

arbitrators, and these latter elect an umpire. If the said arbitrators cannot agree about the choice of an umpire the President of the Law Court at Basle shall appoint one. Should one of the parties, after a lapse of four weeks, not have duly notified to the other party their choice of arbitrators the President of the Law Court at Basle can, at the demand of the opposite party, make this choice.

STATUTES (ARTICLES OF ASSOCIATION) OF THE MORTGAGE BANK OF BASLE.—(March, 1885.)

A. *Name, Office, Aim, and Capital of the Company.*

1. THERE was founded in the year 1863 a joint-stock company under the title "Mortgage Bank of Basle," having its office and jurisdiction (tribunal) in the Town of Basle.

2. The principal aim of the company is—firstly, to grant loans against mortgage security; secondly, to act as agents between investors of money and applicants for loans, by offering the mortgage security received for loans for investment to the public in smaller or larger amounts as the case may be. Special attention shall be paid to obtain securities of a character which enables prompt and satisfactory realization.

3. The capital of the company amounts to 2,500,000f., divided into 2,500 shares of 1,000f. each. The capital can, by a decision of the general meeting, be raised to 5,000,000f.

4. The issue of new shares has to be at the nominal value of such, and in no case below; and if shares are issued above the nominal value, the surplus goes towards the reserve fund of the association. Holders of previously-issued shares have the right to take up part of the newly-issued or additional shares at the rate of issue, in proportion to the amount of shares they previously held.

5. The shares are indivisible, and are payable to bearer (holder), and they can be deposited with the association against a receipt naming the person who handed them over.

6. Every shareholder answers only for the amount of his shares, and is interested in the property of the company in proportion to the amount of his shares. Possession of a share in this undertaking involves submission to and acknowledgment of the company's statutes (articles of association).

B. *Character or Special Line of Business of the Bank.*

7. The bank interests itself chiefly in lending money on mortgage, both in those cantons of Switzerland which offer sufficient guarantees by their legislation relating to mortgages and in the neighbouring parts of the Continent, especially if the debtor binds himself to repay the advance received by yearly instalments.

8. The securities (of immovables) offered can only be accepted if their value amounts to 50 per cent. above the advance granted, and if the income from such securities is in proportion to their value. The value of securities offered is fixed by the association's officers appointed for such purpose, who have to consider the amount of insurance by which such security is covered, municipal taxes, its market value, and most especially its saleableness. Moreover, information will be collected from competent persons able to judge from personal examination, and advice asked of impartial experts, in order to obtain as safe a judgment as possible.

9. The bank may also purchase property* at auction, and grant advances or loans against deposit of liens or warrants and documents of other kinds; but such advances must be for a short time only. A part of the capital may be employed for the purchase of easily-saleable railway, State, Municipal Corporation, and bank bonds, and trade bills, if it is to turn to advantage moneys which for the moment cannot be laid out on mortgage, or for the formation of a reserve for times when the gold-supply is reduced.

10. The bank is at liberty to transact any kind of business admitted into the scope of operations for their own account and on behalf of others who may accept the bank's services.

11. The bank accepts payments,† against which they issue bonds bearing current interest, and pass-books. In exceptional cases they also open running accounts, or they may issue letters of exchange on themselves. The sum total of money-payments accepted must, however, never exceed fifteen times the amount of the paid-up capital.

C. *Organization of the Company.*

1. The General Meeting.

12. The regular general meetings of the shareholders take place once yearly within the first four months of the year. Extraordinary general meetings are to be called whenever the Board of Directors or the auditors consider it necessary, or if it is demanded in writing, with a statement of the motives by one or several shareholders who together hold at least the tenth part

* *Gantrödel* is not a German word: it must be a Swiss word. Perhaps it is derived from the German words *gant*, auction; and *trödel*, second-hand goods. "Property sold at auction" is the best and only conceivable translation. No German in Dunedin has ever seen or heard of the word.—TRANS.

† By "payments accepted" I understand that money received for investment is meant, and that the company is limited to receive such sums up to an amount equal to fifteen times the amount of the actually paid-up capital of the association.—TRANS.