

schemes. The system is being extended to admit of small loans, not exceeding £1,000, to assist in restocking the estancias by facilitating the purchase of pedigree cattle and for the foundation of dairy establishments. In 1924 the bank framed the constitution of two co-operative societies for the sale of fruit (an experiment in the way of setting up co-operative sale establishments), and undertakes propaganda and instruction in the principles of co-operation.

To place the agriculturist in a position to obtain the best price for his produce, special loans are made on cereals in warehouse and to vine-growers up to £20 a hectare, repayable with the harvest or vintage; also to assist growers to instal plant and to purchase material. The success of the bank may be gauged by the result of its operations for the year 1924, when the gross profit was £1,286,472, leaving, after deducting administration charges, depreciation, and losses, £622,605 net, which was disposed of as under :---

|  | £       |
|--|---------|
| Interest and amortization, 1896 loan .. ..           | 94,397  |
| Grant towards cost of new Parliament Buildings .. .. | 10,000  |
| 10 per cent. of profits to reserve .. ..             | 51,820  |
| To increase of capital .. ..                         | 296,724 |
| To credit of Government .. ..                        | 169,662 |

Since its inception the bank's capital has increased from £1,000,000 to £5,000,000. Its gold reserve exceeds £11,000,000, and affords an ample margin over and above the demandable obligations.

#### BRAZIL.

Although excellent Federal legislation exists, nothing has been done in Brazil in the direction of establishing a national land mortgage bank. One or two of the States, notably Sao Paulo, have local schemes which are designed to promote immigration and close settlement. The delay in applying the national legislation is thus referred to in the official commercial report of the British Legation :--

"This is the more to be regretted as one of the great difficulties to development of the interior is the lack of credit facilities with which the agriculturist is faced. It would appear to be a relatively easy matter for straw firms to obtain credit facilities in towns such as Rio de Janeiro and Sao Paulo, but the agriculturist in the interior finds the doors of the bank closed to him until, and unless, it is a question of hypothecating his crops and production, at which stage his real difficulties have already passed. Without organized agricultural credit and transport facilities Brazil's productivity will continue to be unduly curtailed."

The rates of interest in Brazil, with the exception of Sao Paulo, are considerably higher than those ruling in any of the countries visited.

#### COMMENT.

In Chile, Argentina, and Uruguay long-term loans are based on the issue of mortgage-bonds by State-controlled organizations. Appropriate Acts in each country regulate the issue of bonds against an adequate margin of security, and provide for rigid State supervision, audit, and inspection. The systems are generally operated by national land-mortgage banks, and in Uruguay by the State bank, which also grants short-term credit and intermediate credit. Long-term loans are secured upon first mortgage with terms of from five to thirty-five years, interest 6 to 8 per cent., payable in advance by semi-annual and annual instalments. Short-term loans are granted on personal and collateral security up to five years; interest 6 to 8 per cent. Ample provision is made for foreclosure, occupation, sale, or lease in the event of default. Advances are made on from 20 to 60 per cent. of appraised value, the productivity of the land being the basis. The respective Acts very closely define and limit the purposes for which loans may be made. The liability of borrowers is limited to the amount of their individual loans. Capital is provided by the issue of bonds secured upon first mortgages on land, stock, chattels, &c. The currency of these bonds runs up to thirty-five years; interest, from 6 to 8 per cent.