72. Did you realize that this was a reflection upon the members of the House?—No, I did not intend it to be a reflection on the members of the House.

73. Did you realize that it was a reflection on the Minister in charge of the Department?—No.

74. Did they intend it so?—I wished for an inquiry to remove the impression that undoubtedly existed in the House amongst a great many members.

75. Then had the Board no intention to reflect upon any member of Parliament?—None whatever. I wished for an inquiry to remove the impression which appeared to exist amongst members of the House that these moneys had not been dealt with properly.

76. How many members of the Board were present when the resolution was passed?—I think all were present except the Public Trustee, who was ill.

77. Have you the minutes here?—Yes. There were present Mr. Flanagan (the Valuer-General), Mr. Kember, Mr. Warburton, and myself as Superintendent.

78. How many were there altogether?—Four.

79. Now, you were in the House, Mr. Poynton, when this debate took place, were you not?—I was.

80. Did I make any charge whatever against the Advances Board for local authorities?—No.

81. Did I make any suggestion that they had been influenced politically?—You made no suggestion, but the statement that the money had been spent, or the impression that undoubtedly existed, I thought, in your mind, that the money had been spent for political purposes, was, of course, an implied suspicion or a strong suspicion that members of the Board had lent themselves to this

82. Why should the suggestion be put in the light that it was the Board that was influenced politically?—Because the Board has everything to do with these loans except the final approval.

83. Had the Board everything to do with these loans?—Yes.

84. Could the Board grant a loan?—It could grant a loan with the approval of the Minister.

85. Could they grant a loan without the approval of the Minister?—No.

86. Have you got the 1909 statutes there?—Yes.

87. What is the section that deals with the approval of the Minister?—Section 69, paragraph (*d*), reads, "That the application is approved by the Minister in writing, for which purpose the application and all papers relating thereto shall be forwarded by the Board to the Treasury."

88. Must the Minister sign the form before any loan can be granted?—Yes.

89. And no loan can be granted without that?—No.

90. Would the Minister be justified in refusing a loan?—Yes, if he thought so.

91. Would it be his duty to refuse a loan if he thought it was right to do so?—It would.

92. In every instance the Minister has to sign?—In every instance, to complete the transaction. It cannot go without his signature.

93. Would his initials be sufficient?—Yes, as long as he approved the loan.

94. And you agree that his initials are sufficient, and not the full signature?—Yes; his mark would be sufficient if he approves the loan.

95. Now, you have the Remuera file, have you not?—Yes.

96. Before I come to the file: if any suggestion were made about political influence, why did you imply that it was a suggestion against the Board?—Seeing that the Board accepts these papers, forwards them on to the Minister for recommendation, and he signs or initials or approves them, and that they do not go to him till the last, then the suggestion that the money had been spent at random and used for political influence during that year, was a very strong imputation against the honour of the Board.

97. If there was anything in the suggestion?—It was the impression that concerned the Board, not the actual words. The impression undoubtedly existed in the minds of very prominent members of the House and Ministers that the loan-moneys of the Advances Office had been lent for political purposes and with the view of influencing the election, and that was a very grave reflection on the Board.

98. Would the suggestion, if it were made, and if it meant anything, apply equally to the Minister as to the Board, or more to the Minister?—No, not with the procedure that has been in existence for these last eighteen months. Seeing that the Minister never attended the Board and took no active part in the granting of the loans, the whole of the responsibility as far as the granting of the loans was concerned or receiving the provisional approval of the loans would rest with the Board, more so than with the Minister.

99. Has the Board more to do with it than the Minister, when the final approval rests with the Minister?—No. Final approval has never been refused by the Minister.

100. But you say it may be?—Yes, it may be. If the Minister thought the Board was doing wrong in entertaining loans or exercising favouritism, it would be the Minister's duty, just as it would be the Board's duty, to refuse to recommend it if they thought it was being used for political influence.

101. Take the Remuera file dealing with the £42,090 loan: would you mind reading the telegram from Sir John Findlay to Sir Joseph Ward?—The date is 2nd November, 1911, and it reads, "A deputation interviewed me this morning in connection with the application of the Remuera Road Board for a loan totalling £84,000. I understand that the Department has raised some objection with regard to the security, which I think has been answered by the Remuera Board. If the whole loan cannot be authorized at present, £10,000 is urgently needed to carry on the work in hand and that immediately contemplated. The position is aggravated by the fact that the men engaged in the work have recently been on strike, and, the strike having now been settled, they desire to return to work. The Board meets them by explaining that they have not the means to carry on, because the Government will not advance the money to enable them