

*The Chairman:* The question upon which the trouble arose is attached to the evidence, and that is sufficient. The resolution is that the evidence so far as available relating to this incident be attached to the report.

*Mr. Hanan:* Surely you should have the question upon which the remark is based.

*Hon. Mr. Allen:* I am going to ask that the Chairman rules that the report relating to this incident be presented separately.

*Mr. Hanan:* If you took the decision of a Judge of the Supreme Court and then took the evidence and dealt with it, where would you end?

*Mr. Lee:* Supposing a witness got up in Court and told the Judge that he was a biased person and had no right to sit on the Bench, would any inquiry be allowed as to the previous portion of the trial that had taken place to justify that expression?

*Right Hon. Sir J. G. Ward:* I would like to ask Mr. Lee a question upon that point. Is it not provided in the Courts of this country that any one can make a protest against a Judge hearing a case if he thinks fit to do so, and gives his reasons for it? As a lawyer you will admit that a man can object to a Judge or Magistrate hearing a case.

*Mr. Lee:* I will say that he cannot characterize the conduct of the Judge.

*The Chairman:* This is getting rather wide of the mark. I rule that this evidence cannot be attached to the report.

WEDNESDAY, 23RD OCTOBER, 1912.

*The Chairman:* Before proceeding to business to-day I wish to read the following letter received from the Valuer-General:—

“SIR,— “Valuation Department, Wellington, 18th October, 1912.  
“During my examination yesterday before the Public Accounts Committee in relation to the administration of the State-guaranteed Advances Act, I admitted while under examination by the Hon. Mr. Allen that I had signed a document which he designated a ‘round-robin.’ The term ‘round-robin’ is liable to be interpreted in its generally accepted literal sense, which conveys the impression that the signatures to the document are so arranged thereon as to make it impossible to know who signed it first. The document in question was not a round-robin: it shows no evidence of suspicion, caution, or fear. It is an ordinary document containing a prefatory statement by the Superintendent of the State Advances Department, to which are subscribed, one underneath the other, the signatures of members of the Board. I would respectfully request that I be permitted to appear before the Committee and state that the document in question is not a round-robin, or that in the alternative this letter be included amongst the proceedings of the Committee.  
“I have, &c.,  
“F. W. FLANAGAN, Valuer-General.”

“J. B. Hine, Esq., M.P., Chairman, Public Accounts Committee, Parliament Buildings.”

CHARLES AUGUSTUS CAWKWELL sworn and examined. (No. 16.)

1. *The Chairman.*] What are you?—I am Clerk to the Waitemata County Council.

2. *Right Hon. Sir J. G. Ward.*] Mr. Cawkwell, were you Chairman of the Remuera Road Board in 1911?—Yes, sir, I was.

3. Was there an application made to the State-guaranteed Advances Department for a loan?—Yes.

4. Do you recollect what the amount of it was?—The amount was £85,000. I asked for £40,000-odd for drainage, £24,000 for roads and street-construction, £1,000 for waterworks, £1,000 for a fire plant.

5. What was the date of the application for the loan?—The application was made some time in March or April. Provisional approval was received on the 22nd May, 1911. Of course, the application would be prior to that. We had some correspondence in regard to the merits of the thing.

6. Was any political influence exercised by you or by the Department in connection with the application for the loan?—Absolutely none. There was no occasion for it. At the time the Government passed this statute I was Treasurer for three or four local bodies, and I understood the money was available or said to be available. I knew the trouble of the local bodies, and I saw that we could carry out certain works at the rate of interest charged, and I applied for the loan. There was no occasion for political influence. We simply made application to the Superintendent of the Advances Department and received a reply. I emphatically swear that there was no political influence.

7. Either by the member of the district or any Minister?—No; the whole of the papers were drawn up by myself.

8. Was that loan necessary for your Road Board?—Yes, absolutely necessary. When I took charge we had a population of some three thousand persons. The trouble began when the tramway was extended to Remuera, because inside of three years that population doubled, and it is now six thousand. We had a reservoir to hold 120,000 gallons. The previous summer the water in the reservoir was down to a foot, and it meant either a water famine for six thousand people or a reservoir to hold 1,000,000 gallons. We had to get this money somewhere. We had to get the consent of the ratepayers to strike a general rate, and we had to get cheap money to finance it. Then, again, in regard to drainage, we had an epidemic of diphtheria and typhoid, and we had six thousand people without drainage.

9. Could you have obtained the money anywhere else at that time?—No, my experience is that it was impossible. I had obtained waterworks for Northcote Borough by borrowing from the Savings-bank at 6 per cent., including a sinking fund of 1 per cent., and that made it impossible to go on.