

3. What amount?—£27,000-odd.
4. Is that the amount of the loan applied for?—No; we applied for more, but were refused.
5. How much more did you apply for?—£5,000.
6. What were the purposes for which the £27,000 loan was obtained?—Principally metalling and opening up new roads.
7. Has the whole amount been spent?—No.
8. How much of it has been spent?—Roughly, about half.
9. Have you received the whole of the money from the State-guaranteed Advances Department yet?—Not quite. I think we have some to come yet.
10. Did the Waitomo County Council apply direct for a loan to the State-guaranteed Advances Department?—Yes.
11. Was there any political influence of any kind used to obtain the loan?—None whatever, sir.
12. What district are you in—Taumarunui?—Yes, Taumarunui electorate.
13. Who was the member for the district at the time?—Mr. Jennings.
14. He was the then Government supporter, I understand?—Yes.
15. Did you make any representations of a political nature to any Minister of the Crown in connection with obtaining your loan?—No, we did not consult any Minister of the Crown or even the member of Parliament for the district in connection with the loan.
16. Has that loan been of service to your county?—Oh, yes, it was of great importance to the county to have this loan.
17. Did you know anything of the working of the old Loans to Local Bodies Act?—Yes, I have had considerable experience. I have been in the County Council since its inception.
18. Was this money required for roads in your county?—Absolutely. The district was blocked without it.
19. Could you have got the money under the old Loans to Local Bodies Act?—No; we were limited to £5,000, and, of course, that was absolutely useless to us. There were no roads made till the district was formed into a county.
20. Did you increase settlement when the new county was formed?—Yes, it is all new country, the roads not having been metalled.
21. And under the old Loans to Local Bodies Act you could not have got the moneys necessary for roads for the district?—No.
22. Had you tried to get the money under the Loans to Local Bodies Act?—Yes. There was always a difference of opinion. One big district would not allow the other part to raise money because it might absorb all the borrowing-power of the county. If a loan of £5,000 was wanted, only one district could get it, and that was useless practically. The old Act was of no use to us.
23. Under the old system you could not have obtained what was necessary by way of loans?—No.
24. Could you have got the £27,000 that you obtained from the State-guaranteed Advances Department by private loan at the time that you obtained it from the Department?—No, we could not have got it at the time.
25. Failing the State-guaranteed Advances Board having advanced you £27,000 for the purposes of the district, your alternative would have been to have applied to the Government of the country for grants upon the consolidated estimates for works?—We should have had to apply for grants. That is the only way we could have got the roads metalled.
26. So that if you were unable to obtain the money privately and you could not get it under the Loans to Local Bodies Act, unless you got it from the State-guaranteed Advances Department you would have either had to get grants from the State or remain in the primitive state you were before?—Yes, that is so.
27. *Mr. Craigie.*] Did you try to borrow the money from syndicates or private people?—Yes, we tried, but there were difficulties in regard to the security, I think, in the shape of Native lands. The conditions are much better now.
28. And your getting that money from the State-guaranteed Advances Department has been a boon to all the people of the district?—Yes, it has benefited the whole district.
29. And made roads?—Yes.
30. *Mr. Myers.*] You stated that of your own knowledge there was no political influence used, and that you never even consulted the member of the district. Has it ever been suggested to you by any other person that it is necessary to use any political influence to obtain loans under this Act?—No, it has never been suggested to me, and I know it is not necessary. The people who have to pay the interest on the loan are the ratepayers. It never even struck me to ask the member for the district. The only people I wished to consult were the ratepayers.
31. You know very well that so long as the formalities are complied with that is all that is necessary to obtain the money?—That is so.

JOSEPH GEORGE WARD sworn and examined. (No. 15.)

1. *The Chairman.*] What is your full name?—Joseph George Ward.
2. And where do you reside?—Wellington.
3. Do you wish to make a statement?—Yes, I want to make a statement. I want to state that in 1909 I prepared a scheme and gave instructions to the Law Officers to have an amendment of the State-guaranteed Advances Act made to provide money for advances being made to local bodies up to the extent of £1,000,000 a year. I introduced that legislation, and it passed through Parliament in 1909. My reasons for asking Parliament to change the system were due to the fact, which I publicly stated in the House at the time, that I found under the old system of advancing to bodies under the Loans to Local Bodies Act that public bodies throughout this