

107. But over and above the commitments for the current year at the 16th September, plus the amount of repayments of principal and interest, there is an amount of £173,690?—But there will be more than that paid out. You have to take £5,000 off the amount.

108. You have the £173,690 and the whole of the moneys available for interest, less any debits there may be against that for interest or sinking fund?—Yes, we have authority to raise the money for commitments.

109. Then if the same principle were applied to the raising of loans for local bodies as applies to advances to settlers loans and advances to workers loans, of making the unexpended portion of a loan of one year cumulative in the second year, there would not be any difficulty in regard to authorities in the finding of the money?—I recommend it to the Minister if—

110. *Hon. Mr. Allen.*] Have I got the authority to raise the unexpended balance of last year?—*Sir Joseph Ward* was asking me would it not be better to extend the principle, and I say it would be.

111. But have I the authority now?—No.

112. *Right Hon. Sir J. G. Ward.*] If the Minister of Finance makes the same system applicable to the obtaining of loans for local authorities that exists under the Act for purchasing land for settlement or lending money to settlers or workers, they could be made available to such amount the Minister of Finance likes to ask for?—It would be a convenience. It has been extended in the case of workers. Last year the Act was amended so as to allow the available moneys or unexhausted authorities to be carried into the next year.

113. *Hon. Mr. Allen.*] But it does not apply to this?—No. It reads, "Provided that whenever the total amount authorized to be raised under this subsection in any one financial year is not raised within that year the balance unraised may be raised during any subsequent period in addition to the amount authorized to be raised during that subsequent period." I have recommended the amendment.

114. *Right Hon. Sir J. G. Ward.*] Can you state at this juncture, in regard to the commitments of £651,310, the number of years the payments extend over and the amount that is payable during each year?—Well, I have given the Committee a list of them as far as we can possibly do it. The statement is, "Probable dates when Advances on account of Loans raised under the New Zealand State-guaranteed Advances Act, 1909, will be needed."

115. According to this return of the probable dates, there is £266,650 required and to be provided for during the year 1912?—Yes. There may be more—we have not got them complete. It is difficult to get some of the local bodies to send them in complete. They are very careless, and I am going to suggest that a new procedure be adopted compelling them to do so. There are a few thousands that you can add on to that—say, £20,000 or £30,000.

116. Approximately it is £300,000?—Yes.

117. Then in 1913 there is an amount stated to be payable of £192,895?—Yes.

118. That is approximate too, I presume?—Yes. The local bodies do not like stating very far ahead, because they think they may want the money sooner, but it is necessary they should state so.

119. In 1914 the amount set down as payable is £91,465?—Yes.

120. Out of the total of £651,310 of commitments on the 16th September, taking the amount approximately at £300,000 payable in 1912, that leaves £284,360, representing commitments of £192,895 for 1913 and £91,465 for 1914, to be raised under authorizations in the years 1913 and 1914?—Yes.

121. Now, would it be a businesslike financial operation to raise this year the amounts required to be provided for 1913 and 1914?—Well, you would lose all the interest in the meantime unless you could find some investment for the money.

122. Is it done in the matter of providing moneys for the purchase of lands under the Land for Settlements Act, for instance?—No.

123. Is it done in the matter of providing moneys for payment of contracts extending over two or three years?—No.

124. Has it ever been done in this country?—I could not say. It has never been done in my time. I think it would be a piece of folly to do it. If you borrowed money for the Otira Tunnel contract six years ahead, or money for lands for settlement eighteen months ahead, in the meantime you would lose interest on it.

125. Is there any proposal this year, Mr. Poynton, to be made upon the supplementary estimates, or to be made in the Authorization Bill that is to come before Parliament, to provide for the total amount for the Otira Tunnel contract?—I do not know.

126. Will you look at the form attached to Exhibit I which you put in this morning, which goes to the Minister after the Board has dealt with an application for a loan?—Yes.

127. That form provides for the summary of the particulars of steps taken to obtain the loan, and who applied for, and then for the signature of the Superintendent; it provides that the local authority appears to have taken all necessary steps to obtain the above loan—namely, the consent of the ratepayers, the special order making the rate, then adopted, confirmed, advertised, gazetted, the rateable value of the district, showing the special rate of how much in the pound is sufficient for the loan of the amount applied for, and the rate per cent. that the local body is to pay upon the loan and for the number of years of such valuation; then, when the information is filled in under the whole of those headings, the following question is put to the Solicitor-General upon the same form: "Do you consider that all the necessary legal formalities have been so observed in this case as to enable the loan to be granted?" That is signed by the Superintendent, and that goes on to the Solicitor-General. Is that so?—Yes.

128. The date, of course, is furnished by the Superintendent below his signature; and then, after that is done, on the same form, addressed to the Minister of Finance, is the following: