

This Bill provides for a limit of £1,000 : if that limit was increased to £1,500 would the value of the scheme be increased ? Take your own firm : is the number of advances of £1,000 greater than those between £1,000 and £1,500 ?—Well, the advances to dairy-farmers do not generally run to £1,000 ; the sheep people take bigger money.

You think the limit of £1,000 is sufficient ?—I think so.

Mr. Forbes.] Do you prefer doing business with the sheep-farmer or with the dairy-farmer ?—I think the sheep-man is preferable, as a rule.

The man you would have the most difficulty with is the dairy-farmer ?—Yes.

There is not the same profit ?—There is not the same turnover.

Have the dairy companies got into your business at all ?—Yes, a good deal.

Are they sound concerns ?—Many of them are quite sound. There is no reason why they should not be if they handle their affairs prudently. Where they get into trouble is in making advances to the farmers.

Have any of them come to grief ?—I have noticed one or two mentioned as going into liquidation.

But as a whole they are fairly sound ?—Yes.

They do a good deal of financing of the dairy-farmers ?—Some of them do. The group concerns do a large amount of business.

Where do they get their money ?—From the shareholders.

They have been of assistance to the dairy-farmers ?—Yes.

Those concerns that have devoted themselves to dairy-farm work ?—Yes.

Do you think this Bill is going to be of any assistance to these people ?—I am not objecting to the Bill at all, provided it is run on business lines. I think that 80 per cent. is rather a heavy margin on chattel security for people living on high-priced land.

Do you think there is plenty of finance available ?—Yes, for all ordinary purposes. You see, so many of the dairy-farmers are at present financed by the dairy companies. The biggest dairy-farmer we deal with comes along and wants an advance against his milk cheque. That is the sort of advance we generally go in for. The only security we take is the order on the dairy factory for his milk cheque, which is paid to us at the end of each month and gradually reduces his account.

Do you think the dairy-farmers are improving their position ?—I think they are.

Have many of them gone off high-priced land ?—Yes, a good many.

It is getting on a better footing ?—Yes.

New men are coming in at a more moderate rate ?—Yes. In the Commission that was sent round to look into values and to recommend reductions, they have only been able to advocate reductions in rents. Well, that is no good to the man who is under the State Advances, because they cannot reduce his interest. The allowances which have been made in the way of rents are no good to him, and in many cases he has had to walk off.

Does your firm do much business in that deteriorated land ?—Yes ; we have heavy business there, I am sorry to say.

I take it that the average farmer owes his present position to having bought land at too high a price ?—Yes.

Then, whatever the bank rate may be, the margin is not sufficient to warrant further advances ?—That is so.

And that, side by side with any financial scheme, we would have to have some means of lowering the land-values ?—Well, you have to get down to bed-rock and get to the real value of the land.

Your firm is not in business as a money-lending concern : You do not care who lends the money so long as they do not interfere with your trade ?—No, not a bit.

Right Hon. Mr. Coates.] Do you remember the date of the interview with me ?—I could not remember it, Sir.

Have you seen a copy of the Rural Credits Report ?—I have a copy now.

Well, it has been available for twelve months, and I regret if a copy was not sent to you. As a matter of fact, it went through the Press. The remarks I made were intended to come to your notice, and we hoped that they would induce a little more consultation with the people engaged in certain industries before the Bill came in. Are you aware that I discussed the proposals of the Bill with the members of the delegation that saw me ?—No, I did not know that. Personally, as chairman of the concern, I have never been asked.

Nevertheless, it is a fact that the question of intermediate credits has been discussed with separate firms. I regret that you had not the opportunity of seeing the Bill. It has only been drafted about six weeks ?—Of course, the impression that we had has been removed by what the Chairman has told us. Now we can look at the thing from a different angle altogether.

You realize that, after all, this is a combination of the settler, the stock and station agent, the bank, and the central organization to endeavour to find money at a less rate than you can get it ?—Yes. I think you will find that the existing concerns would be only too pleased to fall in with your views and help as far as possible.

And the impression conveyed to the delegation that waited upon me—if I remember aright, I pointed out that the efforts would be in the direction of co-operating all means of assistance to help the vital industries ?—Yes, you did.

The Chairman.] Suppose this scheme was in operation, the Board would be in a position to find a farmer money, say, at $6\frac{1}{2}$ per cent. up to £1,000, and would accept securities for that amount. The Board would be working with firms like your own. Would your people be prepared to stand a part of the guarantee—say, 20 per cent. of it—when you have his trading account in order that he might get $6\frac{1}{2}$ -per-cent. money as against the present rate ?—That is a point we have not considered, and I would not like to say definitely. My own feeling is, yes, presuming we had a say in the question of the