

[The following pamphlets were handed in by Colonel Esson :—

- Supplement to Agricultural Co-operation : a Selected Annotated Reading List.* By Chastina Gardner, Assistant in Market Information Bureau of Agricultural Economics, U.S. Department of Agriculture.
- The Significance of the Co-operative Movement in the United States.* By Henry C. Taylor, Chief, Bureau of Agricultural Economics, U.S. Department of Agriculture.
- Co-operation and the Federal Government.* And Address of William M. Jardine, Secretary of Agriculture, U.S.A.
- Production Credits for Members of Co-operative Marketing Associations.* By U.S. Department of Agriculture.
- A Classification of Ledger Accounts for Creameries.* By George O. Knapp, and Burton B. Mason, and A. V. Swarthout, U.S. Department of Agriculture. No. 865.
- Co-operative Grain-marketing : a Comparative Study of Methods in the United States and Canada.* By J. M. Mehl, Investigator in Co-operative Organization. Bulletin No. 937, U.S. Department of Agriculture.
- Producers' Co-operative Milk-distributing Plants.* Bulletin No. 1095, U.S. Department of Agriculture.
- Sales Methods and Policies of a Growers' National Marketing Agency : a Study of the Organization and Achievements of Twenty-six Years of Co-operative Marketing by Part of the Cranberry-growers of the United States.* By Asher Hobson and J. Burton Chaney, Bureau of Markets, U.S. Department of Agriculture. Bulletin No. 1109.
- Operating Methods and Expense of Co-operative Citrus-fruit Marketing Agencies.* By A. W. McKay and W. Mackenzie Stevens, Bureau of Agricultural Economics, U.S. Department of Agriculture. Bulletin No. 1261.
- Organization and Development of a Co-operative Citrus-fruit Marketing Agency.* By A. W. McKay and W. Mackenzie Stevens, Bureau of Agricultural Economics, U.S. Department of Agriculture. Bulletin No. 1237.
- Agricultural Co-operation in Denmark.* By Chris. L. Christensen, Agricultural Economist, Bureau of Agricultural Economics, U.S. Department of Agriculture. Bulletin No. 1266.]

Were you anticipating that the State Advances chattels security would be done away with?—No; we did not propose to interfere with that.

You were suggesting that it should be handed over to this Department?—I presumed it would ultimately be handed over to the Intermediate Branch.

You have seen the suggested new idea of the individual with the guarantee: do you not think that the guarantee of some well-to-do farmer who would guarantee his neighbour, or some strong institution guaranteeing some needy person, really brings in a sounder security than the share system of the association?—Under the share system a very modified form of guarantee is sufficient; but before a loan is made by an association it must be secured, and by guarantees where necessary.

No, there is no guarantee in the association. If a man has £1,000 security in stock, you want to be able to lend him at least £900, or perhaps the full amount, otherwise it is not a great advantage to him?—Under the association scheme he can get £990 to begin with, but he must have security to offer.

Do you not think that is pretty risky?—Not on good security that was guaranteed by some one. The association will not grant loans indiscriminately.

Do you not think that under the present scheme associations could be formed by mercantile firms by getting twenty of their clients to join up?—Yes; but at the same time those twenty clients would have freedom to purchase, sell, and borrow wherever they liked.

Do you not think the mercantile firms would get out—supposing their twenty clients each owed £1,000, they could group that twenty together and they would get about £19,000 in cash without any help?—Yes, still the twenty farmers would secure relief. The firm uses the farmer's bank credit to obtain capital to make advances, but if the farmer could use his own bank credit and pay the merchant cash it would be more satisfactory to all concerned.

There are any amount of independent farmers?—Quite so, and they can get better terms. Where long credit is given the dealer must make some provision against losses.

Mr. Elliott.] You said that you were somewhat concerned as to co-operative assistance rather than individual assistance?—If the individuals are brought into combination they can do better.

One point has not been made, and that is that individual assistance will be the means of stimulating land-settlement, from this point of view: We all know that there are hundreds of farmers to-day who have big able-bodied sons who should be on farms of their own, and who are farm labourers or they are driven to the towns. The father is in a sound position, but he has not the capital to give his son a start. Do you not think that under the individual advances the father would come forward with his guarantee—a perfectly sound guarantee—which will enable his son to take up a leasehold and get a start? Do you not think that the individual advances in these cases would be preferable from the point of view of land-settlement rather than advances through an organization where the farmer is not prepared to pledge his assets to an association?—The advantage of cheaper money is offered through an association, and probably a lesser guarantee than would be required by the other body.

You think he ought to go into an association?—I would like to see the smaller men combine, because I believe their success lies in organization. However, power to deal with such cases already exists in the Bill. The Board may discount securities for an approved organization or association that is promoting production and assisting land-settlement.

The Chairman.] Would it not be less risky to lend to an individual with a guarantee?—The Board must decide as the nature of the security against which it lends money. The supervision of sharehold neighbours is an important factor.

But the State Advances now merely lend on the security, and our experience shows that they had to take particularly gilt-edge securities, in which there was no risk at all?—For the reason that they had no direct means of supervising farms on which the loans were made, and the cost of supervision would be too great to warrant an extension of the business. Under the co-operative scheme the associations themselves should supply that want, and the cost of management is reduced to a minimum.