

Article 23. The borrower must apply the funds he receives in the liquidation of the debts upon his property incurred before the 1st January, 1870.

Article 24. The mode of paying interest and of repaying loans made in accordance with articles 22 and 23 is that determined by article 85, section 4, of the Constitution of 1846, according to which the annual payment of 5 per cent. by the debtor shall be applied to paying the interest of 3½ per cent. on the capital, and the balance to the reduction of the capital. Interest at 5 per cent. shall be charged on amounts not paid within fourteen days from the time they fall due.

Article 25. Moreover, all the provisions of articles 3 to 12 inclusive, and of articles 18 to 21 inclusive, are applicable to the investment of funds made on account of the 7,246,400f. specially set apart for the Oberland districts.

Article 26. The period of thirty years for which the provision of article 84, section 4, of the Constitution is guaranteed to the Oberland districts, expires on the 31st December, 1879. From this date all the debtors who have obtained loans in terms of the provisions of article 22 are, as regards interest and the reduction of the balance of the outstanding capital, placed under the legal provisions which shall be in force at that time, or which shall be afterwards enacted regarding the Land-mortgage Bank in general.

#### II. Employment of extraordinary fund.

Article 27. The investments and advances referred to in article 2, section 2, are only made exceptionally and temporarily, when there is not sufficient employment for available funds in terms of article 2, section 1. Detailed provisions on this point shall be made by regulation.

#### III. Reception of funds at interest.

Article 28. The Land-mortgage Bank receives as deposits, according to its requirements, funds on which it pays interest. No deposit shall be less than 200f. The Land-mortgage Bank undertakes the payment of the public taxes upon the deposits it receives. Detailed provisions on this point are reserved for regulation.

Article 29. The Land-mortgage Bank is authorized to receive temporarily as deposits, in proportion to its requirements, funds to the amount of 200,000f.

Article 30. The deposit in the Land-mortgage Bank and in the Servants' Bank of capital belonging to minors or wards is declared to have the guarantee required by article 268 of the Civil Code of Berne.

Article 31. The State funds in general, and the capital of the establishment in particular, are guarantees of all engagements contracted by the Land-mortgage Bank in virtue of this law.

#### C. Administration of the Land-mortgage Bank.

Article 32. The Land-mortgage Bank is placed under the supreme control of the Directory of Finance and of the Executive Council. Its administration is intrusted to an Administrative Council, composed of fifteen members, selected by the Government. The Executive Council name, from among the members of the Administrative Council, the President and Vice-President. The latter body chooses its Secretary. A Board of five members, chosen from the Council of Administration, has charge of the further management of affairs.

Article 33. The duties, powers, and, in general, the management of the business by the administrative bodies indicated in article 32, shall be determined by the decrees, ordinances, and regulations to be promulgated in execution of this law.

Article 34. The officials of the Land-mortgage Bank are: (a) a manager, (b) a cashier, and (c) a book-keeper. Clerks may be added as soon as the amount of business requires it.

Article 35. The manager who is chosen by the Great Council upon the recommendation of the Council of Administration, is the responsible director of the bank. He is, as such, placed under the supervision of the Directory. The cashier and the book-keeper, as well as their clerks, are nominated by the Council of Administration.

#### D. General Provisions.

Article 36. The head office of the Land-mortgage Bank is at Berne. All payments that it receives or makes must be made at the bank free of cost.

Article 37. The Management of the Land-mortgage Bank is not obliged to give the reasons for its refusals.

Article 38. A decree which shall be promulgated by the Great Council shall contain detailed provisions necessary for this law. It shall determine in particular—(1) The prescriptions as to the formalities to be observed on the payment of loans, as well as the guarantees to be then required; (2) detailed regulations on the organization, the duties, and the powers of the administrative body, the duration of their functions, their salaries, and the securities they have to furnish.

Article 39. This law shall come into force on its acceptance by the people. It annuls all laws and ordinances which are contrary to it—in particular: (1.) The law of the 12th November, 1846. Nevertheless, the responsibility of the communes enacted in that law for the mortgage valuations regarding loans granted before the present law comes into force shall continue in