

XX. In the event of dissolution of regional banks that have received State subsidies, or local banks that have had the benefit of these advances, the active money, including reserves, after all the social debt has been discharged and the fundamental capital repaid, the remainder shall be paid to a fund of agricultural interests which shall be nominated by the general Council and approved by the Minister of Agriculture. Failing such determination the balance shall be disposed of as decided by the full Council of the National Agricultural Credit Office.

XXI. The agricultural mutual-credit banks governed by the present legislation are commercial societies. Their books must be kept in conformity with the commercial code, and those of banks that have received State subsidy must be kept as required by the Minister of Agriculture.

CO-OPERATIVE AGRICULTURAL SOCIETIES, AGRICULTURAL SYNDICATED ASSOCIATIONS, AND SOCIETIES OF AGRICULTURAL INTERESTS.

XXII. *Purposes.*—Societies can be affiliated to local credit banks, as set out in Article I:—

- (1.) Co-operative agricultural societies: Founded to facilitate operations connected with the production, transformation, storage, or sale of agricultural products derived exclusively from the land of members.
- (2.) Co-operative-purchasing societies, mentioned in Article VII.
- (3.) Syndicated associations with exclusive agricultural purpose.
- (4.) Agricultural societies: To proceed with manufacturing of all sorts of substances, products, or instruments used for agriculture; for carrying out agricultural works of common interests, such as abattoirs, cold storage, electricity, railways, &c.; social hygiene, construction of hygienic lodgings destined for agricultural workers, or for the improvement of agricultural buildings which are considered unhealthy by the authority.

XXIII. The capital of all co-operative societies authorized under Article XXII, paragraphs (1) and (2), to operate with the agricultural mutual-credit banks cannot be constituted by shares, but must be formed by the members by means of parts subscribed by each one of them. The regulation must specify explicitly that—

- (1.) These parts are nominated and reserved exclusively for agriculture; that the amount repaid will never in any case exceed the primitive value; shall not be transferable without the agreement of the society.
- (2.) No dividend will be paid on the capital or any part thereof, and interest shall not exceed 6 per cent. The annual surplus, after all charges for amortization, interest, reserve, &c., have been met, may be divided between the co-operators in proportion to the respective operations of each member with the society.

Similar regulations will be applied to the agricultural societies of common interests mentioned in Article XXII, paragraph (4), which desire to obtain a Government subsidy.

The capital of co-operative societies and agricultural societies of common interests referred to above may be fixed at the foundation or constitution of each at an amount over 200,000 francs, or increased in one year notwithstanding the statutory limitation imposed in July, 1867 (49); also that the parts (shares) subscribed by members of these societies may be 25 francs without regard to the fundamental capital.

XXIV. Co-operative societies and societies mentioned in Article XXII are the only ones which can obtain long-term advances on the conditions mentioned in the article next following. These advances are fixed at the rate of 2 per cent.; duration, twenty-five years (maximum). Duration can, however, be exceptionally extended for fifty years to co-operative societies engaged in afforestation. The application for advances must explicitly state the purpose for which the moneys are required. They will be submitted to the Minister of Agriculture through the channel of the regional banks.

XXV. If co-operative societies or agricultural societies of common interests entitled to long term loans are or become owners of buildings a mortgage on such buildings must be given to the State whenever the regional bank demands.

ADVANCES BY THE STATE.

XXVI. The advance of 40,000,000 francs, and the annual charge due by the bank to the Treasury, as provided in the legislation of 1917-18, are at the disposal of the Government for transfer to the regional banks. By decree the Minister of Agriculture and Finance will fix the proportions in which these advances shall be used for long- and medium-term loans, for long-term loans to individuals, to co-operative societies, syndicated societies, or agricultural societies of common interests.

XXVII. The National Council will be responsible for the distribution of the advances as granted.

XXVIII. Advances for short and medium terms as granted will be kept on current account by the National Office of Agricultural Credit. Advances to the regional banks to be used for long-term loans to individuals are to be fixed according to the number and importance of the applications filed in these banks. Co-operative agricultural societies, the free syndicated associations, and the agricultural societies of common interests may obtain advances to the extent of six times their capital represented by liquid securities and real estate if their regulations provide for the united and consolidated responsibility of their members, or if all or a part of the directors have given a consolidated agreement to repay, if this engagement is considered sufficient and is accepted by the intermediary regional bank. Advances granted to associated syndicates will be made in proportion to the importance of the work to be carried out.