

5. Can you say from memory how many years?—I cannot recollect precisely; I think at least three years.

6. And you were for many years Accountant in the General Post Office?—Yes, Controller and Accountant.

7. And you were also for a number of years Controller and Auditor-General of the Dominion?—Yes, from September, 1896, until the end of January, 1910.

8. Would you be good enough to inform the Committee whether in any of the positions you have held, including the present one as a member of the State-guaranteed Advances Board, if you saw anything in the shape of political interference or squandering of money or waste of money or improper administration, whether you would have considered it your duty to have attempted to stop it and at least have brought it under the official notice of the Minister?—I should certainly have stopped it, but whether I should have brought it under such notice I am not quite sure, but I should certainly have stopped it.

9. Well, if as part of your duty it was necessary you should report it, you would not hesitate to have done so?—I think not.

10. Now, on the State-guaranteed Advances to Local Authorities Board, were you at any time asked or requested by any Minister of the Crown to use your influence in the granting of a loan for any purpose?—No. No present Minister or other person ever addressed me on the subject of a loan, except perhaps a member of the Board at a Board meeting in Mr. Poynton's office.

11. But there was no political representation or interference with you of any kind?—No political representation or pressure of any kind.

12. Have you in your present position on the State-guaranteed Advances Board seen any squandering in connection with loans that have been administered by that Board?—No. Every loan has been granted in accordance with the law.

13. Has every loan been dealt with under the terms of the Act and with the provision for the security by a special rate that the Act provides for?—To the best of my knowledge and belief it has been done.

14. Well, has there been to your knowledge any loss made upon a loan on the part of a local public body not paying the interest or by depreciation of the security since the issue of a loan?—No, not that I can recollect.

15. Now, has there been any waste in connection with the carrying-on of the affairs of that Department to your knowledge?—No.

16. There has been no squandering, no waste, and no political interference with you as a member of the Board?—I would ask what you mean by "waste"?

17. That is the term which has been used publicly and reported in the Press?—I understand there has been no waste.

18. Is it a fact, Mr. Warburton, that under the old loans-to-local-bodies system, upon the expiry of a loan the principal was not required under the Act to be repaid to the country?—The General Government became liable for the capital amount of the loan.

19. Is it a fact that under the State-guaranteed Advances Act, which has replaced the Loans to Local Bodies Act, the State gets back the whole of the capital, and has the full rate of interest repaid by the local body as well as the repayment under the scale by way of a sinking fund for the repayment of the whole of the loan?—Yes, that is the case.

20. Is there anything unusual in a Board of the kind of the State-guaranteed Advances obtaining the authority of individual members of the Board for action on the part of the Board to be confirmed at the subsequent meeting?—It has been done on every Board of which I have been a member.

21. On other Boards than the present State-guaranteed Advances Board?—Yes. I recollect that was done in one or more instances. For instance, on the Board administering the Public Debt Sinking Fund, of which I was Chairman. Occasionally there would be a proposal to make one investment for which it was not considered worth while to call a meeting of the Board, and which was submitted to each member to approve of making.

22. At a meeting of the State-guaranteed Advances Board it is in evidence that business in connection with a loan authorized for the Remuera Road Board had been inadvertently not brought up to be considered at that meeting of the Board, and that when the mistake was discovered a memo. was sent to each member of the Board asking him to act for confirmation at the succeeding meeting. You agreed to that, I understand?—I do not remember the particular loan, but no doubt that was it. Yes, a loan of £42,000 was submitted by the Superintendent of the State-guaranteed Advances Department to each member of the Board, and I as one of the members approved of it.

23. And did you consider that in approving of that between the meetings of the Board that you were doing anything that you should not have done or doing anything unusual?—No, or I would not have signed it.

24. *Mr. Lee.* I may take it, then, that in approving of it in that way you were doing what was usual?—Well, it is usual in such circumstances.

25. Can you give me any other instance in the whole of the transactions of the Board in which the final approval was carried out in this way?—I do not recollect any.

26. You approved of this letter of complaint of the 30th September, 1912, directed to the Minister of Finance, did you not?—As a member of the Board, yes, I approved of it.

27. It reads in this way: "This Board regrets that the statements made in the House of Representatives on last Saturday morning, to the effect that loans have been granted by it to local authorities under political influence, and with a view to influencing the general election of last December (1911)." Was that the statement which the Board regretted?—Yes.