

(g) *Sweden.*

In Sweden, the Government, in co-operation with a number of the larger Swedish banks, established in 1934 a joint-stock company called *Industrial Credits Company* with paid-up capital of 8 million kronor, charged with granting credits not exceeding ten years to middle-sized and small industries and artisans, primarily for the purpose of financing the renewal of plant, the enlargement or rationalization of the existing undertakings and the sale against long-term contracts of products made by the borrower. It may also give guarantees. It normally takes as security real estate mortgages, but also mortgages on plant and stock backed by a personal guarantee. The Company may not accept deposits, but it may issue bonds to the total amount of four times its guarantee and reserve funds; it has not, however, issued any bonds to date. The guarantee fund is a State contribution in the form of Government securities amounting to 12 million kronor. Since October 1937, the rate of interest charged has been  $3\frac{1}{2}$  per cent. Loans outstanding at the end of 1938 totalled 4.9 million kronor.

Another medium-term credit institution—the *Shipping Mortgage Bank*—was created in 1930, with the object of granting mortgage loans of ten to twelve years on ships. The State has placed a guarantee fund of 10 million kronor at the disposal of the bank, which may issue bonds up to 100 million kronor. At the end of 1937, the outstanding bond debt of the bank was 37 million kronor and the outstanding loans 38 million kronor; the rate of interest is  $3\frac{3}{4}$  per cent.

The facilities offered to medium- and long-term borrowers by these institutions have been supplemented by various loan funds established by the Government to meet the needs of certain classes of industry. A *Fund for Loans to Industrial Undertakings*, re-organized in 1927, grants credits not exceeding ten years for the establishment of new industries, particularly those of importance to agriculture. A *Fund for Loans to Small Industries*, created in 1818, and a *Fund for Loans to Artisans*, established in 1910, supply the working capital or funds for the purchase of machinery to small entrepreneurs. The loan period may be high as six years; the rate of interest is 4 per cent. A *Fund for Loans to the Shipping Industry*, set up in 1903, grants loans to shipping companies to finance renewals and modernizations of ships. A *Fund for Loans on Second Mortgages on Ships* was established in 1936.

(h) *Poland.*

Most Polish commercial banks were originally of the *banque d'affaires* type and many of them have retained the practice of granting to industry credits of the character of medium-term loans. These loans generally take the form of a credit on current account secured by mortgage. During the past year, the *Banque de l'Économie nationale*—a State institution—has begun to grant medium-term debenture credits to industry (*crédits obligataires*). These credits may not exceed 50 per cent of the value of the land, 40 per cent of the value of the buildings or  $33\frac{1}{3}$  per cent of the value of the machines on which the mortgage is taken. Their duration is three to seven years, and they are repayable in equal half-yearly instalments; in exceptional circumstances, amortization may be postponed for two years. The rate charged is 6 per cent. The *Banque de l'Économie nationale* issues its own  $7\frac{1}{2}$ -year State-guaranteed bonds up to the amount of the loans granted; retirement of these bonds takes place *pari passu* with the repayment of the loans on which they are based. It is still too soon to say to what extent there is a legitimate demand for these loans from Polish industry.

(i) *Roumania.*

In Roumania, there was no special institution for supplying medium-term credit until 1937. Before the economic and financial crisis of 1930-1934, entre-