

was actually paid out; the balance (apart from small sums awaiting settlement) was not used, because the applicant changed his mind and decided not to borrow or because, "in a great many cases", the money was obtained from other sources, including the banks, or for other reasons not stated. The parent company reported in 1936 that "the work involved in the administration of this company (*i.e.*, Credit for Industry Limited) is still out of proportion to the results, and our return on our investment is inadequate."

The *Charterhouse Industrial Development Company* was founded in June 1934 by the Charterhouse Investment Trust. Its capital is £500,000 and its purpose is to provide money to small undertakings in amounts from £10,000 to £100,000. It is supposed that the company generally takes up preference shares, thus participating to some extent in the equity, and that it invests for periods up to twenty years.¹

The *Leadenhall Securities Corporation* was organized by Schröders in 1935 with a capital of £250,000, "to engage in the finance of medium and small home industrial business for which the normal machinery of the London market is inappropriate." Its investments appear to take, as a rule, the form of redeemable preference shares and some common shares which are repurchased by the proprietor after four or five years.¹

A fourth institution—the *New Trading Company*—also participates in the capital of small- and medium-sized businesses. Other institutions also engage in the provision of financial facilities of the type under discussion; it is not possible to give an exhaustive list. Special mention should, however, be made of the *Special Areas Reconstruction Association, Limited*, formed for the purpose of enabling new enterprises to be established or existing enterprises extended in the Special (Depressed) areas. No capital is subscribed by the State, which contributes, however, to the expenses of management and guarantees 25 per cent of losses on the total amount of loans granted by the Association. Applicants must satisfy the Association that their business has reasonable prospects of success and that they are unable to obtain adequate financial facilities elsewhere. The normal maximum limit of each loan is £10,000 for five years.

(c) France.

In France, too, problems connected with medium-term credits have arisen during the past twenty years. Fear of monetary disturbances and frequent appeals of the State and public corporations to the capital market have kept interest rates high. Moreover, it has been difficult for the private banks to secure large volumes of time deposits which could be used to extend medium-term credits, because public and semi-public savings institutions offer on sight deposits rates of interest at least equivalent to those which private institutions could offer only on time deposits.

However, a type of institution providing medium credit for industry has developed in Paris in the form of affiliates of large deposit banks. At present, there exist four such establishments supplying medium-term industrial credit which are in fact branches of the big deposit banks.²

¹ GRANT, *op. cit.*

² The names, the affiliation and the scope of operations of these special houses are as follows:

Name	Affiliation to the deposit banks	Total assets in 1938 (except <i>comptes d'ordre</i>) Francs (000,000's)
1. Union pour le crédit à l'industrie nationale ^a	Crédit lyonnais and comptoir d'escompte	146
2. Crédit à l'industrie française	Société générale	168
3. Union des banques régionales	Crédit industriel et commercial and a group of regional banks	142
4. Union bancaire du Nord	Crédit du Nord	..

^a This bank founded a branch specialized in the long-term credit to industry (*Omnium financier pour l'industrie nationale*) the total assets of which amounted in 1938 to 116 million francs.