

When you stated that you doubted very much whether groups of farmers would pledge all their assets, you thought it was a joint-and-several concern?—Yes.

*Mr. A. Hamilton.*] You started off by appearing to have a bit of a grievance. I presume you knew there was a Rural Credits Commission Report published about a year ago?—It did not come before me.

It was published about June, 1926?—As far as I can recollect, the date of our meeting with Mr. Coates was just before that report came out.

I thought you stated that you met Mr. Coates about three or four months ago?—No; seven or eight months ago.

You thought it would be better to have a round-the-table conference: that is what we are having now?—Yes. Of course, I suppose this Bill will go through mainly on the lines on which it is drawn up.

Not necessarily. That 1 per cent. you were speaking of—you do not look to make any profit out of that; that is all gone in expenses?—Yes. I think a little too much is being made of this 1 per cent.

What I want to get at is this: you do not lend money for the sake of getting that 1 per cent.; you would prefer not to lend the money—it is the business you want?—Yes.

And you really lend the money to help the client that you want to trade with?—Yes.

Supposing this Board takes the place that you have, you would have no objection?—None at all. The objection lay in the fact that we thought you were going to create a lot of semi-financial concerns who would be able to trade cheaper than we can.

Would it not assist the mercantile people if this Bill provides money for the farmer at a cheaper rate than you can now find it—would it not assist you as well as the farmers?—I do not think it would do us any harm, providing you were not getting a number of other concerns to come into competition with us.

If that is not contemplated, you would withdraw any objection to the Bill?—I would not say that I think the Bill as drawn up is sound; but that has nothing to do with us.

If we are going to carry on on the lines that you are now running, it will help you?—Yes. We are quite willing to have someone else find the money, and we think the State has a duty to the farmer.

You say there is plenty of money available for farmers to-day. Suppose a farmer came to you and said he had bought a farm and he had £200 or £300 left—he wants to buy £1,000 worth of stock; how would you treat him?—We would take him on if we were satisfied with his standing; that he was hardworking and industrious, and that he had given a reasonable price for his land, and had not too heavy a mortgage to carry. I do not think there would be any difficulty.

Do not you think he could buy land to-day worth its value?—Yes; there is a certain amount of land worth its value still to be had, but it is not very easy to get. Very few transactions are going through. There is a certain amount available which is worth the money, but the trouble now is stock.

What is wrong with it?—It is too dear.

What stock?—I do not care what you take. Look at the price of sheep. We do not know what lambs are going to realize on the London market. Take hoggets: you pay £1 12s. or £1 14s. for them; it is too high.

Do you prefer stock securities to land?—Yes; we know the land securities are uncertain. We prefer stock because we can deal with it readily.

Do you think it is safe to lend money on stock security?—Presuming it is done with care. To lend 80 per cent. on stock is risky.

You have lent that?—Yes, and lost our money.

From your point of view, lending on stock is much safer than lending on land?—Yes; also it keeps us in touch with the particular stock. We have the first go at them, and we get commission on the sale. Our business is not lending money on land which is locked up; our aim is to find intermediate credits. Under the Manchester Corporation, which was established forty-five years ago, people took up land at £3 per acre. They did not pay anything down, but they had to make certain improvements. They made these improvements, and in many cases they exhausted the whole of their capital and had nothing left for stock. That really created the stock agent.

Do not you think that this Bill is going to provide that very thing?—Yes, it may if it is worked and the money is available.

You would have no objection to it finding the money?—Not the slightest. If it is going to take the question of finding the money out of our hands we will be in a better position to deal with the farmer than we are now. It is the risk that has caused the high rates.

Would you be prepared to assist in a certain degree if we find cheap money for the farmer without doing any harm to your trading?—Yes; but you must remember that you are going to put the price of everything up if you find cheap money for the farmer.

Is it right that a man should have his land forced down in value because of dear money?—Well, if money is dear you have to buy your land accordingly. If money is dear, it follows that land must come down.

Do not you think it would be a wise policy to make cheaper money available to them?—Yes, I suppose it would. As long as the thing is run on business lines, by all means give them cheap money if you can.

*Mr. Elliott.*] You say money is limited owing to the position of the mortgages: most of your clients have what is known as a short-dated mortgage?—Yes, most of them.

If the farmer's mortgage is held under a long term, would you grant more liberal terms?—All the difference in the world. That is the one point I agree with.

When you speak of the prices of stock being too high, you refer to store stock?—Yes.

And the amount of advance you make to the farmers—the personal element comes into it?—Yes, of course.