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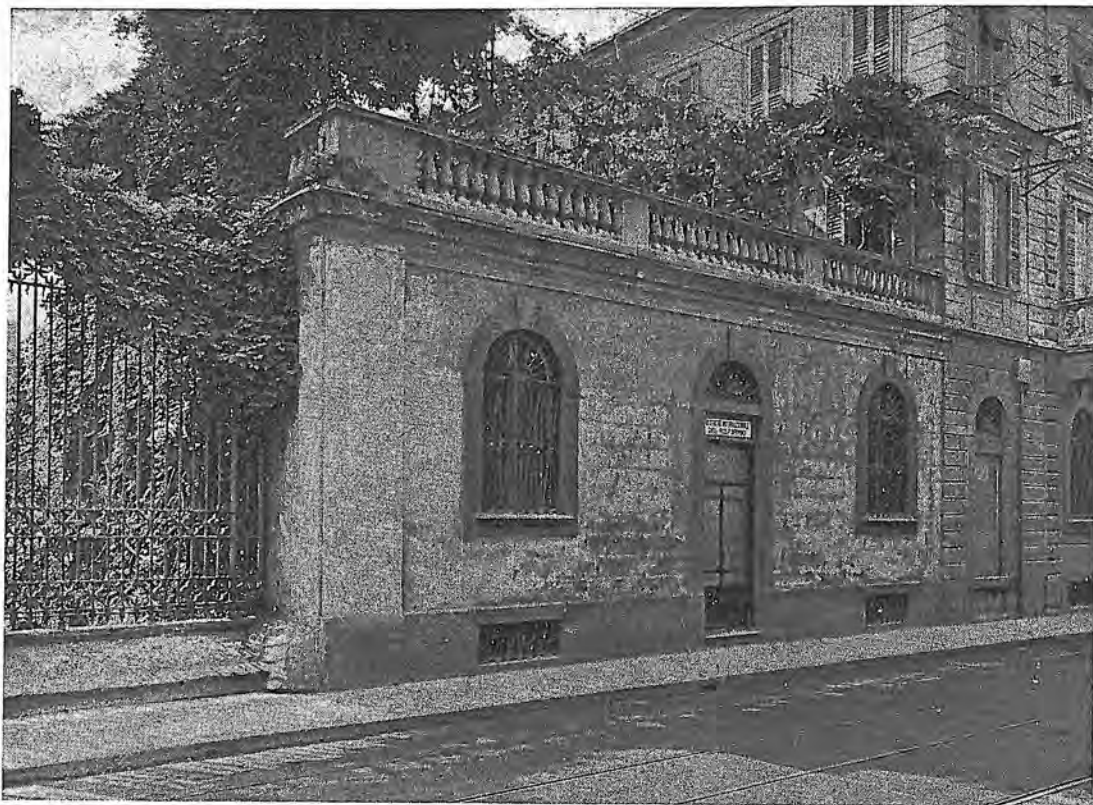
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Outside view of the first Office of the International Thrift Institute.



Inside view of the first Office of the International Thrift Institute.

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THE INTERNATIONAL THRIFT INSTITUTE AT THE PHILADELPHIA CONVENTION

In the second-last number of the Bulletin we made extensive mention of the initiative taken by the National Association of American Savings Banks, inviting the attendance of the Savings Banks of other countries, and of the ideas which induced the International Thrift Institute to participate at the Convention.

The President of the International Thrift Institute, the Hon. Giuseppe De Capitani d'Arzago, the European members of the Permanent Committee, Thomas Henderson J. P., G. Edgar Scholes, Kenneth J. Stirling, D. J. H. Andries, H. J. J. Post, J. P. Isaac-Dognin, W. A. Barclay and the Director, Prof. Filippo Ravizza will always retain an affectionate remembrance of the courtesy, the kindness and the cordiality which they met with during their stay in the United States. However, leaving aside all agreeable personal recollections, special mention must be made here of the great enthusiasm which greeted the idea of the International Thrift Institute and the practical measures which have been taken by its American friends to obtain the membership of the American Savings Banks.

