Mr. Savage: If that is so, we are right.

The Chairman: We will get that evidence later on. If that is so, is this Bill the best means of enabling the farmer to get his full share of the capital available in New Zealand?

Mr. Savage: Generally speaking, the machinery is all right. It is not the additional machinery we need so much as a larger source from which the money is to come.

The Chairman (to Colonel Esson): I take it that the Bill embodies your views.

Colonel Esson: My views are expressed in the Commission's report, to which the Bill gives effect.

Right Hon. Mr. Coates: There are one or two points I would like to refer to. Mr. Polson's views do raise some argument. There is no doubt about it. But there is just one question that has been raised many times recently, and that is whether we are asking certain departmental officers to do too much. I am not referring to the Superintendent of the State Advances Office, but it is a question whether we are using these others too much. It is a matter for consideration whether, with all these Boards in existence, these officers are going to have much time for administration. That leads me to one other point, and that is whether we should not have a strong independent Board.

Mr. Polson: Well, the reason I am so keen on having some of the Advances Board there, at all events, is that as a result of the very short experience I have had with the Rural Credits Board I have realized how important it is to have a man like Mr. Brooks on the Board. His knowledge of every part of New Zealand, land-values, and everything that pertains to land finance is very wide, and he is a tower of strength to the Board, and I would be sorry to see any Board such as this—especially as it is a new thing—deprived of his valuable advice and assistance. That is why I suggested his name. To a certain extent the same thing applies to Mr. Thompson.

Right Hon. Mr. Coates: I think, Mr. Polson, you are right, after all. We have to create the confidence of the farmers in the Board. For that reason we want adequate representation of the farmers on the Board. That is important. The co-ordination could probably be worked out in various ways, but, whatever Board we have, it must be a strong Board in which the business interests and the farming interests will have confidence.

Mr. A. Hamilton: The value of the farmer is more on the associations in the different localities. That is where the farmer is going to give valuable assistance.

Right Hon. Mr. Coates: The farmer wants to be perfectly certain that the recommendations are being made by men in whom he can have confidence.

Mr. Walter: If this scheme is supported, will it not tend to confine the operations of the State Advances more to urban properties?

Right Hon. Mr. Coates: No. The provisions are fully set out.

Mr. Forbes: It seems to me that the co-ordination of the Boards is necessary. With various Boards there is bound to be overlapping. Valuable information might be available to one Board and not to another.

Right Hon. Mr. Coates: It has been suggested that Mr. Macdonald should be here. We could find out his views in regard to the co-ordination Mr. Polson suggests.

Mr. Polson: I should like to see the term "State Advances" taken out, and the term "Farm Loan Board" substituted. That would be better. It would give confidence in the whole thing. It would be acceptable to the farming community, and would not in any sense weaken the existing system.

The Chairman: These are matters we can take into consideration when the Committee is deliberating. We want to get at the facts to-day. We will come to that point later.

Right Hon. Mr. Coates: There is one point that has not been cleared up—that is, in connection with warehousing.

Mr. Polson: It is proposed to provide for that by regulations under this Bill. We recommended the passing of a Warehouse Act because we realized when we investigated conditions abroad—particularly in the United States—what an extraordinarily useful thing had been provided by the Americans in their Warehouse Act. You propose to allow regulations to be made by the Board for storage, in approved warehouses, under approved conditions, of produce which shall be used as security for loans, the produce to be released from time to time for purposes of sale. These regulations would be satisfactory, no doubt, in connection with the loans of the Board; but in the United States about 11 per cent. only of the farmers borrow from the Rural Credits Board. The bulk of them continue to borrow as they have always borrowed. They make use of the Warehouse Act, and you would shut out the bulk of the farmers from a very fine thing if you shut out the Warehouse Act.

Mr. A. Hamilton: How does it work?

Mr. Polson: We explained it fully in the report. I would like to read you an outline, as explained on page 65 of the report. The report suggested "the licensing and bonding of public warehouses for storing agricultural products under conditions intended to establish the integrity of their receipts, and make these receipts generally acceptable as security for loans." I do not think warehouses generally would have any objection to this. It is entirely permissive. It enables warehouse receipts to be used as security to be lodged with the banks, against which security the borrower can raise money. It works out entirely satisfactorily. The proposed Act provides for perishable products, and explains how they are to be dealt with. I am satisfied that once the warehouse people understand it they will welcome it.

Mr. Forbes: I suppose it is used for wool——

Right Hon. Mr. Coates: It is used a lot for fruit. I have made some inquiries into this.

Mr. Polson: Yes, fruit of all kinds. Paragraph 4 of the report (page 66) provides that "The Minister of Agriculture is authorized, upon application to him, to issue to any warehouseman a license