

92. Because of an inquiry into the Department the Board has come to the conclusion it will do nothing?—I think you are unfair to the Board. The Board has considered that it would not be fair in view of the Solicitor-General's opinion to enter into engagements until the Act is altered.

93. Under £5,000?—Under anything.

94. I understand the Board has refused to lend money for retmetalling?—No, we have not done anything of the sort.

95. Does the Board make any inquiries as to whether there is any retmetalling in proposed applications?—The Board has not distinguished between metalling or retmetalling. They grant a loan for metalling roads or repairing roads. We consider that roading, metalling, or retmetalling is part of roading. It has never been distinguished by the Board.

96. Now that the matter is brought before you, what would you think if two applications came in, one for metalling and another for retmetalling—what would the preference be given to?—To the first metalling. That is a matter that has not cropped up. I think in any case where there is a shortage and not enough to go round it is necessary to discriminate.

97. *Right Hon. Sir J. G. Ward.*] In the return you furnished to this Committee up to the 30th September, 1912, you show that the final approvals amount to £2,194,845?—Yes, I handed in a return.

98. The only loan that this Committee has specially investigated in connection with political influence being exercised is that of the Remuera Road Board of £37,000?—I think the Committee has raised the question in regard to Hokitika, Wairoa, and Motueka Harbour Boards, and Timaru.

99. It is not suggested that political influence was exercised there. Of the £2,194,845 finally approved, the only questions put to you suggesting political influence applies to the one loan of £37,000 to the Remuera Road Board?—The inquiry seems to have centred round that one loan.

100. There has been no suggestion of political influence in connection with any other loan?—I do not know of any other where the inquiry seemed to be so searching as in that case.

101. Has there been any questions put to you by any member of the Committee suggesting any political influence regarding any other loan than that Remuera loan?—No, I do not think so.

102. Now, in connection with the Motueka Harbour Board loan, was any influence of any kind brought to bear upon you by any Minister as to the extension of the term of the loan?—None whatever.

103. Or by any member of Parliament?—No.

104. Now, in connection with the telegram that I sent to you from Sir John Findlay, was there any suggestion upon that telegram from me as Minister of Finance that you should do anything of any sort or kind in connection with that loan?—I did not read it that way.

105. The only remarks on that telegram from me addressed to you were, "For your remarks." Is there anything on that telegram from me to you suggesting any reply?—No; "For remarks" are your words.

106. Will you look at the telegram you sent to me and say whether there is any alteration made in that portion of the reply sent by you to me as despatched by me to Sir John Findlay?—There is no alteration.

107. Was there any suggestion of any kind made by me to you as to what the nature of your reply should be?—None whatever.

108. When I sent the telegram on to you for your remarks, there was no suggestion of any kind made?—No. As I say, I took it merely as a complaint against the Office by the local body, which was itself to blame.

109. In that portion of the telegram in my own handwriting at the bottom of your reply I added words refusing to make the £10,000 advance which had been asked for?—Yes. You said, "Cannot advance £10,000, but as debentures for amount of loan authorized will be forwarded on Monday, that should be quite satisfactory."

110. *Mr. Hanan.*] When you got that telegram, Mr. Poynton, sent on to you, did you read it and act accordingly as considering it was left entirely to you to determine the nature of the reply?—Yes.

111. *Dr. Newman.*] Did the word "Urgent" on Sir Joseph Ward's telegram convey anything to your mind?—No. Nearly all memorandums and telegrams from Ministers we regard as urgent.

112. On the necessity for putting "urgent," is the word "urgent" on a Minister's memo. of no significance to you at all?—They are nearly all marked "urgent."

113. Do you mean to say it is the same whether it is marked "urgent" or not?—It is attended to at once whether marked "urgent" or not. All instructions from a Minister are considered by officials as urgent.

114. The word "urgent" expressed from the Minister something?—Some Ministers are in the habit of putting the word "urgent" on documents, and others do not. We regard all documents from a Minister as urgent.

115. The Motueka Harbour Board had debentures for a longer period than any other body?—Yes.

116. The annual payments were therefore lighter than to any other Board?—Yes.

117. Who represented Motueka in the last Parliament?—I could not say whether the member for Nelson or the member for Motueka.

118. Take the Wairoa Harbour Board: was that, at the time the loan was applied for, in the constituency of Sir James Carroll, a Cabinet Minister?—Yes, but I did not know until this inquiry started.

119. Did Sir James Carroll sign the approval?—He did.

120. *Hon. Mr. Allen.*] You prepared some returns for me about the amount of total grants up to the 31st March, 1912. Would you tell me the grants above £5,000 and under the £5,000 limit?—Above, £955,895; and under, £209,965.