The Institute, and through it, all the Savings Banks in the world, will be deeply indebted to all the organisers of the Convention, headed by Mr. James M. Willcox, President of the Phila-

delphia Savings Bank, and Mr. Charles A. Miller, President of the Utica Savings Bank, N. Y., but particularly to Mr. Milton W. Harrison. This was the first gentleman in the United States to answer to the call, repeatedly made in vain some two years ago, to the First International Thrift Congress. He became an able supporter of the idea which germinated at this Congress, namely, an International Organization of Savings Banks, and he made a flying trip, to Milan, for one day only, even though his presence was urgently required in America for important business affairs and family duties, in order to be present at the Foundation Sitting of the Institute, and to append his signature to its Bye-Laws. Some months later, he returned to Europe, for the purpose of pointing out the necessity of the European participation at the Philadelphia meeting, for gaining the membership of the American Savings Banks. He did his utmost, ably continuing his work for the success of the undertaking, moved by the vision of the world-wide function, both economical and moral, of Thrift and of the Savings Banks, upheld by the highest ideals of international peace.

Conforming with the programme already set forth, the meetings were held from Monday, 18th to Friday, 22nd October. After the first

day, the first portion of each morning was dedicated to plenary sittings, at which either one or two orators treated subjects having a more general character and importance.

The addresses delivered were:

1) ANNUAL ADDRESS.

The Hon. Judge Edward A. Richards, President of the East New York Savings Bank Brooklyn, N. Y. and President of the National Association of Mutual Savings Banks of the United States for 1926.

2) «THE SAVINGS BANK OF LOMBARDY AND THE INTERNATIONAL THRIFT INSTITUTE».

His Excellency the Marchese Giuseppe De Capitani d'Arzago, President of the Cassa di Risparmio delle Provincie Lombarde and President of the International Thrift Institute.

3) «HOW THRIFT IS PROMOTED IN AMERICA».

Samuel H. Beach, President of Rome Savings Bank, Rome, N. Y.

4) «HOW THRIFT IS PROMOTED IN GREAT BRITAIN».

Thomas Henderson J. P., Actuary of the Savings Bank of Glasgow.

5) «THE ACTUAL RESULTS OF THRIFT TO THE NATION».

Raymond R. Frazier, President of the Washington Mutual Savings Bank, Seattle, Wash. and Alex. Cooch, Assistant General Manager of the State Savings Bank of Victoria, Melbourne, Australia.

6) «RESULTS TO BE ANTICIPATED FROM INTERNATIONAL COOPERATION IN THE PROMOTION OF THRIFT».

Prof. Filippo Ravizza, Director of the International Thrift Institute, and Charles A. Miller, President, Savings Bank of Utica, N. Y.

From 11 o' clock to 1 o' clock followed sub-conferences, held in various rooms. There were three series, and the subjects treated were the following:

A) Promotion of Savings, Bank Efficiency and Services:—

1. Inside the Bank.

- a) Bank's policy toward depositors.
- b) Special services.
- c) Mechanical devices.

2. Outside the Bank.

- a) School savings.
- b) Industrial savings.
- c) Personal solicitation.
- d) Neighbourhood work.

3. Advertising to get new and retain old business.

- a) Newspapers.
- b) Hand distribution.
- c) Outdoor display.
- d) Problem of the Inactive Account.
- e) General publication advertising.
- f) Special features.

B) Administration and Management:—

- 1) Under what authority organized.
- 2) State regulation and supervision.
- 3) Powers and limitations of Savings Banks.
- 4) Special practices and legal decisions.
- 5) Limits on deposits.
- 6) Competition for savings.
 - a) Commercial Banks and Trust Companies
 - b) Building and Loan Associations.
 - c) Postal savings in themselves and in relation to Trustee or Mutual Savings Banks.
- 7) Interest rates.
 - a) Methods of calculation.
 - b) Interest periods.
 - c) Relation of rates to return on Investments

C) Loans and Investments:—

- 1) National Loans.
- 2) Municipal Loans.
- 3) Public Utility Loans.
- 4) Industrial Loans.
- 5) Real Estate Loans.
- 6) Corporation Stocks.

On all these arguments very interesting reports were made, followed by useful discussions, which we regret not being able to make known in the present number of the Bulletin. We must limit ourselves to giving here a brief statement of the part taken by the International Thrift Institute in the Conference, and of the aspects which have a direct bearing on the Institute itself, for the purpose of diffusing among the Member Savings Banks a better knowledge and appreciation of its aims, its spirit and its possibilities for the future.

