

The salaries and expenses of administration comprise about $\frac{1}{4}$ per cent of the loans.

The surveillance of the State is exercised very scrupulously on all acts of administration. The commissioner has the right to assist in all deliberations; his compliance, verified by his signature on the obligations of the society, is a condition necessary to the existence of those acts.

Such are the general principles which are the base of the establishment of institutions of *Crédit Foncier*, in Germany, and some parts of Russia.

THE SOCIÉTÉ DU CRÉDIT FONCIER.

The *Société du Crédit Foncier*, in France, was founded for ninety-nine years from 30th July, 1852, with a capital of 60,000,000, in 120,000 shares of 500 francs each.

Until the complete payment of the shares, provisional certificates only are delivered, negotiable by transfer. The first subscribers and their assigns remain engaged until the complete payment of the share. The shareholders are only responsible for the amount of their subscription. The general assembly is composed of two hundred of the largest share-holders, of whom the list is appointed twenty days before the convocation.

The net profit is distributed; (1.) 5 per cent to the shareholders; (2.) 20 per cent to the reserved fund until it attains the half of the subscribed capital. The reserve fund is destined to provide for unforeseen events, and in case of the insufficiency of the gains of any one year, to make a dividend of 5 per cent, to furnish the difference; (3.) There is formed a provisional fund destined to compensate the original expenses of establishment during several years; (4.) The surplus is distributed as further dividend.

A subvention of the State of 10,000,000 francs was accorded to the society, by decree, 10th December, 1852.

The society has been subjected to various modifications since its foundation. It was originally but a *Banque Foncière de Paris*, but was transformed, by decree of 18th November, 1852, into a *Société du Crédit Foncier de France*. In the provisions of the organic decree of 28th February, 1852, the annuity, payable by the borrower, was fixed at 5 per cent, comprising interest, expenses, and sinking fund, (*amortissement*.) This rate was soon advanced to 5.45, but this augmentation proving to be insufficient, it was advanced successively to 5.65 and 5.95 per cent.

Decree of 6th July, 1854, ordered the union of the *Crédit Foncier* with the State. Of this measure, M. Proudhon quaintly remarks:—"The difficulty which has attended the course of the new institution and the disorder of its affairs, appear to have caused that reunion. That which cannot live on the free air of liberty, will, without doubt, thrive in the hot-house of the government." The director, E. Wolowski, was also replaced by M. de Germany.

The last modifications of the society were made in June, 1856, and the following are the principal operations, as then fixed, which we translate from M. Proudhon's work—

The society makes two sorts of loans.

One class of loans is reimbursable at a long term, by accumulative an-