

There is no feeling between your company and the dairy companies?—Not in the least. We are quite on friendly terms with them—in fact, we supply some of them.

Do you think that the work of the co-operative associations has been an honest attempt to foster co-operation amongst farmers?—Yes, I certainly do.

What do you think has been the experience of such associations generally?—They have been over-generous, and too anxious to give assistance to farmers in trouble; and, further, during prosperous times, when they were making profits, they were giving too much back again in the form of rebates, and so on, while the proprietary companies were quietly building up substantial reserves.

You think that the co-operative concerns have not built themselves up as the proprietary concerns have done?—No, because of the obligation they felt they were under to return rebates. You see, during the good times they were giving in some instances as much as 25 per cent. of their commissions back again; and they were paying 5 and 6 per cent., and in some years, I believe, as high as 7½ per cent., rebates on purchases.

There is no antagonism between the co-operative concerns and the proprietary (auctioneering firms)?—No. They are working along very well together. I may say that if anything is done unfairly by any agent to any farmer it is usually put right. In my own company the men are told not to take any unfair action. Generally the desire seems to be to give the farmers all the assistance they can reasonably expect.

You have no objection to the Bill providing money for the farmers?—No. I would be very glad if the Government or the Board would provide a considerable proportion of the money we are finding at present.

Where do you get the most of your money from?—Well, about half of the money we are providing, roughly speaking, comes from the bank, and the other half is part of our own capital.

You would be pleased to get a lot of your money back that you have now invested with the farmers?—Yes, so long as we are able to retain the business.

Regarding the question of a guarantee, as suggested when Mr. Abraham was giving his evidence, would you be prepared to give the Board such a guarantee and attend to the supervision?—That, of course, would have to be submitted to my board for approval. But I may say that personally I think the suggestion is a good one.

You have no objection to the Bill if the trading element is left out?—No; I would welcome it.

And you have no objection to the trading element being in it, providing it is carried on on the same terms as other trading firms?—No.

*Mr. Forbes.*] Do you think there is any chance of getting a group of, say, twenty farmers to pool their securities?—No; I am sure you would not get twenty farmers anywhere in New Zealand to pool their securities.

It is stated in the Bill that “Any twenty or more persons engaged in farming operations may by subscribing their names to a memorandum of association in the form in the Schedule hereto, and otherwise complying with the requirements of the Companies Act, 1908, as modified by this Act, in respect of registration, form an incorporated company with limited liability, under the name of ‘The [*Distinctive name of association*] Co-operative Rural Intermediate Credit Association’”?—I do not think there will be many associations formed.

Do you think that proposal a good one?—No; I think the other proposal—individual borrowing—is a much better thing than to form a group association.

But if a number of your clients required financing could not your company get them to form an association under this Bill, and so get some relief in connection with advances?—We might, but there is certain machinery proposed in regard to the various Supervisors and committees which would make it a bit irksome. If it could be arranged through some central office, I think that we and other firms by guarantee and supervision could do the work more effectively.

You think this would bring about duplication of supervision?—Yes. You should try to save any additional expense. The men who make our valuations are visiting these farms periodically in the course of their ordinary work. If you have these District Supervisors, and so on, they will have to travel about and visit these farms, and also attend at the Office and at the other committees, and so on. I prefer the scheme of the individual borrowing direct from the Board.

*Mr. Forbes.*] You have not studied it from that point of view?—No.

But if you had the supervising you think a good deal of expense could be cut out?—Yes, I think so.

*Mr. Reid.*] You think there are a fair number of farmers whom this Bill will not serve?—There is a very large number. I do not think you can legislate to help all those who are in difficulties.

*The Chairman.*] You have mentioned taxation: we have been trying to get at an estimate of what the taxation would be on the 1 per cent.?—We have never gone into that. In fact, if we had not capital of our own invested in the business we could not continue to lend money on the 1 per cent. margin. It would not pay our office expenses.

You have to get interest on your own money as well as on borrowed money?—Yes, exactly.

Mr. M. MYERS, K.C., examined. (No. 8.)

*The Chairman:* You have taken considerable interest in this Bill, Mr. Myers; we would like to hear your statement.

*Mr. Myers:* In doing so may I refer to this memorandum, copy of which I received from you this morning, containing Part II (a) of the Bill.

*The Chairman:* The memorandum referred to contains the alternative proposals that were put before us the other day, and which the Law Draftsman has just finished and which Mr. Myers has just had placed in his hands.