

MINUTES OF EVIDENCE.

WEDNESDAY, 9TH OCTOBER, 1912.

Hon. Mr. Allen: I desire to say, Mr. Chairman, that I will give Sir Joseph Ward a free hand to summon what witnesses he likes, but I want to get the business done as soon as possible. I want to call as witnesses Mr. Poynton and the Chairman of the Board, Mr. Warburton.

Right Hon. Sir J. G. Ward: I am obliged to Mr. Allen for his expressed intention of giving a free hand in connection with this important matter. I want to have four or five aspects of the matter investigated, and I do not wish to take up any extra time about it that can possibly be avoided. I want the important question first, as to whether political influence was exercised in connection with the advances made inquired into, and I want the whole of the members of the Board summoned and to be put upon their oath. I am in the position of not having approached any of the members of the Board or any one else in connection with the matter, but I want to ascertain for my own information whether anything has ever been done either by myself or any other Minister which could be regarded as in any way exercising influence in connection with the advancing of loans by this important lending institution. I do not know where the suggestion emanated from, but, whoever it was, I want to have an opportunity of his being put upon oath and being examined. I want an investigation into the suggestion that there has been money squandered; I want an investigation into the suggestion that there has been waste; into the question of the source of moneys that have been borrowed by the State-guaranteed Advances Board for the Local Authorities Branch; and I want the amounts and dates of loans borrowed, particulars of commitments for each year from the starting of the Board, particulars of the total loans borrowed, and I want particulars of the amount of authorizations in existence at the moment to provide for any commitments the Board may have in hand. I am mentioning these in order to obtain some of the returns.

Hon. Mr. Allen: I will now put in the letter from the Department to me as Minister of Finance which I read in the House, as follows:—

“New Zealand State-guaranteed Advances Office,

“Advances to Settlers Branch,

“Wellington, 30th September, 1912.

“Memorandum for the Hon. the Minister of Finance, Wellington.

“At to-day's meeting of the New Zealand State-guaranteed Advances Office Board the following resolution was passed: ‘This Board regrets the statements made in the House of Representatives on last Saturday morning to the effect that loans have been granted by it to local authorities under political influence, and with a view to influencing the general election of last December (1911).’

“No loan has been granted by this Board to any local authority under any pressure whatever. The only considerations influencing the Board in granting loans were—(1.) Was the money required for necessary works (irrespective of the class of local body applying for the loan)? (2.) Was the security sufficient? (3.) Were funds available?

“This Board asks that a copy of this resolution be sent by the Superintendent to the Hon. the Minister in charge of the Department.

“The Board further respectfully asks that (1) a copy of the above resolution be handed by the Minister to the Press; (2) a tribunal be set up as soon as possible to investigate the charges of political influence made against the Board.

“In forwarding the above I would point out that the objection to the Board lending to boroughs has no weight, for these reasons: (a.) There was no power given to the Board to discriminate amongst different classes of local authorities. (b.) Had the Board done so and accumulated funds while certain classes of bodies entitled to them were refused loans, it would have been properly condemned for (i) favouritism, (ii) losing money through having funds uninvested while local authorities were refused loans, and (iii) breaking the law by assuming powers it did not possess.

“No proper application by any local body was refused so long as funds were available.

“J. W. POYNTON, Superintendent.”

Right Hon. Sir J. G. Ward: I have purposely refrained from speaking to Sir John Findlay, but I may want, if it is necessary, to call him and the then Chairman of the Remuera Road Board; and I want, if it is necessary, to call the Mayor of Hastings and the Mayor of Timaru, and the representative of any district in the country from any side in politics concerning which a loan has been advanced to any public body in the district. In short, I want, in the general interests of the country, to clear up the suggestion which has been put all over the country, and in which it is deliberately suggested in the present Government Press that I have been personally responsible for using a great State lending Department for political purposes. And if necessary I want to give evidence on oath myself before the business is over, because at the inception of it I wish to personally give every one of those statements which have been made regarding it a categorical contradiction, and to state that so far as I know there is not a shadow of foundation for the aspersions that have been cast upon me, and unfairly so.