

20. Regarding the form approved by the Minister when it goes to him, Mr. Poynton, has any application for a loan to any public body in this country been made through the Minister and not by the local body direct to the Board?—I have no recollection of any, and I am satisfied there is none.

21. Has any business transaction in connection with a loan under consideration of the Board been communicated to the County or Board applying for it through the Minister of Finance or any other Minister?—I have no recollection of any. Generally a letter is sent either by the Chairman or the Secretary, and a reply is sent by the Department, with regulations and forms to fill in, and the Minister does not appear in it till later. There may have been applications made to you and you may have directed them to be sent to the Board, but I have no recollection of any of them. The procedure is that when inquiries are made they are made direct to the Board, and the Department sends all forms, regulations, and does everything.

22. If an application had been made to me as Minister of Finance on behalf of a local body, would you have dealt with my application?—Yes. Sometimes Ministers are written to in regard to loans. The Minister would forward the letter on to the Department, and the Department would forward the forms. The letter would be returned to you perhaps, with a minute on it to the effect that the forms had been sent to the Clerk.

23. And beyond that there would be no interference?—No, there never has been any interference. That would be the procedure if a letter came through a Minister or member of Parliament making inquiries. The forms would be sent to the local body, and the further proceedings would be between the Board and the local body.

24. Well, if this suggestion were carried out that there should be an unfixed rate of interest for loans by the lending Board to a local body which wanted its payments over two or three or even four years ahead, could the local body indicate to the ratepayers what the interest would be?—Yes, they could take a sufficient rate to cover either 5 or 10 per cent. They could take a vote authorizing the loan and take a rate sufficient to cover any rate of interest. They are bound to certain limits, but the ratepayers could sanction the rate and it would be a great convenience, because it would enable loans to be entered into for a long time ahead.

25. There would be no difficulty in fixing the rate so high as to make it sufficiently elastic?—To cover any possible rate of interest within the limits.

26. Do you expect that the ratepayers would agree to any local body getting a £50,000 loan at a rate of interest up to 6 per cent.?—Yes, provided the Government got it they would know they would get it cheaper through the Government than direct from lenders, and they would have the Government behind them. The Government generally gets money cheaper than any of the largest local bodies. For instance, Sydney has just borrowed £1,000,000, and had to pay for the London rate £4 17s. 6d. and the Sydney portion over £5. Our smaller local bodies could not expect to get it outside the Government as cheap as they could inside.

27. *Dr. Newman.*] Was that loan issued at par?—No.

28. What discount?—The particulars were in last night's *Evening Post*.

29. *Right Hon. Sir J. G. Ward.*] Will you look at the minute-book in connection with the application for a loan from the Borough of Campbelltown, and state whether I was present at that meeting when the loan was dealt with?—I do not think you were—I think you were absent in England at the time.

30. Then if the statement has been made by a Minister of the Crown in the House that that loan was refused because my seat was a safe one, would there be anything to warrant an aspersion of that kind?—Oh, no. I have stated it until I am sure the Committee must be tired of hearing it, that no such consideration entered into the Board's deliberations at all.

31. When it was decided by the Board to limit the loans to £5,000 in consequence of the aggregate amount of the number of applications coming in, that applied to boroughs?—Yes, we never separated boroughs from counties.

32. And as far as I am officially concerned as Minister of Finance, I should like to know whether at any time in connection with the administration of this Board any suggestion or pressure, direct or indirect, was made by me to advance money to a local body or to any one else in this country?—No. I now desire to produce a return showing "The Position of Loans raised under the New Zealand State-guaranteed Advances Act, 1909, from the 1st November to the 15th December, 1910." [Return put in—Exhibit M.]

33. *Hon. Mr. Allen.*] When you are borrowing from the Post Office, Mr. Poynton, for the purpose of loans to local authorities, on what terms do you borrow as regards the number of years?—Thirty-six years and a half.

34. All of them at thirty-six years and a half?—I think so.

35. Is there any variation from that?—I am not sure now; I am not aware of any variation. I do not think there was any.

36. And if you lent a sum of money for forty-two years, have you borrowed that from the Post Office for forty-two years?—No.

37. Have you lent any money at forty-two years?—We have made one loan at forty-two years and a half. They made a mistake in their statement at the poll; it would have meant a fresh election and a lot of expense, so the Board got out a special table for it.

38. You made a statement yesterday that under the Solicitor-General's opinion you could not lend any more money?—Yes, until the Board had the money in hand and the loans paid off it would not be safe to pay out more.

39. Do you adhere to that statement?—Yes. We have now a lot of engagements ahead and have not sufficient money to meet them, and if we are not to lend money till we have the money in hand, we have to stop till we get funds.

40. What powers have you to borrow for the year?—One million.