Although the attendance of the Institute at the Philadelphia Conference was not officially decided until the end of July, thus allowing the Institute's small staff only two months, the two summer months, for arranging for an adequate participation, the Institute was able, nevertheless, also to figure in the interesting exhibition which was given in connection with the Convention. In fact, the Institute sent as many as 29 diagrams (size about 20 x 28 ins.) showing the progress of thrift in 29 different countries (see foot-note), in the national currency and in dollars, as well as a large world map (ft. 10 x 7) demonstrating the different nature of the Savings Institutions in all countries. The high cost of reproducing all these diagrams and the world map, prevents the Institute from presenting a copy of all this interesting material to its Member Savings Banks, as it would very much like to do. Each of these diagrams had to be supplemented and interpreted by a very short monograph about Savings and Savings Institutions in every country, prepared by the respective National Associations, on the basis of a query sheet com-

plied and sent to them by the Institute. However, this also was only decided at the Paris sitting, and it required some time for the preparation of the query sheet, which had to fulfil the difficult task of collecting with a certain uniformity the descriptions of the Institutions in the various countries, so as to make comparisons easy and fruitful. Then it had to be printed and distributed, and as at that time many of the staff from the offices of the Associations were on their vacation, only Belgium, Luxemburg, Germany, Holland, Norway, Sweden, Finland, Yugoslavia and Hungary were able to supply the required statement in 500 copies, which were distributed in Philadelphia and which were very much appreciated.

As the address of the President, the Hon. Giuseppe de Capitani, on the Savings Bank of the Lombardy Provinces and the International Thrift Institute, has been already widely circulated both in the Italian text and in the English translation, we shall only quote here the part which directly concerns the Institute.

After having given a true idea of the wise organisation and multiform activities of the Savings Bank of the Lombardy Provinces, of « this Credit Institution, serving a Benevolent Institution », he continued: « Gentlemen, it was in this environment of administrative wisdom and goodness that the idea arose of calling together for the first time, in friendly meeting and cordial collaboration, the representatives of all the Savings Banks in the world, and of proposing to them to start in a common unity something which could give foundation and elevation to their ideals, which should gather together common experiences and technical improvements, which should lead the way to new developments in their beneficent prosperity.

But if the whole world responded to the appeal with great enthusiasm, if the discussions and the work were two years ago so conclusive, if the International Thrift Institute has been founded

NOTE. Italy, Spain, France, Belgium, Luxemburg, Holland, Great Britain, Norway, Sweden, Finland, Denmark, Germany, Austria, Czechoslovakia, Yugoslavia, Greece, Bulgaria, Roumania, Egypt, Canada, U.S.A., Peru, Uruguay, Argentine, Chile, India, Japan, Australia, New Zealand.

and has been able within a few months to gather around it more than half the savings banks in the world, the merit is certainly due to those who, with untiring enthusiasm and faith, have dedicated themselves to this work, but it is also because in all the Savings Banks in all countries there is the same treasure of ideas, of sentiments and traditions, in all of them the need, often still unfelt, of giving to our duty and our love for the needy and humble classes in every country a new expression and new form adapted to the present epoch in the history of humanity. The Savings Bank of the Lombardy Provinces did not need to promote the International Thrift Institute to assure its prosperity. Its century-old past and its actual prosperity prove this. In fact, its exit from national confines and its turning towards institutes afar off might have created in the minds of its faithful followers doubts as to whether the Savings Bank was about to open up new ways unsuited to its constitution and of entering into a union which might compromise its future. But the Bank saw, in this attempt, only the continuation, necessitated by the times, of what it had accomplished in the past. And all the other 4000 Savings Banks from 22 countries who joined up, were at one with it in this. Thus you, flourishing American Savings Banks, although having no immediate necessity of becoming members of the International Thrift Institute,

certainly feel, when competitive bodies unite, all the dangers of isolation; you will certainly blame the inertia of goodness, when so much avidity and wickedness actively combine in this world; and you will feel the necessity of union against all the possibilities of evil and the duty of union in face of so many possibilities of doing good. And our union is desirable, were its aims no more than that of uniting our strength to that of those who are always energetically striving to construct a world where work and thrift can progress in harmony among all peoples, for this is the greatest welfare work which we can join in and hope to accomplish for our millions and millions of depositors to whom also in these distant celebrations of ours, far from them, we must always turn our devoted thoughts.

It is not for us to enquire whether a certain Institute may or may not derive immediate and direct advantage from a union with others or whether it believes or disbelieves in the success of the common endeavour, but what matters is that it is our duty to accomplish this union, our duty towards the millions of faithful followers whose sacrifices and whose hopes, we represent. Animated by these feelings, with our eyes turned towards the promising future, let us intensify our efforts and our energy in the sublime ideal of a time to come pregnant with humanitarian work ».

(To be continued).

PRACTICAL SERVICES

BY THE INTERNATIONAL THRIFT INSTITUTE

TO ITS MEMBER SAVINGS BANKS

The more vast and ideal aims of the Institute are very often extolled, but it is nevertheless good to recollect that, in conformity with its Bye-Laws, it responds also to more practical scopes of prompt and direct utility to its member savings banks.

