

he has a knowledge of them, because I have heard these things for the first time. I want to say in regard to the Remuera loan that if I remember rightly it was applied for in May. The whole loan, I think, was applied for on the 12th May, 1911. That loan, according to the Chairman, was provisionally approved by the Board, and I want to say that when that loan was applied for I was not in New Zealand, and Sir John Findlay was not in New Zealand. Now, the point that I am principally concerned with is as to whether influence has ever been brought to bear upon the Board to authorize a loan to any public body in this country on the score of political influence. Sir John Findlay was out of the country when the loan was provisionally approved, and I was also out of the country, and there cannot be any suggestion that either Sir John Findlay or myself, and no suggestion is made of any other Minister, having attempted to exercise any political influence to induce the State-guaranteed Advances Board to make a loan, either small or large, to the Remuera Road Board or any other local body. Now, regarding the point where the matter comes in of the deputation that waited upon Sir John Findlay, and whose telegram was sent to me on the 2nd November, 1911, and which was read, I want to point out that at that time Sir John Findlay was a Minister of the Crown. He has said in his evidence that the deputation waited upon him not to ask that any pressure should be made to grant a loan or to get the Board to authorize a loan for the Remuera Road Board, but, as he states in his telegram, "A deputation interviewed me this morning in connection with the application of the Remuera Road Board for a loan totalling £84,000. I understand that the Department has raised some objection with regard to the security, which, I think, has been answered by the Remuera Board. If the whole loan cannot be authorized at present, £10,000 is urgently needed to carry on the work in hand, and that immediately contemplated. The position is aggravated by the fact that the men engaged in the work have recently been on strike, and, the strike having now been settled, they desire to return to work. The Board meets them by explaining that they have not the means to carry on because the Government will not advance the money to enable them to pay for the work and other outgoings. I hope you will be able to have at least £10,000 advanced to relieve the tension of the present position. The deputation consisted of the strike leaders and the members of the Remuera Road Board. Kindly let me have a reply as early as you can, which I may use.—J. G. FINDLAY." On receipt of that telegram I sent it on to Mr. Poynton, marked "Urgent, for remarks.—J.G.W." Mr. Poynton in turn sent a draft of a telegram to me to which I made an addition, and to which I want to refer. The telegram as sent to me by Mr. Poynton read, "As special rate struck for water-supply loan is only sufficient security for £42,000, instead of £44,000, applied for on present valuation, this amount will be available for expenditure after being finally approved on Monday next. Debentures will be posted on Monday. Plan of district required, in case of drainage loans of £40,000 not yet forwarded by Road Board. Was wired for yesterday." Now, I added to that in my own handwriting, "Cannot advance £10,000, but as debentures for amount of loan authorized will be forwarded on Monday, that should be quite satisfactory." I cannot recall the circumstances; but with a very considerable knowledge of what I would do under the circumstances now, I want to state what I believe was the position at the time. The State-guaranteed Advances Board could not make an advance of £10,000, or £1,000, or £500, on account of a loan until the local body had completed the debentures; and in that telegram they are told the debentures are going forward to them for completion. The application for £10,000 asked for, as Sir John Findlay has stated, did not discriminate in connection with the point I am now raising. That £10,000 could only have been advanced by the Treasury. I could have advanced it if I had chosen against the total amount of the loan, and to be refunded when the State-guaranteed Advances Board loan was ready for completion. I declined to make the advance of £10,000, though it was made clear in the telegram that it was to enable the strikers to go back to work. As a matter of fact I declined it, and no one can honestly suggest there was political influence there when I refused the request. There is the fact that I refused to do the only thing which was going to be of any use in the matter of giving them employment in dealing with the reply to Sir John Findlay. Now, I want to say, Mr. Chairman, that I have never heard until this matter came before this Committee as to the procedure followed in this case in getting authorizations of the individual representatives of the Board for confirmation at a subsequent meeting until, as I say, it came before this Committee; but I want to say this: that the Advances Board having intimated in that telegram which was read to-day to the Clerk of the Board, apart from the telegram I sent to Sir John Findlay, that the debentures were going forward on Monday, it seems that the Board was bound in the ordinary course of things to have kept faith with the statement they had made; and in the mode of obtaining the individual authorities in the way they were obtained, it is not wrong as a general principle, so long as it is afterwards confirmed by the Board as a whole. I want to say that it is not unusual to have authority in connection with an important matter so given even by the Government before I was a Minister of the Crown in this country. A letter, or even a telegram, has frequently been sent to members of the Government to get their consent to important matters in connection with the affairs of the country between meetings of Cabinet.

*The Chairman.*] I do not think you are justified in making reference to a matter like that.

*Witness:* That is nonsense. I have done it myself, and other administrations have done it. There is no suggestion about it of my disclosing information. If the Prime Minister is away from the seat of Government, or even if Ministers are in Wellington, and an important matter crops up that requires immediate attention, it has been a common thing to tell Ministers individually the position and ask his individual opinion, and then afterwards to get it confirmed at a Cabinet meeting. I could show it on record after record that it has taken place with every Administration for the last forty years, and there is nothing unusual or improper. It means as an alternative that if the members happen to be scattered and individual opinions are not obtained matters cannot be attended to. It is done by local bodies and directors of institutions. It is quite a common thing, and I do not know why the Chairman should take exception to what I am stating. Sir, I want to say in connection with another matter—and it is only necessary to do so on account of it having been referred to before the Committee—that I have