The Mayor of Newmarket (Mr. David Teed), in referring to his Council’s loan of £35,935, and the suggestion that Sir John Findlay’s candidature was responsible for it, said he unhesitatingly denied the inference. Twelve months before his coming out for the Parnell constituency, Newmarket had taken into consideration the question of the loan. As a matter of fact, he (Mr. Teed) went on to the Council some years ago with the expressed purpose of advocating a comprehensive loan policy for street-improvements. The advance referred to had been wisely spent on essential works, and had it not been for the facilities provided by the Government scheme they may not have been able to raise the money in the outside market. The experience of the Mayor of Auckland (Mr. C. J. Parr) in Sydney would substantiate his opinion. Mr. Teed firmly opposed any alteration in the system. Inquiries made of the Onehunga Borough Council elicited comments of a similar nature. The loan of £45,950 had been spent on the extension of the waterworks and the drainage of the borough, principally on the latter work. The waterworks extension enabled them to supply water to Ellerslie, Penrose, Beresford, &c., with the fluid which was formerly so scarce. When the Government made the money available at 3½ per cent. it meant a big saving (representing about £1,000 in interest alone). At the very least they would have had to pay 4½ per cent. outside, and may have experienced difficulty in raising the amount required. Onehunga Councillors, too, were hopeful for a continuation of the system.”

30A. As far as your knowledge goes, Sir John, the facts stated there are correct?—As far as my knowledge goes, yes.

31. Now, I want to quote to you an extract from a report which appeared in the *Dominion* on Saturday, the 28th September, 1912, as follows: “Mr. Allen: ‘The Borough of Onehunga, £49,950; the Borough of Newmarket, £35,935.’ Mr. Hine: ‘Where’s that?’ Mr. Allen: ‘I don’t know. Ask Sir John Findlay. Mount Albert has received £30,000; Miramar, £48,000.