

*Mr. Myers :* First of all, I do not profess to be a business man. I have, of course, had a good deal to do with business men, and any knowledge I have of business has been derived in that way. Nor, as you know, do I now practise as a solicitor, and therefore my association with business men is not so close as it used to be ; but possibly for that reason I may be regarded as more independent in any views which I may express. In the first place, so far as the Bill itself is concerned, I propose to restrict myself to Part II of it. While it may be all very well to have on the statute-book powers such as are contained in Part II, my own personal opinion is that Part II will never be of very much use, and I should think it is not likely to be of as much benefit as one would like to see, having regard to the existing conditions which have given rise to the necessity for something being done to help the farming industry. My own opinion is that the scheme contained in Part II (A)—I am referring to this typewritten memorandum—is likely to be very much more satisfactory. I do not believe you would get farmers to combine in the somewhat cumbersome way contemplated in Part II. The scheme in Part II (A) is different altogether. It enables a person to deal directly with the Council or Board, as the case may be, and it possesses many advantages which I think would commend themselves to the individual farmer. More than that, I think the scheme as contained in this typewritten part of the Bill is sound from the point of view of the probable investor. I do not care what any one says about chattel securities, there is always some risk in lending on chattel security. There must be, in the very nature of things ; and it would be difficult, I think, to induce the public to advance money, repayment of which is not guaranteed by the State, for the purpose of being lent out to individual farmers by a Board such as is contemplated in this Bill. The position is, however, different if, as I understand, the Bill provides (I am speaking now of the new part of it) that a portion of each advance—20 per cent., or whatever it may be—is guaranteed by a third party. That very guarantee affords a great measure of security to the investors who are asked to invest their money in debentures under this Bill ; and if, in addition to that, there is a substantial amount of money found in the first instance by the State which remains a debt by the Council to the State, and over which the debenture-holders would have priority, it does seem to me that the security that would be given to investors under the Bill would be an exceedingly good one, and would attract money for the assistance of the farmers. I know of no other way in which, under existing conditions, the money of the ordinary investor, the ordinary member of the public, could be attracted for the assistance of the primary industries. I do not know that I can say more than that, but I shall be glad if I can assist the Committee by answering any questions.

*Right Hon. Sir Joseph Ward.]* If there is no margin in the land, Mr. Myers, and the amount advanced by a co-operative association was in excess of the value of £1,000, and a man wanted £1,000, would that in the ordinary way be acceptable to the public as a security ?—Do you mean that a farmer whose land is already overmortgaged, and who desires money on the security of chattels and has £1,000 of security to offer—

What I mean is this : This is intended largely to help the man whose securities are not sufficient to borrow money privately. If a man's land is mortgaged at more than its value, and he has stock, and he wants to get under a chattels security £1,000 and the value of his stock is not £1,000, do you think the guarantee as proposed in this Bill would be sufficient to warrant a man to invest ?—I do not suppose that in such a case the Board would lend the money. Surely the Board would not lend £1,000, even if 20 per cent. was guaranteed, to a man who had not £1,000 of stock to offer as security.

We have had evidence given here by a representative of a farmers' co-operative association, who stated that his directors have agreed in cases of that sort to make that advance, notwithstanding the fact that the margin is not sufficient ; and that it is just that class of man who wants help, otherwise he will not get out of his trouble ?—I do not think that that class of man would be helped by this Bill. The Bill, if it becomes law, would be very useful indeed to the farming community as a whole, but I doubt whether it would be of any use to a man whose position is almost hopeless, and that is the position you are putting to me.

It is the man who is weak that wants assistance ?—I do not agree altogether with that. If you can, without doing any counterbalancing injury, help the farmers generally—especially under present conditions—by advancing money at a cheaper rate than they are able to get it at present, I think it would be of great benefit to the farming community as a whole. If you want to assist—I heard the expression used, “lame ducks”—I mean the lame ducks whose lameness might perhaps be cured, and not those whose lameness is incurable—I think you would have to carry your Bill further even than is proposed in Part IIa, because it would be idle to deny that the giving of assistance to men of that kind connotes and involves a considerable amount of risk.

Do you think from your legal knowledge that a better scheme could be propounded than this ?—I do not think so ; unless, of course, you are going to take a bold course and say, “You are going to help these lame ducks regardless of cost, and you are going to make the public funds responsible for the loss.”

*Mr. H. E. Holland :* It would be popular with the lame ducks.

*Mr. Reid.]* Your only objection to Part II of the Bill is that it is cumbersome : Would you eliminate it ?—No, I should leave it, because one's opinion may be wrong. It may be found that people will see some benefit in associating under that Part and would take advantage of it. Personally, I do not think they will ; but that is only an opinion.

*Mr. Elliott :* I made a note about the debentures and I would like your opinion—on clause 18 (2) of the Bill which states : “All debentures issued by the Board under this section shall constitute a floating charge on all the assets of the Board, and shall have priority according to the date of their issue.”

*The Chairman :* It is now proposed to be amended.

*Mr. Myers :* You must provide some funds for the Council if you are going to make the issue of debentures successful. You must provide something for the Board which would correspond with