

85. *Hon. Mr. Allen.*] You said in your evidence that you understood there was a promise to get the money from the Post Office at  $3\frac{1}{2}$  per cent. : is that so?—That was arranged, yes.

86. Who arranged it?—Well, I presume the Superintendent or the Government.

87. Did the Superintendent report to you that you could get all the money you wanted at  $3\frac{1}{2}$  per cent. from the Post Office?—I do not recollect that he reported we could get all we wanted, but I recollect he reported that he could get money from the Post Office at  $3\frac{1}{2}$  per cent.

88. Did he inform you that he could get moneys from the Post Office for commitments for 1913 and 1914, two or three years ahead, at  $3\frac{1}{2}$  per cent.?—He did not say over what period he could get it.

89. Do you think it was right of the Board to commit the country to lending money in 1913 and 1914 when they did not know what they could raise it at?—That appears to me to be a question for the Government—for the Treasury to say at what rate they could supply the money.

90. Did you not agree to lend money the payment of which was to be made in 1913 and 1914?—I believe so—I could not say.

91. At what rate did you believe the Superintendent was going to raise that money?—I do not know.

92. And yet you lend it out at  $3\frac{1}{2}$  per cent., or recommended it?—We had a large amount of money on hand, and the question was whether we should keep it at a loss or lend it out.

93. But when you had this large amount of money on hand, were you going to hold it till 1913?—We had to assume we could continue to borrow the money authorized by the Act.

94. You had to assume that the money would be borrowed at  $3\frac{1}{2}$  per cent.?—We had to assume that we should be able to borrow the money.

95. At  $3\frac{1}{2}$  per cent.?—Yes, at the rate at which we were lending.

96. You had to assume that or else you could not comply with the law?—We could not have approved the loan.

97. So you assumed that in 1914 you could borrow money at  $3\frac{1}{2}$  per cent., so you let the money go?—Yes, we let the money go.

98. Now, after all, do you think that was a right thing to do?—That is the consideration : I do not know whether it was for the Board, but we should lose  $3\frac{1}{2}$  per cent. on the money while we held it, and if we had to raise it at 4 per cent. afterwards we should only lose  $\frac{1}{2}$  per cent.

99. You would not be lending it to the local body at the rate at which you raised it?—No, not if raised at 4 per cent.

100. Would that be legal?—No, I do not think it would.

101. Have you had to refuse loans within the last few months to various County Councils?—Yes.

102. Several of them?—Those which were for larger amounts than £5,000.

103. Many of them?—We have had to refuse loans, but I cannot recollect how many.

104. And you say you made no discrimination in regard to those loans?—Not when the money was available.

105. First come first served, was it?—Practically so.

106. Did you make any discrimination about gasworks?—There was an objection raised to gasworks. Where the money was required to purchase works, at any rate, there was some objection.

107. Was there no discrimination about gasworks where the money was to erect new works?—Where the local body proposed to erect new works, I cannot remember distinctly.

108. Did you decline a loan of £8,500 for Dargaville for new works?—I do not recollect it, but it will be in the return.

109. You granted some other gasworks loans?—Yes, there was a discrimination made as to gasworks, but I forget particularly what it was now. Where there was already gasworks established in the locality and the proposal was to purchase those.

110. I am referring to the erection of new works, and that was refused. Was Eltham granted?—It is difficult for me to recollect.

111. With regard to the limit of £5,000, what is your opinion about it? Was it intended to be used in this direction, that any local body that had at any time received a loan of £5,000 was not to get any more?—It was usual, I think, except in those cases where a loan had been granted the instalments of which had not been all paid up. If a local body, for instance, had already applied for a loan of, say, £20,000, and £5,000 of that had been issued, the £15,000 would still have gone out.

112. That is not my question : if a local body had had £6,000 granted to it and came for some more, could it get any more at any time?—I think not. I do not recollect any after such restriction.

113. Will you tell us what the resolution means?—It means what I have already explained. “Resolved, that in granting loans to local bodies preference be given to those to which loans have not already been granted. Limit to remain £5,000, and rate to be  $3\frac{3}{4}$  per cent.”

114. If anybody had had a loan of £5,000 before that, could they have got any more money afterwards?—No, I think not.

115. Are the members of the Board quite agreed about that?—I am not sure. That is my view about it.

116. *The Chairman.*] You said that if a loan had been partially paid up the balance would be paid?—Yes.

117. Supposing a loan had been simply provisionally approved, what view would the Board have taken of that—supposing it was a loan of £20,000 provisionally approved, and the £5,000 limit was imposed?—I should say that would be specially considered by the Board, speaking