



ANNO VICESIMO SEXTO

GEORGII V REGIS.

A.D. 1935.

No. 2237.

An Act to amend the State Bank Act, 1925, to authorise the Treasurer to raise moneys for the purpose of making further advances to the State Bank of South Australia, and for other purposes.

[Assented to, 19th December, 1935.]

BE IT ENACTED by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows :

1. (1) This Act may be cited as the "State Bank Act Amendment Act, 1935". Short title.
- (2) The State Bank Acts, 1925 to 1928, and this Act may be cited as the "State Bank Acts, 1925 to 1935".
- (3) The State Bank Act, 1925, is hereinafter called "the principal Act". 1703, 1925.
2. This Act is incorporated with the State Bank Acts, 1925 to 1928, and those Acts and this Act shall be read as one Act. Incorporation.
3. Section 8 of the principal Act (as amended by section 2 of the State Bank Act, 1928), is further amended by striking out the word "Three" in the second line thereof, and inserting in lieu thereof the words "a sum not exceeding Four". Amendment of principal Act, s. 8—
Increase of capital of the State Bank.

State Bank Act Amendment Act.—1935.

Enactment of
Part VIA of
principal Act—

4. The following Part is hereby enacted and inserted in the principal Act, after Part VI. thereof :—

PART VIA.—SPECIAL PROVISIONS FOR LOANS TO PRIMARY PRODUCERS.

Authority for
the Treasurer
to raise
money.

76A. The Treasurer is hereby authorised to raise money to an amount not exceeding in the aggregate the sum of one million pounds, by the issue and sale of inscribed stock or other securities.

Rate of
interest and
currency of
securities issued
by the
Treasurer.

76B. The inscribed stock or other securities issued under this Part, shall bear interest at such rate as the Treasurer thinks fit, on the respective amounts thereof ; and the principal and interest of any such stock or other security shall be payable to the holder thereof, at such place and at such times as are provided in such stock or other security : Provided that the time for the repayment of the principal of any such stock or other security, shall not be later than fifty years from the date of issue thereof.

Advances by
Treasurer to
bank.

76C. (1) Out of the moneys raised by the Treasurer under this Part he may from time to time make advances to the bank, not exceeding two hundred and fifty thousand pounds in any financial year.

(2) Any amounts advanced to the bank pursuant to this section, shall be used by the bank solely for making advances under this Part.

Issue to
Treasurer
of State Bank
stock or
debentures.

76D. (1) The bank shall issue to the Treasurer, State Bank inscribed stock or debentures, in respect of all advances made to the bank under this Part, and such stock or debentures shall have such currency and bear interest from the date of the respective advances at such rate as the Treasurer thinks fit.

(2) Upon the maturity of any stock or debentures issued under this section, the Treasurer may agree to the renewal of such stock or debentures upon such terms and conditions as he thinks fit.

(3) The bank shall, from time to time as it receives money in repayment of advances made by it pursuant to this Part, repay to the Treasurer the advances made by him to the bank, and the Treasurer shall then return to the bank for cancellation, State Bank stock or debentures of an amount equal to the sums so repaid to the Treasurer by the bank : Provided, however, that the Treasurer may re-advance to the bank any money so repaid, upon such terms and conditions as he thinks fit.

(4) The bank may employ any money so re-advanced for making further advances under this Part.

*State Bank Act Amendment Act.—1935.**Conditions Relating to Advances under this Part.*

- 76E. The bank may, out of the funds provided under this Part, make advances to farmers and other primary producers.
- 76F. No advance shall be made under this Part except upon mortgage of the fee simple of land.
- 76G. No advance—
- (a) shall exceed two-thirds of the value, as determined by a valuation to be obtained by the bank, of the land offered as security :
- (b) shall exceed five thousand pounds.
- 76H. (1) The Board shall not consider any application for an advance, unless it has received from the applicant a deposit sufficient to cover the cost of any valuation which it may deem necessary in respect of such application.
- (2) The bank shall not make any advance until it is satisfied with the title to the land offered as security, and has taken a first mortgage of that land as security.
- 76I. Every mortgage shall be in the form fixed by the bank, and shall be prepared by the bank free of cost ; but registration fees shall be paid by the borrower.
- 76J. Every advance shall be repaid to the bank with interest, and the amount of interest accruing between the time when the advance is made and the next first day of April or October, whichever shall first happen, shall be paid to or deducted by the bank, at the time of the making of the advance.
- 76K. The interest chargeable upon advances made under this Part shall be—
- (a) for the first fifteen years, or if the advance is for less than fifteen years, for the full term of the advance, at the rate agreed between the bank and the borrower before the advance is made ;
- (b) for that part of the term of the advance, which is in excess of fifteen years, at such rate as is fixed from time to time by the bank.
- 76L. After the first day of April or October, as the case may be, first following the making of the advance, the principal and interest shall be repaid by equal half-yearly instalments extending over such term of years, not exceeding thirty years, as is agreed upon between the bank and the borrower.
- 76M. The balance of the principal money owing in respect of any advance may be paid, with all interest due thereon, on the first day of any calendar month, and

Persons to whom advances may be made by the Bank.

Security for advances.

Limit of advances.

Conditions precedent to loan.

Form of mortgage.

Advances to be repaid with interest.

Rate of interest payable on advances.

Half-yearly instalments of principal and interest.

Repayment of advances at any time.

State Bank Act Amendment Act.—1935.

thereupon the bank shall discharge the mortgage free of cost, except registration fees ; and any portion of such balance may be paid on the first day of any calendar month, and thereafter the half-yearly instalments of principal and interest may be reduced proportionately.

Reserve Fund
to meet losses.

76N. Any profits made by the bank in any year in respect of advances under this Part shall be placed to the credit of a Reserve Fund, and shall be used to meet future losses (if any) in respect of such advances: Provided that the moneys standing to the credit of the Reserve Fund shall be lodged at interest with the Treasurer and shall not be used in any business of the bank except transactions under this Part.

In the name and on behalf of His Majesty, I hereby assent to this Bill.

W. DUGAN, Governor.