Here are some examples taken from its work during the first few months of the present year:

« It undertook to *procure films* on thrift for a Savings Bank which wished to use these for propaganda purposes.

« It worked to procure *illustrated material* of countries to which an organisation of Savings Banks wishes to promote trips, the Savings Banks opening for this purpose special accounts at fixed amounts of deposit.

« A Savings Bank wishing to introduce *the service in Home Safes*, the Institute furnished indications on the manner of organising this service, giving information on the different models of safes, prices, and addresses of manufacturers in various countries, etc.

« To a Savings Bank which wished to make a new edition of its *Savings Pass-Books*, the Institute offered suggestions regarding the form and the contents.

« It made the translation of the *Savings Banks Legislation* of one country, for the Savings Banks Association of another country.

« To a Savings Bank which desired to *modify the legal provision* concerning the limitation of withdrawals, the Institute supplied data on the legislation in force in all countries, on this subject.

« To Savings Banks of one country, which are studying *the constitution of Communal Savings Banks*, the Institute furnished information on the communal savings banks already organised elsewhere.

« It translated, for a large Savings Bank which intends developing *agrarian credit*, a publication on the operations carried out by another large foreign Savings Bank in the agrarian field, supplying also the relative material.

« On the request of a State Savings Bank, the Institute supplied it with a report on *the Savings Certificates* adopted by a Foreign Post-Office Savings Bank, sending it also the relative material.

« Also on request, the Institute presented a concise report on *the organisation and working of the Savings Banks* of one entire country.

« It furnished complete translations in various

languages of articles which had been summarised in the Bulletin.

« On the invitation of the Staff of a Savings Bank, the Director of the Institute held a *conference* on the organisation of the Savings Banks of another country ».

We are not making mention here of the varied information asked for on different subjects by Savings Banks and those making a study of thrift, of communications and articles supplied to the reviews of National Associations, etc., and of the Bulletin of the Institute which, although still very modest, calls, nevertheless, for much time and work.

In the meantime, the Institute is continuing to gather material and persisting in its studies, which will enable it to master, better and better, the vast matter concerning thrift, and to become always of greater service to its member savings banks.

For example, during these few months since the beginning of 1927:

« It made an enquiry amongst *all the navigation companies in the world*, in order to find out how many of these had a savings service on board their steamers, for emigrants or for the sailors, and how such service was organised.

And departing from the purely informatory field:

« It *promoted the constitution of a National Association of Savings Banks*, in a country where this did not exist, giving both data and advice to competent persons and to the most important Institutions.

« It victoriously overcame a proposal of interna-

tional character, which could have damaged a large and praiseworthy class of Savings Banks in all countries ».

The Institute may perhaps not have accomplished so very much, and not, perhaps, too well owing to the fact that its means are still scarce, and therefore its staff is small, and is taken up with the usual office work, principally in dealing with the large ordinary correspondence, the continual propaganda work for obtaining new memberships, the examination of the requests for membership, the communication of these to all the members of the Permanent Committee (during the last few days, the seventh list, showing 521 new membership applications has been distributed), the classification of the material which arrives daily, the detailed bookkeeping of the subscriptions in the various currencies, etc.

However, that which has been set out above will serve as an example of what the Institute can do. Let the Member Savings Banks not fail to send it their requests, to submit questions and to entrust it with duties.

The Institute will do its best to meet all wishes, and if it fails to succeed, it will only be owing to the fact that many Savings Banks have not yet given their adhesion, and do not yet bring their contribution of money, of material and of information, for the mutual advantage of all.

It is to be hoped that during 1927, all Savings Banks will have joined, and that the Institute, helped by the contributions of its members, will be able to acquire the necessary efficiency for rendering greater services to all member Savings Banks.

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NEW SERVICES OFFERED BY THE INTERNATIONAL THRIFT INSTITUTE TO ITS MEMBER SAVINGS BANKS

THE EXCHANGE OF STAFF AMONGST THE SAVINGS BANKS IN DIFFERENT COUNTRIES.

To work for some time in Institutions, in surroundings and with methods different from those to which one is accustomed, is a source of observation, of information and of experience, advantageous both to the individual himself, and when he takes up his old duties, to the Institution to which he belongs.

And, on the other hand, how much technical information and how many new points of view can be acquired by the Institution which gives hospitality to the foreign collaborator, who has grown up in the midst of different procedures, methods and experiences.

