

The Commonwealth of Australia

In all the States of the Australian Commonwealth, provision is made for loans from government sources to farmers, both for short term and long term credit. In most of the States, advances are made as loans to settlers, advances for the purchase of farms and advances under the Returned Soldiers' Settlement Act. The Commonwealth government has contributed by 000 advances to the various States to meet the requirements of the Returned Soldiers' Settlement Act. These advances to the States up to June 30th, 1923, amounted to approximately £32,866,000.

New South Wales

In New South Wales, there is a Government Savings Bank with a Rural Credits Department. Through the Rural Credits Department all advances are made to settlers. For short term loans, these advances are made as overdrafts on current accounts. For long term loans they are made on first mortgages with an amortization period of 31 years. The limits of the loans made under the Act are £50 to £2,000. They may be made for the entire or two-thirds of the value of the security and are limited to £1,250;

- (1) for the purchase of farms, in which case advances must not exceed 80 per cent of the valuation of the security and are limited to £1,250;
- (2) for land held in fee simple, the loan must not exceed 66 per cent of the security;
- (3) not exceeding £500 in the case of homestead lands, provided that this does not exceed the value of the improvements on the land;

Loans may also be made on land leased for a period of years on a basis of 50 per cent of the security which the borrower can offer.

The savings banks are under a Board of Commissioners, to whom is given the authority to make loans.

As the advances to returned soldiers are under a special act for a special purpose, I am not entering into a discussion of these loans.

Victoria

In the State of Victoria, the State Savings Bank is the institution through which money is advanced to settlers. Under this bank there is a loan mortgage department created for the express purpose of making loans to settlers. This department is authorized to borrow up to £10,000,000 for the purpose of making loans. The bank is controlled by a Board of Commissioners on whom is conferred the authority to decide on loans.

The limits of the loans are the same as in New South Wales, viz., £50 to £2,000, a limit of two-thirds of the value of the security offered. In the case of special land used for vineyards, hop-grounds, orchards, etc., advances may be made to a much larger limit subject to the will of the commissioners.

Mortgage bonds may be sold for the purposes of the Act and the loan may be made in cash or in mortgage bonds at a price fixed by the commissioners. Victoria has, in addition to this State Savings Bank Act, an Act called "The Closer Settlement Act," which is under a board known as "The Closer Settlement Board," through which loans, so far as agriculture is concerned, may be made.

- (1) to agricultural labourers, on allotments in aid of the cost of fencing and erecting dwelling houses;
 - (2) to lessees of crown lands for carrying on farming or grazing pursuits and to owners of land for the purchase of fencing, etc.
- The interest fixed is 5% and the repayments are made on the basis of forty half-yearly instalments.