

42. Who are the other members of the Board who deal with the local authorities' loans?—Mr. Warburton and Mr. Kember. Those are the two outside members.
43. What do you mean by "outside members"?—Non-official. The Act requires two members not connected with the Civil Service.
44. How are they appointed?—By the Governor.
45. Who are the other members of the Board?—The Valuer-General (Mr. Flanagan), the Public Trustee, and the Minister.
46. Now, on the 30th September, you, as Superintendent, addressed a letter to me, did you not?—Yes.
47. That letter is on record here, and the opening sentence is this: "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.'" What statements were the Board referring to?—Statements that money had been lent during the election year and with the evident intention of influencing elections.
48. Where did you get them from?—From the Press.
49. Can you show them to me in the Press?—I cannot show them to you. There were headlines in one of the papers, and the *Post* said the charges were very explicit.
50. I want them, because this is a charge made against some members of the House, and I want them explicitly put on record?—The *Post* of the 30th September, which is an impartial paper, or supposed to be, contained statements.
51. When were the statements made?—On Saturday morning.
52. What date?—The 28th September.
53. Have you the *Post* of the 28th September?—No; I have the *Dominion* of the Monday morning.
54. Well, pick out from the *Evening Post* of the 28th, or the *Dominion* of the 30th, or any other paper, the specific words that you are referring to—the words which the Board had before them when they passed the resolution?—We had no particular words—the statements were in the Press.
55. What did you make your statement on?—Half a dozen people stuck me up and complained to me about squandering money.
56. What specific words were before your Board when you made this statement to me in writing?—No specific words—general charges of having squandered money during recent years. The headlines were: "State Lending," "A Record of Squandering," "Favoured Boroughs," "During Election Year."
57. Is that what any member said?—It is what the Press said.
58. I want to know what any member of Parliament said which was recorded in the Press that made you come to that decision. Give me the report of what the members did say?—Here is the Press report.
59. Is that what members of Parliament said?—That is what members said. You called attention to certain payments made—some transactions immediately before the election—and the Chairman of the Committee, Mr. Hine, said it was "diabolical," and Mr. Massey came in with some other approval of the statements.
60. What are the Press reports of statements made by a member of Parliament that you complain of?—The Press reports—
61. The letter says, "Regrets the statements made in the House of Representatives on last Saturday morning." What are those statements?—The statements made were that the money was squandered during election year.
62. Who made that statement?—Mr. Massey said "squandered," the Chairman (Mr. Hine) said "diabolical," and you mentioned specific dates.
63. Were those words before the Board when you passed this resolution?—I am not sure if they were.
64. I want to ask you on what grounds you passed this resolution—what had the Board before them?—The Board had the statement in the Press, the sensational headlines in the *Dominion*, and they had my reference of what took place in the House.
65. What had you in reference to what took place in the House?—The impression in the House was that we had squandered public money for the purpose of influencing elections.
66. I want to know what statements were made in the House of Representatives that you gave to the Board that made them pass this resolution?—I do not know that I gave them any particular words. The impression was that we had squandered public money for the purpose of influencing elections, and they were very much excited at what they had seen in the Press, and it was agreed that the sooner an inquiry was made into it the better.
67. Then you had no statements before you from the Press upon which this resolution was passed?—Not besides what was in the Press. I know there were sensational headlines.
68. That is not a statement made by a member of the House?—On the *Dominion* boards there was something about it, and there were sensational headlines and statements made by the newspapers that the money had been squandered, and people approached me. Half a dozen people spoke to me and said that we were a lot of tools to lend ourselves for political purposes. That was the impression.
69. You said there were statements put before the Board that were made by members of Parliament in the House?—The statements were in the Press.
70. What were they?—You said the thing had been dealt with a few days before the election. The Chairman of the Committee (Mr. Hine) said it was "diabolical," and Mr. Massey said something about it being the worst record of squandering since the Vogelian era.
71. That is all you had?—Yes, that is what we had.