The International Congress, the Institute's Bulletin and the Bulletins of the National Associations, which are becoming ever richer in information on the foreign Savings Banks, form the basis for and help towards attaining some of the aims foreseen in Art. 3 of the Institute's By-Laws, viz.

a) a still more intimate and elevated unity of those ideals with which the activities of Savings Banks are inspired, and more particularly that fundamental activity of thrift propaganda among all social classes.

b) The best mutual knowledge of the organisation of the functions and of the activities of Savings Banks in different countries.

c) The improvement in methods and systems of the organisation, and of its functions and activities.

But the lasting personal contact which will result from the daily collaboration in the execution of certain defined technical tasks in all their particulars, will serve to supplement the Congresses and the Bulletins. The Institute is induced by these considerations, to offer itself for facilitating the exchange of employees among its member Savings Banks.

We do not conceal the fact that, even leaving out of consideration the diffidence, partly justified and useful, shown towards new initiatives, there are other great obstacles which hinder the actuation of this service, but we are confident, nevertheless, that it could be developed, little by little, with advantage to all Savings Banks.

It is an experiment which, on the other hand, cannot be in any way harmful, as those who will participate in it can judge of the advantages or the disadvantages which can result from it.

Such a service, for some time at least, will not involve such a large number of Savings Banks as to make it advisable to establish in a preliminary way a rigid procedure to be followed; this procedure will result, rather from the examination of the first offers and requests and the following experience, and its actuation will become, little by little, more perfect.

Meanwhile, the experiment will be organised on the following lines:

If a Savings Bank desires to have, for some months, an employee from a foreign Savings Bank, it will inform the International Thrift Institute of its desire, indicating:

- 1) with great exactitude, the duties which the guest will have to carry out; (it is necessary to describe these very accurately, as under the same terms, and especially when these are translated into foreign languages, different functions may be understood),
- 2) the requirements as to age, sex, studies and practice, which are looked for in the guest,
- 3) the period of time for which he must occupy the post,
- 4) the salary which he will receive,
- 5) the approximate cost of life in the place in question, for one person, at a standard of living corresponding to the post occupied,
- 6) whether the Savings Bank wishes its request to be published in the Institute's Bulletin, and, in the affirmative case, whether or not the name of the bank should be mentioned.

If, on the other hand, it is a question of a Savings Bank which seeks for one of its own employees, a post with another Savings Bank, it is necessary:

- 1) to specify: age, sex, studies and the experience of the employee in question,
- 2) to describe accurately the duties which the employee has been, and is now carrying out,
- 3) to indicate the salary actually received, and that which is wished in the new place. (It is evident that the more modest the salary asked for, the easier it will be to find a position, and it is not excluded, that a Savings Bank, in order that its employee may gain new ideas and new experience, will still pay him his salary entirely or in part during the time he is working at the other Savings Bank).

4) to mention the languages which he knows, how and where he learnt them, in which languages he can understand any technical document, the languages which he speaks, and those which he speaks so fluently as to be able to be put into contact with the foreign public,

5) to give the country, and the duties which are preferred,

6) to indicate the reasons for which he desires to work in a foreign Savings Bank,

7) to mention the period of time for which he wishes to remain with the foreign Savings Bank,

8) to state whether the Savings Bank wishes its request to appear in the Bulletin, and if so, whether or not it desires its name to appear.

The Institute will not consider any requests of individuals that is to say, requests not made from or through a Savings Bank.

The Institute hopes to receive, together with some requests and offers of hospitality, also observations and advice on the organisation of this new service, the definite arrangement of which, on the basis of the first experiences, will be brought up for discussion at a forthcoming sitting of the Permanent Committee.

THE CIRCULATION OF MATERIAL.

The Institute initiated this service, which it rendered from time to time, in a small way, and it intends developing it.

The Institute now possesses a very vast collection of material, the accumulation of which was commenced in the year 1923. As the Savings Banks are aware, it continually requests and receives new material, which it examines and classifies, and which serves it for carrying out its studies, and for replying to the questions asked by the Savings Banks. Thus, through the intermediary of the Institute's work, this material is used for the mutual advantage of all Member Savings Banks.

Sometimes, however, in order to supplement the

information found in the Bulletin, or received directly from the Institute, someone might wish to see the original material, which could only be reproduced with difficulty.

Although the forwarding expenses and the cost of returning the material, on the part of the Savings Banks, might be rather considerable, it is possible that the Savings Banks might find it in their interests to bear them.

The Institute must naturally be able to count on the entire material being conscientiously returned, within the period stipulated by it for each separate case, as it cannot spare for a long time the material which it uses itself and which can be subsequently placed at the disposal of various Savings Banks.

