

application was the 26th August, 1908; the date received in the Treasury was the 28th August, 1908; the date of provisional approval was the 24th September, 1908; and the date of payment was the 3rd November, 1908. Then, the third loan, of £21,250, for constructing waterworks, installing electric light, &c.: the application was first received on the 26th February, 1909; loan procedure passed Law Officer on the 26th August, 1909; and the debentures were signed on the 9th April, 1910. Then, in regard to the fourth loan, of £3,750, for extending drainage system at Taihape: the application was received on the 26th February, 1909; passed Law Officer on the 26th August, 1909; and debentures signed on the 9th April, 1910. [Exhibit N put in.] That is the £30,000 advanced to the Borough of Taihape at various periods between 1908 and 1911, and the reason I had for making the statement in the House—and I might just as well be candid about it—is that it is my opinion that the fact that the Government was going to make those grants to the Borough of Taihape had a considerable effect upon the elections which took place there. I do not think there is any shadow of doubt about it.

17. Would you be surprised to know, Mr. Fisher, that a loan of £21,250 was made by the Bank of New Zealand, and not by the Government?—Not at all. I understand the loan was made by the Government, and the money borrowed from the Bank of New Zealand.

18. I know it is a fact that £21,250 was advanced by the Bank of New Zealand?—Under the Local Bodies' Loans Act.

19. No?—You have had the official files to prove that. I cannot discuss that point. I know that through the influence of the Government, or by the will of the Government, the electors of the Borough of Taihape got the money; but whether they got it from the Bank of New Zealand or how it was paid over I do not know.

20. As a matter of fact my informant is the representative of the district, whom I asked to get the information for me?—Well, I think you and he are wrong. The files will prove it. The £21,000 for waterworks was passed by the Government Law Officers and the debentures signed by the officers of the Treasury.

21. Would you, upon your oath, state that any portion of the money advanced by the State-guaranteed Advances Department has been used by the Taihape Borough for the purpose of providing electric light?—I could not say what they have used it for, except the statement I have just put in shows that portion of the loan was for electric light.

22. I am asking you the question whether any portion of the loan advanced by the State-guaranteed Advances Department has been used for providing electric light?—I do not know. I am not familiar with Taihape, and I do not know how the borough used the money.

23. The statement made in your speech was, "Why, the Town of Taihape to-day is electric-lighted by some of the money promised shortly before that election." Do you say that is correct?—Promised by whom and out of what fund?

24. I ask you whether that statement is correct?—Yes, I say the statement is correct.

25. I go back to the statement made in the House: "Why, the Town of Taihape to-day is electric-lighted by some of the money promised shortly before that election." Is that correct?—Yes, money promised by the Government and paid over, but not out of the State-guaranteed Advances Fund. Here is the loan (in the exhibit) of £21,250 for electric light.

26. You say that loan was a Government loan?—Decidedly.

27. You made another statement in the House in connection with an application made by the Borough of Campbelltown in my electorate?—I have never heard of Campbelltown in my life.

28. You have heard of the Bluff?—Yes.

29. Well, that is Campbelltown?—I did not mention that.

30. I made a statement about a loan to the Borough of Campbelltown which was refused, and I said I had not attempted to use any influence in connection with it, and you interjected, "Because it was a safe seat"?—Is it there?

31. It is in the Press report which we have used as our guide. Did you make that statement?—I will neither deny or affirm it. I have no confidence in newspaper reports.

32. Did you make the statement?—I have no recollection of it.

*The Chairman:* I have ruled on more than one occasion that a newspaper report is not evidence.

*Right Hon. Sir J. G. Ward:* It was agreed at the start that we would take the report which appeared in the *Dominion* of the 28th September.

*Mr. Lee:* I am not going to be bound by that: I was not here.

*Witness:* Let us assume I did make the statement.

33. *Right Hon. Sir J. G. Ward.*] But the honourable gentleman did make it. Had you any justification for making that statement?—The practice of the Government usually was to spend public moneys in districts which they wanted to win, and the statement which was dealt with that you did not spend money at the Bluff would be explained by the general practice of the Government of spending money in those districts which they wanted to win the seat. I looked upon that as the general practice of your Administration for years past.

34. If advances had been made during election months to districts which were opposed to the Government, would you say that shows a preference for such districts, and would you say that is the general practice?—It would depend entirely on what the figures show.

35. You did not answer the question?—I do not intend to till I see the figures, and make an estimate of the position.

36. If you do not know until you see the figures, how do you reconcile that with what you say is the general practice?—Because I know that to be so—because my political experience has taught me the methods your party has adopted.

37. In regard to local bodies' loans?—In regard to all sorts of public expenditure.