

13. Was there any political pressure brought to bear by your Board upon the Government or the State-guaranteed Advances Board to get that loan which was provisionally approved?—I have no official record of that kind—merely the application.

14. Direct to the Advances Board?—Yes. I have no official record of anything further.

15. As far as you know the application came from your Board direct to the Advances Board?—Yes.

16. And that telegram you read is in reply to an application sent to the Board in regard to the loan?—Yes, as far as I know.

17. *Dr. Newman.*] What amount of money is now on deposit with the bank of that loan?—£15,000 of the £84,000 loan.

18. Where is the rest of the money?—The £84,000 is not all drawn yet. I have drawn about £53,000 altogether.

19. Does the £53,000 include the £15,000 on deposit at the bank?—Yes.

20. *The Chairman.*] There is a minute from your book to this effect: “11th December, 1911. A telegram was received from the New Zealand State-guaranteed Advances Office *re* drainage loan of £37,045 having been forwarded for Minister’s approval, and it was resolved that same be received.” Was that in reply to any communication from your Board?—That was in connection with the telegram which I have just read.

21. I understood that telegram referred to the £10,000 advance under the £42,000 loan?—No, under the £37,000 loan. There were two applications—one £10,000 for a water loan and road-construction, and also £10,000 for the drainage. The drainage is £40,000 and the road-construction and waterworks £44,000, but they were reduced down to £42,090 and £37,045.

22. The £37,045 is the second loan?—No, it was all in one loan of £84,000, but in the first instance it was divided between road-construction, waterworks, and drainage. It was reduced because there was not sufficient security.

23. £37,045 was the drainage loan, which was a separate loan really?—Yes.

24. On the 25th November you sent a letter to the Department informing them that you had sent a map of the Remuera Road Board District?—Yes.

25. You did not send any message after that?—I think the map was in connection with the drainage, not waterworks.

26. Why was a telegram sent to you to say that the drainage loan had been sent to the Minister for approval—is it usual to notify you that a loan had been sent forward for the Minister’s approval?—Yes.

27. *Right Hon. Sir J. G. Ward.*] I understood you to say that the telegram read to you by Mr. Allen was in reply to representations made by you to the Advances Board?—Yes, as far as I remember.

Remuera Road Board Office, Remuera, 26th October, 1912.

The Chairman of Public Accounts, Wellington.

DEAR SIR,—

Before signing evidence given by me before the Public Accounts Committee I beg to make the following statement, which I am prepared to make on my oath before a Justice of the Peace—viz., that without any intention of deviating from the correct facts I have evidently got mixed up with the waterworks and road-construction and the drainage loans. This is palpably evident from copies of correspondence and telegrams which I unfortunately handed to the Minister of Education, and I therefore had nothing to go by to remind me of the circumstances. I hereby certify that payment of £10,000 referred to in telegram of 10th November, 1911, was for the waterworks and road-construction; that my letter of 15th November refers to this, also my letter of 12th December, 1911, to the Advance Office. A telegram to Advances, Government Buildings, Wellington, was omitted to be included in correspondence, &c. I attach same herewith. I have no further correspondence *re* an advance of £10,000, and cannot remember how application originated. In giving my evidence I was of opinion that the telegram was in reply to representations made by me, as I was not aware of any other representation being made as far as I can remember now. The minute from Road Board book of 11th December, 1911, “That telegram was received from New Zealand State-guaranteed Advances Office *re* drainage loan, £37,045, having been forwarded for Minister’s approval”: In my letter of 25th November I enclosed a second map of the No. 2 drainage-area district, and trusting it would be sufficiently lucid to meet with approval, I urged that loan be proceeded with without delay. The part of my evidence which I unwittingly went wrong in was in reply to the Chairman, “Was that in reply to any communication from your Board?” I should have replied, “As far as I know I think it was,” as it most certainly had no connection with telegrams I had read: that without doubt referred to the £42,090 loan. The two applications for £10,000 for waterworks and road-construction loan, and £10,000 for drainage were made early in the year 1912, £15,000 of which was placed as a fixed deposit in bank for a year. Previous to these two loans, £8,000 was advanced for the drainage loan early in the year in connection with telegram mentioned in minute, 11th December, 1911, and my application, 16th January, 1912, enclosing eight debentures, &c. I must here express my sincere sorrow that my evidence should have gone so far astray, but I most conscientiously affirm that I had not the slightest intention of misleading the Committee.

I have, &c.,

CHAS. S. WILSON, Clerk

ALEXANDER SCHOLLES sworn and examined. (No. 14.)

1. *The Chairman.*] What are you?—Chairman of the Waitomo County Council.

2. *Right Hon. Sir J. G. Ward.*] Has that County Council received any money from the State-guaranteed Advances Department?—Yes.