The Institute feels assured, however, that it need not have any fears in this respect, when dealing with Institutions which serve in all countries as models of correctness and punctuality.

Whilst offering this new service, the Institute must nevertheless apologise in advance for the scanty way in which it will be able to carry it out, for some time. Its improvement however, depends very considerably on the Savings Banks themselves; for example, if they all were to send the Institute their material regularly (for ex. the Pass-Books, which were already asked for in the preceding number of the bulletin), and not merely one copy, it is evident that the Institute would be always better able to respond to their requirements.

CONSULTATION ON THE SPOT.

Having devoted himself for more than 3 years, i. e. since the initiation of the preparatory work for the Congress to the *comparative* study of the Savings Banks of different countries, having examined day after day the material of the Savings Banks in various countries, and having visited many of these, the Director of the Institute believes that he has acquired knowledge

and experience which could be utilised to the advantage of the Savings Banks, besides through the medium of the Bulletin and of correspondence, by means of direct personal consultations. Sometimes, letters and articles and the sending of material are not sufficient. The description of all the elements which would serve as the basis for making a judgement or for giving counsel, and the presentation of all these in all their details would call for too much time. A visit, a rapid examination, a brief oral exchange of ideas, can serve to better purpose, or supplement more efficaciously that which has been attained or prepared by other means.

As far as his work in the Institute's offices permits him, the Director places himself at the disposal of the Member Savings Banks, or of any groups of Savings Banks which might think his visit advisable.

Such a service would, naturally, be free of charge, the interested Savings Banks only requiring to reimburse the Institute for travelling and hotel expenses, which would be as small as possible, as befitting those who devote themselves to Savings Institutions.

Meanwhile, if any Savings Bank, group of Savings Banks or Association should desire it, the Director is willing to go and give a discourse to the directors and to the staff, on the results which can most interest them, of his recent studies of the American Savings Banks. Some years ago, he spent a considerable time in the United States, where he studied concerns of every kind, and he returned to America last year, in order to make an exclusive study of the Savings Banks there.

He is able to give his discourse, besides in Italian, in English, French or German (with more difficulty in Spanish), illustrating it with rich material.

This might be a good start for further personal contact.

The

International Thrift Institute

once again thanks, in the name of all its Member Savings Banks, those amongst them which have been kind enough to supply it with copies of their

Pass-Books

in compliance with the request made in the preceding number of the Bulletin, or with other material illustrating their organisation, activities and propaganda.

In future, instead of sending individual acknowledgments of receipt and thanks to the Institutions sending samples of their material to the Institute, their names will be published in the
Bulletin.

ON THE LIMITATIONS TO THE RIGHT OF WITHDRAWAL

(First soundings in the subject on which; in the interest of a group of Member Savings Banks, the International Thrift Institute has started an inquiry).

Almost all savings banks (as well as other institutions, departments of banks, etc. which collect savings deposits) lay down limitations in their bye-laws and regulations to the right of the depositor to withdraw his credit. (See foot-note).

Ignoring the limitations dictated, either for reasons of office organisation (as in many savings banks for withdrawals in agencies), or on juridical grounds (minority, lunacy, marriage, validity of title, etc.) and those especially stipulated at the moment of receiving certain deposits (e. g. bound deposits), there are restrictions regarding the time and the amount, valid for all depositors as such.

NOTE. — In opposition to these limitations of the right of the depositor to withdraw amounts, savings banks of some countries make a provision, according to which they reserve the right to return the depositor his money (without request on his part), after a certain notice; this provision has evidently been dictated in view of the fact that there may be some difficulty in finding investments offering the security and yielding the dividend required.

THE MOST COMMON ASPECT OF SUCH LIMITATIONS.

In virtue of these provisions, generally speaking, starting from a minimum amount which may be withdrawn at sight, there is a graduation of increasing amounts, to each of which an obligation is attached on the part of the depositor for a correspondingly longer notice of withdrawal.

From the material at present in possession of the Institute, although not yet sufficient to allow exact conclusions of a general order, may be gathered that withdrawal of any amount, *which is allowed to be deposited*, is permitted

at sight by 11.27% of the Savings Banks

with 1	day's notice by	1.50%
» 2	days' »	0.75%
» 3	» »	2.25%
» 5	» »	0.75%
» 7	» »	20.30%
» 8	» »	8.27%
» 10	» »	0.75%
» 11/15	» »	25.56%
» 16/20	» »	0.75%
» 21/30	» »	9.02%
» 1/2 months'	» »	9.77%
» 2/3	» »	4.51%
over 6 months'	» »	2.25%

It is obvious from these percentages that weekly and fortnightly notices are most general.

