request was that a loan previously granted for 36½ years should be extended. A letter came from Mr. White to Mr. Fowlds as follows: "I have the honour, by direction of the Council, to enclose a copy of a letter sent to the Board urging the granting of the proposed loan of £25,000 to this borough on the 50 years' basis instead of the 36½. The Council would point out the utmost importance of a water-supply for the borough and the necessity of making the burden as light as possible on the ratepayers. Improvements were made to the approach to the borough, which added considerably to the rates to be borne by the ratepayers, and it will require very careful adjusting to provide a water-supply and yet have the rates which will not impede the progress of the borough. Under the fifty-year basis the Council hope to carry the proposal, and if you could approve of the loan on this basis your action would be greatly appreciated. A similar letter to this has been sent to Sir Joseph Ward. I have the honour to be, sir, your obedient servant, A. L. WHITE, Town Clerk." Your secretary then minutes that on to me, and then I wrote a letter for the Hon. Mr. Fowlds to sign.

95. *Hon. Mr. Allen.*] Who are the signatures signed by?—The private secretary initials them. He does not want to bother the Minister with them, as he knows they have to come to me. On the 31st January, 1911, Mr. Fowlds wrote, "In reply to your letter of the 24th instant asking that the term of payment of the loan of £25,000 be 50 instead of 36½ years, I have sent your letter on to the Right Hon. the Minister of Finance, who is Minister in charge of the State-guaranteed Advances Office. The question of extending the term will be considered at the next meeting of the Board."

96. *Right Hon. Sir J. G. Ward.*] What was the final result of the consideration?—It was refused. It was submitted to the Board on the 15th February, 1911, and it was decided to decline to extend the term of the loan.

97. So that in any of the communications from the Birkenhead Borough Council or in the minutes from myself or Mr. Fowlds there is no suggestion that any influence should be used to give effect to the application?—No.

98. While upon this matter, on the first page of the statement you read this morning there is a list of the attendances of members at the Board meetings, as follows: Mr. Warburton, 94; Mr. Kember, 83; Superintendent, 81; Public Trustee, 62; Valuer-General, 34; and the Minister, 14?—Yes. Twelve of the fourteen attendances were yours, one Mr. Carroll's, and one Mr. Millar's.

99. Would you be good enough to inform the Committee of my last attendance?—The 15th February, 1911, was your last attendance. I might say, Mr. Chairman and gentlemen, that Sir Joseph Ward was anxious to know whether the scheme worked smoothly, and we had special meetings. We had to suit his convenience, and we had meetings sometimes in the Cabinet room, and, I think, once at his private residence. He was particularly anxious to see the thing working smoothly, and once it began to work smoothly and we had weekly meetings he did not attend again.

100. Do you know what the procedure was that I adopted in the matter of giving out information concerning the details of any business done by the Advances to Settlers Board?—We always regard our business as confidential and we do not expose it. Sometimes the total amounts of advances were given to the Press, but no particulars further than that. The Press used to worry you at the time. They used to come to you and ask for information; you used to send them on to us, and we used to send the total amounts up to you and you used to give the particulars to the Press.

101. Now I come to another matter: there is a return here of credits and debits, Loans to Local Authorities Account, 16th September, 1912, in which is set out—"Bank balance, £7,000; estimated receipts to 31st March next, which can be used as capital after payment of interest and sinking fund, nil; amount temporarily invested in accordance with section 27, New Zealand State-guaranteed Advances Act, 1909, £20,000; amount temporarily transferred to other branches in accordance with section 35, New Zealand State-guaranteed Advances Act, 1909, £550; commitments, £651,310; debits, amount temporarily transferred from other branches in accordance with section 35, New Zealand State-guaranteed Advances Act, 1909, £30,000; unexhausted loan authorities to 31st March, 1913, £825,000; estimated receipts for year ending 31st March, 1913, repayment of principal and interest, £73,000; estimated expenditure for year ending 31st March, 1913, interest on loans and sinking fund, £78,000." It is a fact that you hold at present, or did on the 16th September, £825,000 of unexhausted loan authorities, is it not?—Yes.

102. And that the total commitments that would be extending over more than a year, as against the authorities that are available, of £825,000, are £651,310—that is so, is it not?—Yes.

103. Now, will you take the amount of commitments from the amount of available authorities and inform me if the balance of unexhausted authorities over and above the total amount of commitments is £173,690?—Yes.

104. After providing for all commitments?—Yes.

105. Then there are £173,690 of loan authorities at credit to be availed of for the purpose of providing money for local authorities over and above the whole of the commitments on the 16th September last?—Yes; but I would point out that the commitments were not all acquired up to the 31st March, when we would have authority to raise another million.

106. Yes, but I want to get the commitments on the 16th September. It is a fact that you have got authorities for obtaining advances for paying the whole of the commitments up to the 16th September, and available authorities of £173,690 beyond that without relying upon the next million that the Act enables you to borrow, providing it is decided to borrow it?—Yes; next year, not this year. We have no authority above the £825,000 beyond the 31st March. After the 31st March we begin a new year.