

What is the working-cost there ?—For the Settlers Branch it is 2s. 11d. per £100.

What do you think is the cause of it not having been used ?—I can only think, Mr. Hamilton, that the stock and station agents are more convenient for them.

What are your terms as regards repayment ?—To us.

Yes ?—The same as in the Bill.

The same as in this Bill ?—Yes.

That is, it is all repaid in five years ?—Yes, all repaid in five years.

How do you supervise the security ?—We obtain a valuation from the Valuer-General, and after a loan has been granted we advise him, and he advises his local valuer to keep a special eye on stock and chattel mortgages, reporting on any circumstances at all as to how that man is dealing with his stock and chattels. We also every twelve months ask him to forward a return—we write and ask him to fill in a return which we send out in blank—giving us an account as to his stock and chattels annually.

Do you send that to the farmer or the valuer ?—The farmer.

You do not think the security has been vanishing much ?—No ; we have not found that to be so.

On what margin do you lend ?—The Act does not state any special limit, but that is taken into consideration with his equity in the land. We can lend up to the full value of a man's stock if he has an equity in his land. If he has not an equity in his land, probably a very much lesser margin would be allowed.

There is no limit ?—No, there is no limit imposed by the Act.

It is at the discretion of the Board ?—Yes, at the discretion of the Board.

Can the farmer trade with his security ? Can the farmer buy and sell as he likes ?—Yes ; but he first of all requires our consent. That would depend upon the state of his mortgage. If he is in arrears, of course we would require his arrears to be paid from the proceeds of the sale.

Then your experience of this chattel-security business is that there is a  $1\frac{1}{4}$  per cent. margin ?—Of profit ?

Yes. You can run it on that quite easily ?—Yes, and quite safely.

And what do you estimate would be the expenses— $\frac{1}{2}$  per cent. ?—1 per cent. That would provide or losses.

*The Chairman.*] That would provide for losses ?—Yes.

*Mr. Elliot.*] With regard to clause 48 of the Bill, have you anything to say with regard to the procedure under that clause, Mr. Pritchard—

*The Chairman.* : It is exactly the same procedure as under their own system now.

*Mr. Elliot.*] Is there any undue hardship on the borrower ?—It could be extended by special legislation, say, to ten years.

*Mr. A. Hamilton.*] Have you the right to sell out at any time ?—Yes.

It is on demand, then ?—Yes. If there is any breach of the bill of sale we can sell out.

You have practically a free hand to yourself ?—Yes.

*Mr. Elliot.*] But not if the man carried out his contract, of course ?—Oh, no.

*Mr. A. Hamilton.*] If anything goes wrong ?—Yes ; neglecting his stock, for instance.

*Mr. Macdonald* (Public Trustee) : Any mortgagee can do that. If the conditions are not carried out according to the terms of the contract he has the right to call up.

*The Chairman.*] Can you tell us how long it usually takes to fix up the loans ?—Various periods. Since the commencement of this Act we have always been behind. We have always been behind since 1923 with the applications for loans in connection with settlers, workers, and chattel securities.

*Mr. H. E. Holland.*] Are you very far behind so far as chattels are concerned ?—No. We are proceeding now immediately with our chattels loan ; but we have been behind with the chattels loans.

*Right Hon. Mr. Coates.*] How long does it take to provide the money ?—Approximately two or three months. In special cases, where we can get particulars from the Valuer-General, it can be done in less.

*The Chairman.*] Can you tell us how many applications you have had already, and how many have been granted ?—To the end of March 413 applications had been authorized.

Can you tell us how many applications have been received ?—898, amounting to £348,150.

*Right Hon. Mr. Coates.*] What is the money chiefly used for ? Are there any outstanding requirements ?—It is used for authorized purposes : to increase their stock ; paying off arrears on land mortgages ; repaying their present stock mortgages ; improvements ; buying milking-machines.

*Right Hon. Sir Joseph Ward.*] What margin do you allow for in connection with the interest ?—The interest is 7 per cent., reducible to  $6\frac{1}{2}$  per cent. on chattel security.

I am speaking of ordinary advances ?—Are you speaking of farms or houses ?

Both. Is 5 per cent. sufficient ?—No ; 5 per cent. is not sufficient at the present time. We are lending for the purpose of building houses at  $6\frac{1}{4}$  per cent., reducible to  $5\frac{3}{4}$  per cent. ; and  $6\frac{1}{2}$  per cent., reducible to 6 per cent., for other purposes.

Have there been any of those thrown on your hands ?—Not many.

Supposing a man wants to get an advance under the credit system, do you advance up to two-thirds ?—Under the chattel-security mortgages we can lend up to the full value of the security, taking a collateral over the land.

And you can inquire into his position ?—Yes, through the valuer.