The Savings Bank which permits the largest repayments at sight seems to be that of Bradford, Yorkshire, which in its Government Department (more generally called in Great Britain « Ordinary Department »), accepts, according to its bye-laws, deposits up to any amount (this means certainly up to any *total* amount, as the English law establishes a yearly maximum) and effects repayments for any amount at sight.

The Savings Bank which requires the longest notice, even for the smallest repayments, seems to be that of Geneva, which establishes that the amount of the account of all depositors be bound for one year, from the date of the last payment-in; any depositor, who wishes to be reimbursed, either in part or for the whole amount, must give notice to the Directors three months before the annual falling due, otherwise the deposit is bound for another year. This at least, according to the bye-laws, but, in practice, the Savings Bank of Geneva reimburses now up to Fr. 2,000 = \$ 384.70, at sight (the total deposit admissible being not over Frs. 20,000 = \$ 3847).

Sometimes, instead of notice, a period of time is fixed which must elapse between successive withdrawals of a given maximum amount, for instance:

Brussels, per month . . .	\$ 69.50 (see foot note)
Luxemburg, per fortnight . . .	\$ 13.90
Liverpool, per week . . .	\$ 145.60
Ivrea, per week . . .	\$ 22.50
Pretoria, every two days . . .	\$ 9.70
Vercelli, per day . . .	\$ 45.00
Tokio, per day . . .	\$ 141.00

Very often special notice is required when the whole amount on the book is to be withdrawn.

NOTE. For purposes of comparison almost all amounts in different currencies will be indicated in Dollars at the rate of exchange of the 21st March 1927.

It need not be mentioned that all these measures may be combined: notice and period of time between successive withdrawals (for instance in Trenton (N.J.; U.S.) a month's notice is required for more than 50 dollars and a like amount cannot be withdrawn again until another month has elapsed); or, as in Schwyz (Switzerland), notice and a maximum yearly withdrawal.

THEIR DIFFERENT VALUE FOR THE DEPOSITORS.

It is evident that these figures and terms (which we shall quote often in extenso for the purpose of giving direct knowledge of the most characteristic of them) have a different significance according to the circumstances, and above all according to the purchasing power of money in the various countries and at various periods.

Thus, e. g., it may be taken for certain that those institutions which maintained after the war the same restrictions which were in force ante bellum have arrived tacitly at setting a much more severe limit in respect of the liberty of withdrawal on the part of the depositor; because, for example, the right to withdraw 100 lire at the present time is approximately equivalent to the right to withdraw 20 lire before the war, and the right to withdraw 100 dollars now, is equal to that to withdraw 60 dollars some ten years ago. Other elements for judging the importance which these restrictions have for depositors (for the savings banks themselves the restrictions exercised by competing institutions have great importance), are the rapidity of circulation of the medium and, in general, the rhythm of the economic life of a country.

In a country, for instance, where agriculture predominates and commercial transactions are rare and are effected in restricted circles, a term of a month's notice for equal amounts may be felt less than a term of five days in a centre where the pace is more rapid and where more commercial criteria prevail.

These restrictions also have a different meaning according to whether the deposit is inscribed or to bearer, and to whether there is an engagement to possess only one bank book, and whether this condition is enforced or not.

The relation must also be taken into consideration between the amounts which may not be withdrawn at sight and the existence of limitations either in the amount of the payment-in, or in the amount of the total of the bank book. In fact, it is evident that, for example, a withdrawal limit of 3 dollars at sight might be permissible where deposits of not more than 10 dollars are accepted at one time, and up to a total amount not exceeding 150 dollars, but the same limit would be obviously out of place in the case of unlimited payments-in for equally unlimited total amounts.

The faculty of only being able to withdraw up to 3 dollars at sight would be inadequate in this case, also because the clientele of the Bank in question would be of a different class.

General social and economic conditions and characteristics of the Savings Banks have for some time past been evolving in a direction which, notwithstanding the very frequent and sensible fluctuations in the monetary value, seems to tend towards a reduction in the restrictions imposed on the rights of the depositor, even when leaving out of consideration the increase in the amounts of single withdrawals, imposed by the decreased value of money.

BASIC PRINCIPLES.

