

VIII. If applicant for medium-term loan is not the owner of freehold, the term must be fixed three months before the termination of his lease ; if no lease, four months before the expiry of his privilege. The repayment of loan becomes immediately due if borrower who is not a proprietor abandons his occupation of the property for the needs of which money was advanced.

IX. Loans for small artisans such as blacksmiths, repairers of agricultural implements, wheelwrights, coopers, &c., members of an agricultural syndicate who do not usually employ more than two workers, can only be granted against mortgage, pledge of property, or such guarantee as the relative regional bank considers sufficient.

LONG-TERM LOANS TO INDIVIDUALS.

X. No application for long-term loan to an individual will be considered unless accompanied by written engagement by applicant that he will work himself or with the help of his family the small property he wishes to acquire, recondition, &c., with the money asked for.

XI. Banks of agricultural credit that grant long-term loans to individuals may demand, besides the guarantees named, any other guarantee they may consider necessary.

XII. All life-insurance contracts must be with the National Bank of Life Insurance, for the benefit of the society granting the loan.

XIII. If a borrower is unable to insure his life a policy can be furnished by a third person, who undertakes the responsibility of repayment, and who makes provision for the same in case of his own death, when the policy will be available to pay off the existing debt.

XIV. If loan granted is to be applied to rearrangement or transformation work, progress-payments will be made on satisfactory certificates.

XV. The amortization and interest payments shall be made in equal parts each year. Under exceptional conditions during the first three years the amortization charge may be reduced, having regard to the price of the products. After three years the amount due must be paid in equal parts each year. In no case must the duration of a loan exceed twenty-five years. Annual payments may be varied and arranged every three months or six months, according to the stipulation of the contract. By payment in advance, interest may be reduced by the period so covered.

XVI. If borrower fails to carry out his agreement or violates its conditions the loan becomes immediately due, except when extraordinary circumstances arise beyond the control of the borrower, when his case will be considered by the General Director of the National Office of Agricultural Credits.

XVII. Military pensioners and civil war victims granted long-term loans may obtain a modification of $\frac{1}{2}$ per centum per annum for each 100 francs borrowed for each child under sixteen living at home. These bonuses will be paid direct to the society that granted the loan, by the National Office, which is in turn reimbursed out of the relative Ministerial budget. Documents to be submitted to National Office by societies granting loans : (a) Marriage-certificate of borrowers ; (b) birth-certificates of each child entitled to bonus ; (c) amortization proposals, amount of loan, date guaranteed, annual payments, duration, &c. At the end of each year, a life-certificate for each child under sixteen. Births and deaths of children must be notified within one month.

XVIII. These regulations also apply to societies of mortgage credit that grant loans to war victims.

CO-OPERATIVE AGRICULTURAL SOCIETIES : AGRICULTURAL SYNDICATED ASSOCIATIONS AND AGRICULTURAL SOCIETIES OF COMMON INTEREST.

XIX. Regulations must fix territory, method of administration, and total capital ; must explicitly state that--

- (1.) Contributory capital is nominated, and remains exclusively reserved for the use of agricultural associations or agriculturists, preferably members of agricultural syndicates (the capital shares will never exceed their primitive value) ;
- (2.) Fix the maximum number of votes exercisable by any member notwithstanding his holding ;
- (3.) No dividend is paid, and that interest on capital must not exceed 6 per cent. ;
- (4.) Steps are taken to inaugurate a reserve to be taken from each annual surplus to repay advances ;
- (5.) The annual surplus after charges have been met shall be divided between members in proportion to their operations with the society ;
- (6.) The account will be kept as prescribed in the Commercial Code and as directed by the National Office ;
- (7.) Any proposed changes in the regulations must be submitted to the relative regional bank. Such alterations shall not become operative without the approval of the National Office.

In the case of institutions mentioned in Article XXII, composed of persons other than shareholders, after charges are met the entire annual surplus shall be carried to special reserve as provided by Article IV.

Regulations must specify that in no circumstances may the surplus acquired by operations with persons who are non-members be divided amongst shareholders. The net profits will be pooled for the common development. In the case of dissolution, these balances will be assigned according to Article XX of 1920 and Article V of this decree.

In the case of services of common use, such as the installation of electric power, &c., the institutions referred to in Article XXII who have to admit persons other than agriculturists, they may be regarded as such, provided they fulfil all the requirements of the regulations. The National Office will decide if such an institution, on account of the importance of its agricultural interest, may be admitted as a beneficiary.