

Q. What do they pay for the money they borrow?—A. Before the war they got it at about four per cent, but since the rate has become higher they have not borrowed very much money, they have used the repayments made by previous borrowers.

Q. How long has that scheme been in effect?—A. That scheme has been in effect over there for about twenty or thirty years. Up to the 30th of June, 1920, which is the last date for which I could get figures, they had loaned £19,765,000.

Q. That is, the whole of the State Governments together?—A. Yes. In every State there is an accumulation of profits. They have been operating on a margin of from one-half to one per cent. If they borrowed the money they would lend it at $4\frac{1}{2}$ per cent, and in some cases 5 per cent.

Q. A narrower margin than they have in Saskatchewan?—A. Well, they have accumulated a surplus. In Australia each State has a surplus, amounting in the six States on the 30th of June, 1920, to £599,976.

Q. Have you got the figures up to a later date than that?—A. No, sir. The Commonwealth Year Book is where I got these figures. It is possible they may now have the Commonwealth Year Book for one year later; it had not arrived when I left Winnipeg, but I think it has arrived in the country now. It is quite a large book.

Q. Have you inquired at our Parliamentary Library, so as to bring your figures up to date?—A. No, I have not. In New Zealand they have a similar proposition.

Q. When you say they have a similar proposition, what do you mean?—A. A similar proposition to Australia.

Q. What do they lend there at?—A. They have lent over £20,000,000. They started by borrowing money at 4 per cent, and they loaned it so that it was repayable in $36\frac{1}{2}$ years by half-yearly payments of 3 per cent of the amount borrowed, that is, they paid 6 per cent per annum and they had their loan retired in $36\frac{1}{2}$ years.

Q. What had they to pay for their money, do you know that?—A. The Act provided that the rate of interest was not to be higher than $4\frac{1}{2}$ per cent, what they would pay for the money.

Q. They could not borrow at higher rates than $4\frac{1}{2}$ per cent?—A. Not higher than $4\frac{1}{2}$ per cent.

Q. Could they borrow at $4\frac{1}{2}$ per cent in New Zealand?—A. Yes.

Q. They figured out what they would have to pay on amortization, under that scheme?—A. It does not state in the Year Book; it does not state what the rate of interest was, and there might be a different calculation.

Q. But take $36\frac{1}{2}$ years, any actuary would tell you what that meant, including amortization and everything else.—A. The table would show it; at any rate they paid 6 per cent per annum.

Q. A borrower paid 6 per cent per annum, which included the amortization?—A. Yes.

Q. Do you know about the New Zealand scheme, how it was operated? Was it direct loans from the State to the borrowers, or was it through credit societies?—A. They have what they call the Advances to Settlers Office. There is the State Advances Act of 1913.

Q. Have you got the figures of what outstandings there were of bad or slow debts?—A. No. They have not lost any money.

Q. When do your figures for New Zealand come up to?—A. 1922.

Q. Where did you get those figures from?—A. The New Zealand Year Book itself. Up to the 31st of March, 1922, the advances were over £20,000,000, and repayments over £12,000,000.

Q. How long has that been in operation?—A. Since 1894.