

members of the Board made it, but that is as far as the Board is concerned. What happens after that is nothing whatever to do with the Board. That is a question for the Minister and the Superintendent. I do not know what arrangement they choose to make—it is made by the Minister and the Superintendent.

29. Do you know of any application for a loan that was not recommended by your Board that was approved of by the Minister?—Oh, no, that would be simply out of the question. That would damn us at once as far as I can see.

30. Then there is no instance on record as far as your knowledge goes of a Minister approving of a loan that was declined or not recommended by the Board?—It could not possibly be done—it is impossible.

31. But I take it that your Board having made a recommendation, you look to the Minister to approve of that loan?—That is nothing to do with us—the Minister can please himself about that; although I suppose it is no use having a Board unless the Minister approves of what the Board does. That is all I have to say, but the Minister can please himself whether he chooses to approve of it or not. It is no business of ours what the Minister does.

32. *Dr. Newman.*] Are all these loans approved at Board meetings?—The only way that loans are approved are at Board meetings.

33. Do you recollect an application by the Remuera Road Board for a loan of £42,000?—Yes, I do, perfectly well.

34. Was that approved at a Board meeting?—Most decidedly.

35. Was not a paper brought round by a clerk to each member of the Board, and each member of the Board put his initials to it, and afterwards it was ratified at a meeting of the Board?—What do you allude to?

36. To the loan of £42,000. You remember Sir John Findlay's telegram?—Yes.

37. Well, was that loan approved by the individual members of the Board by putting their signatures to it and afterwards ratified at a Board meeting?—I do not remember that. Will you tell me the date on which it happened, because I was absent from nine meetings. [File produced.] Yes, I signed that.

38. A loan was granted, and you approved of it without a meeting of the Board?—No. We each say that we will grant permission to the Board that that loan shall be approved by the Board. We did not approve it in any way. It is put before us "To be approved."

39. Oh, no?—Oh, yes. It states, "At yesterday's meeting of the Board the attached file was inadvertently omitted to be included with five other files for the Board's recommendation to the Minister to finally approve, and as the money is urgently needed, or a portion of it, will you be kind enough to each express your approval of this file being submitted for the purpose mentioned, so that when the debentures are received the desired payment of £10,000 can be made without any delay. I personally agree to this being done, which can be confirmed at the next meeting."

40. You approved of it to be confirmed at the next meeting?—Yes.

41. Were there any other cases like this?—I do not remember any.

42. This was an exceptional case?—Yes; I do not remember any other.

43. *Hon. Mr. Allen.*] Do these forms come before you?—They are on the file.

44. Do you approve of those allocations of the loan?—That would be put in our minute-book. I cannot say what is there. We approve of the minute-book—that is what we go by, not by this form. We may call for the form, but the minute-book expressly states all the conditions of what the people want.

45. Does the minute-book say when the loan is to be paid over to the local body?—No. That is for the consideration of the Minister and the Superintendent.

46. Then who puts the allocation on the form No. 3?—We have a printed copy of the minute-book and we go by that.

47. Does the Board know anything about this at all?—They can if they choose see this, but I do not see the necessity. The whole information is in the minute-book or our printed paper. We could have the file, but it would take us a week to go through it.

48. Then when you are granting a loan to a local body do you grant it to be paid out immediately or not?—No. We do not make the arrangements with the local body at all. The Board does not know whether it is going to be paid to-morrow or any other day.

49. Who lays down that condition?—The borrower lays down his condition.

50. Has the lender got no say in it?—The lender is the Superintendent, who has power to pay it whenever he chooses.

51. Is your statement this: that the Superintendent makes the conditions with regard to the payment of the loan?—The Superintendent and the Minister, who is finding the money.

52. They make arrangements with regard to the payment of the loan?—Yes.

53. Then if a loan is to be made payable partly in 1911, partly in 1912, and partly in 1913, the responsibility is with the Minister and the Superintendent, and not the Board?—Quite so.

54. You remember the resolution you passed after the discussion in the House?—Yes.

55. You remember that your objection was to the statements made in the House?—Yes.

56. Whom did you refer to?—Well, in the first place, there was the Hon. Mr. Allen: he stated that the Remuera Road Board was paid £37,000 three days before the election. Remuera before the election never received one penny; and therefore I say that Mr. Allen made a mistake or made a misstatement which he should not have done.

57. Are you quite sure that Mr. Allen said that Remuera was paid £37,000 three days before the election?—I can only say you were reported to have said that.

58. Well, you ought to say so?—I could not say you actually said it—I was not there. It was a decided reflection. Here is what you said: "Birkenhead, £25,180, of which so much