

nuities, so as to sink the debt in a period of not less than ten nor more than sixty years.

The others are reimbursable at short term, without a sinking fund.

The loans may be made in money, in *obligations foncières* or in *lettres de gage*.

The society loans only on first mortgage.

The loans cannot exceed the half of the value of the property. On wood-lands, vines, and all crops in the ground, they loan but a third. The buildings, the machines, etc., are valued without regard to their special industrial relations.

The rate of interest is fixed by the council; it cannot surpass the legal rate.

The annuity is payable in specie, semi-annually, at dates determined by the administration. It comprises:—1. the interest: 2. the sinking fund; 3. A commission for administration which cannot exceed 60 cent times *per cent*.

Every half-yearly annuity not paid bears interest at 5 per cent. and gives the right to demand the whole of the debt a month after notification.

The debtors have a right to liberate themselves by anticipation, in whole or in part, either in money or in the obligations of the form which may have been indicated by the contract of loan.

The following is the manner in which the society makes its loans. These may be extended to the sum of 1,200,000,000 of francs. And in order to accomplish this, upon a capital of 60,000,000 francs, the society must, of course, be a borrower itself:—

The loans of the society are made by means of an emission of obligations, which cannot surpass the amount of the hypothecated engagements of the proprietors of real estate in favor of the company.

The obligations are to bearer; they are in amounts of 1,000 francs, but may be divided into sums of which the least is 100 francs. They bear an annual interest, of which the rate is fixed by the council of administration, at the time of their creation.

They are divided into classes, of which each comprises all the obligations created at the same rate of interest.

They are reimbursable by way of lottery drawings; the prices and premiums may be attached to the obligations reimbursed.

The proceeds are applied, in the first place, to the payment of the interest of the *obligations foncières*, the capital of those that the drawings have designated for reimbursements, and the prizes and premiums.

The obligations of the *Crédit Foncier* are of three kinds; 1st, 3 per cents, reimbursable with a premium, and imparting a right of a draw in the lottery; 2d, 4 per cents, reimbursable without premiums, but which have the benefit of the prizes; 3d, 5 per cents, reimbursable without premiums and without the right to the lottery drawings. That is to say, that the company, instead of allowing 5 per cent on the whole of its obligations, which would seem to be the most straightforward and honest way of proceeding, distributes, with regard to the 3 and 4 per cents, the difference between their respective rates and that of the 5 per cents, in prizes and premiums arising from the lottery drawings. "They are," says Proudhon, "but a bait thrown out to that speculative spirit which