

33. Were the Taihape Borough right in believing on the receipt of that letter that, if they carried out the debentures and coupons properly, they would certainly get the loan?—I should say so, without question.

34. *Right Hon. Sir J. G. Ward.*] Was there any doubt as to the security referred to by Dr. Newman?—I do not see anything here on the file; everything appears to be in order.

35. As a matter of fact, that letter which Dr. Newman referred to as signed by you and sent to the public body, would that letter be sent out by you in the ordinary way without reference to the Minister when the matter got to that point?—Yes. I would not consult the Minister.

36. That letter would not go before the Minister at all?—No; it would not go before the Minister.

37. So that if there was any political connection between that letter and the local public body it would be assuming that the Department was acting indirectly?—Yes.

38. There is nothing of the kind done, is there?—No.

39. There would be no request made by the Government or Treasury to make an advance to a local public body?—No; the Treasury would have nothing to do with the Bank of New Zealand in the matter of the loan. The bank might ask about the debentures—whether they were right. That is the only information given.

40. Do you know I always refused to make any representations to anybody who wanted to get accommodation from the Bank of New Zealand?—Yes, I have heard you say so. I desire to say, Dr. Newman, that I see this passed through the Law Office on the 26th August.

41. *Dr. Newman.*] But your letter was dated the 30th. This loan was first applied for on the 26th February, 1909?—Yes.

42. Six months elapsed and then the loan is passed procedure by the Law Officer. What made the Law Officer wait six months to pass it?—You mean from February to August?

43. Yes?—I have not gone through the papers. I think it will be shown that it was the fault of the borough in getting out their special order. If you follow it up you will see the reason.

44. But they did not ask the Law Officer?—The Law Officer is not consulted until everything is found to be correct by the Treasury. The procedure was not in order until some time in the month of August. The papers appear to have been submitted about the 26th August.

45. And the office reply is about the 26th August?—Yes.

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