

187. Do you think any one else informed the men?—I do not know. Not to my knowledge.

188. But you knew when you addressed the men of this answer?—Yes.

189. And you did not tell them?—No, I did not.

190. But you knew?—Yes. In addressing the men I said that the next Government, owing to the announced policy, would probably cut off the loans and give no more advances.

191. Cut off a loan already issued to them?—No; we anticipated more money to carry on the works.

192. Cut off what loan?—The chance of getting any more money. We expected to get more money for other things.

193. *Mr. Lee.*] An additional application?—Yes; we expected to go on. We wanted to have more schemes.

194. *Hon. Mr. Allen.*] You were very greedy?—The others did not ask for the money.

195. Did you not think £84,000 was enough for Remuera?—For the present, yes.

196. Sir John Findlay's reply came on what date?—I do not know.

197. Is this the telegram from Sir J. G. Ward to Sir John Findlay [handed to witness]?—Yes, dated 2nd November.

198. And the election was when?—On the 7th December, and the second ballot on the 14th December.

199. And you addressed these men three or four days before the second ballot?—Yes.

200. And you knew perfectly well the loan was assured at that time?—Yes, but I did not say so.

201. Now I want to get back to the provisional approval of this loan, which you say was on the 22nd May, 1911?—Yes.

202. Now, you gave evidence just now, did you not, in this direction: that you considered the provisional approval of a loan was practically the granting of a loan—that a loan was assured when once it was provisionally approved?—I did not think the Government would break faith after leading us to suppose we would get it. I do not think this Government would do so.

203. You got a copy of the regulations under which the loans were granted, did you not?—Yes.

204. Will you read Regulation 6?—Yes. “No such provisional approval by the Board shall be deemed to constitute any agreement between the Board or Superintendent and the local authority, or shall affect in any manner the right of the Board to refuse to grant the loan, or its right to impose any conditions on the grant thereof.” I was aware of that.

205. How can you in the face of that say that provisional approval was a direct committal?—Because the Governments I have dealt with have kept honourable throughout, and have not done anything dirty like that.

206. Would it be dirty to carry out the regulation that is issued?—It would be dirty to lead us into expending a large amount of money in entering into contracts and getting plans out and then go back on us at the finish. It has not been done, and I do not think any Government would do it.

207. Do you think the regulation is of no value?—I think it is only in case of financial panic—only as a safety-valve.

208. When you read the regulation you did not think it of any importance?—I did not think it worth while considering it.

209. Do you not think if the Department sends you regulations that they have carefully considered them beforehand, and that it ought to be considered by you?—I often put in things that are more honoured in the breach than in the observance.

210. I am not asking you what you do. Do you think the Department puts a regulation in like that for fun?—I think it is put in for a safety-valve. Taking this Government to-day, I do not think they would go back on their provisional approval.

211. You think that regulation of no value?—I do not think it is except in case of financial panic, and you would be justified then in carrying it out.

212. When you applied for this loan you said to the Board you wanted the money paid to you in what proportion?—We simply applied for the amount *in toto*.

213. Have you not a memo. of what you applied for?—I have seen the form. They wanted the money paid in instalments. I have filled up the form, and the money was spread over a period of four years. It was wanted in instalments suitable to what the requirements were.

214. You are not aware that at that time they said they wanted £10,000 before January, 1912?—Is that the £10,000 we asked Sir John Findlay about?

215. Another £10,000?—I do not know what was put in the application.

216. What is in this form on the file?—£8,000 on the 1st January, 1912. That will be right if it is there.

217. I want to know what they required before that—what did the people want who put this application in—what is on the form?—I presume they wanted it to carry on the work. We anticipated that all those legal steps we had to take would carry us into December.

218. At that time you did not anticipate that you would want much money before January, 1912, did you? How much is in the form as wanted before January?—I asked for £8,000 for drainage before January, 1912.

219. The form states £5,000, does it not—you wanted that?—Yes.

220. What date is that?—15th March, 1911. That is assuming all the regulations are complied with as soon as we could get it. We wanted the money to go on with.

221. But beyond that £5,000 in March, 1911, you at that time did not anticipate you would want anything till January, 1912?—Apparently not; but we have not got the £5,000. We did not get anything. I did not say we wanted £10,000 from the Government in November; we wanted something. £2,000 might have carried us over, and that was to be cut up.