

the capital of a company if a company were issuing debentures. It does not matter if the Council or Board owes half a million to the Government if that sum is in effect capital of the Board, and is subject to the priority of the debenture-holders. The debenture-holders have a very excellent security.

The Bill has been amended?—Yes, it has been altered. I would like to consider it a little more carefully, even if the result of my consideration may not be in time to enable this Committee to consider it. If I can suggest any amendments that would be useful—

*The Chairman* : We will be glad if you can.

*Mr. A. Hamilton*.] The total capital of these proposed associations under Part II is very small, is it not?—I would not worry very much about that part of the Bill at present. I think you will find that for a time at least the individual will desire to deal as an individual. The time may come when he will take advantage of Part II, but it will not be soon.

Do you think the individual guarantee is really a sounder scheme than this one under Part II?—Undoubtedly.

*Mr. H. E. Holland* : I am just a little bit curious about the amendment that Mr. Myers has referred to. How does it happen that a witness can bring an amendment here that the Committee knows nothing about?

*Right Hon. Mr. Coates* : Mr. Holland does not realize that Mr. Myers has taken a very keen interest in the scheme to assist the farmers.

*Mr. H. E. Holland* : That is not the point. I want to know how a witness comes to have a proposed amendment before the Committee knows anything about it at all.

*The Chairman* : The whole of the amendments that are there are in the evidence three days ago.

*Mr. H. E. Holland* : That was the meeting that I missed. That explains it.

*The Chairman* : That is so. This subclause (2) of clause 18—“ All debentures issued by the Board . . . and shall have priority according to date of issue ”—

*Mr. Myers* : The words “ and shall have priority according to date of issue ” are struck out. It would never do to leave it as it was in the Bill originally.

*Mr. Myers* : I do not know whether there is a provision in the Bill, but I would suggest that there might be a provision that no advance will be made by one of these Boards without the concurrence of the local District Public Trustee, who I assume will be on the Board as Chairman. It is all very well to say that the finances of the particular district shall be left entirely to the Board, but the Public Trustee ought to know what is going on, and ought to have some sort of control. I think it would be a wise thing to make some sort of provision of that nature. It is not likely to create any difficulty, and it would only mean that in an occasional case the Board might have to refer the matter to Wellington.