The measures which are the object of our study produce an immediate advantage (or avert an immediate injury) to the Savings Banks, where the interest maturing ceases automatically when notice is given; they also offer a certain resistance to the initial assaults of depositors seized with panic; but more generally they respond to the character of savings deposits which, as a

whole, are subject to, and must be subjected to very slow fluctuations owing to their not being destined to produce or to follow the rapid movements of commercial life and of speculation. They are in harmony with the ends to which savings banks have been created and conform to the essential necessity of finding more secure investments, amongst which those on mortgage and others on long term rank first. They also conform to the tradition of the Savings Banks, created by these organic necessities, which have given to their life a rhythm, slow in comparison with that pulsating in other credit institutions.

DORMANT LIMITATIONS.

It very often happens that these limitations, although duly prescribed by the bye-laws or regulations of the Savings Banks, are not normally enforced, but are held in reserve as a means of defence for prompt application by the Institution in case of necessity.

Practically this is very often the case, but it is only occasionally that the practice of not enforcing these restrictions is expressed in the bye-laws; for instance, the Savings Bank of Luxemburg states that « the management has the right of disregarding either partly or entirely the above-mentioned terms of notice »; of the Savings Bank of South Australia, Adelaide, declares « that the Trustees may, if they think it expedient, dispense with such notice »; the Savings Bank of London states that « the Actuary may, in special cases, waive or shorten the period of notice »; the Savings Bank of Liebenau (Czecho-Slovakia) declares that « the Savings Bank can disregard or apply in a modified measure the terms of withdrawal of deposits, however, this does not constitute an engagement for the Savings Bank and the prescribed measures can be fully reapplied at once »; the Savings Bank of Glasgow declares that « deposits in the Ordinary Department will usually be repaid on demand, but no depositor shall, as

a matter of right, be entitled to payment without giving twenty-one days' previous notice at the office where payment is required to be made ». The bye-laws of the Caisse d'Epargne de la République et du Canton de Genève mitigate in article 9 the severe conditions which we already know, as that article gives the governing board the faculty of allowing greater facilities for withdrawals, as indeed they do.

Sometimes however such facility is not conceded unless compensated for by the depositor, as happens, for instance, with the Moudon Savings Bank (Switzerland) which withholds the interest corresponding to the period of notice prescribed but not applied, the right to apply same on the part of the Savings Bank remaining unimpaired.

The Schwyz Savings Bank (also in Switzerland) follows a like procedure.

The Savings Bank of the Lombardy Provinces (Italy) lays down that: « sight withdrawals may be authorized by way of exception for sums higher than the ordinary, retaining as discount however the amount of the interest corresponding to the regulation period of notice calculated at a rate a quarter per cent higher than that normally current for the particular bank-book presented ».

But in reality the rates of discount and interest coincide.

NO LIMITATIONS, BUT POWER TO ADOPT THEM (WITH CERTAIN RESTRICTIONS).

The same results are aimed at where the bye-laws or regulations do not fix terms of notice or limitations as to the amount, but reserve the right of so doing.

Sometimes with certain restrictions.

So for instance: the regulations of the Hobart Savings Bank (Tasmania) establish in article 5 that « repayments will be made to depositors in the ordinary course without notice - but the

Bank reserves the right at any time to require notice of withdrawal not exceeding 7 days in the case of withdrawals up to Lst. 20, and 14 days up to Lst. 100. The Bank may refuse to permit withdrawals from a deposit beyond the amount of Lst. 100 within any period of two months ».

The same with the Dundee Savings Bank (Scotland) « Depositors may usually receive (either personally, or through the bearer of an Order duly executed by the Depositor, forms of which are obtainable at the Bank) the whole or any part of their Deposits on demand. The Officers of the Bank shall have it in their power, if they consider it necessary, to delay payment of any sum for a period not exceeding fifteen days ».

NO LIMITATIONS, BUT POWER TO ADOPT THEM (WITHOUT RESTRICTIONS).

If no restrictions are placed on these rights of the Savings Banks, or if the limitation either of time or amount is expressed in such a way as to leave a free hand to the executive, we are led to a new phase of our investigations, viz., where the body receiving deposits reserves exceptional defensive measures for exceptional cases.

Thus, e. g., practically none of the bye-laws of the savings banks in Czecho-Slovakia conforming to the model bye-laws, make mention of periods of notice and maximum amounts, and merely provide that they may be fixed by the board which is under obligation to make them public « in the manner laid down in these bye-laws » viz., « by appending notices in the rooms of the institution reserved for contact with the public ».

LIMITATIONS AND FACULTY OF EXTENDING THEM (WITH CERTAIN RESTRICTIONS).

Most generally, the bye-laws and regulations of savings banks (the distinction between the substance of a bye-laws and that of a regulation is not rigid even in the same country and varies

infinitely between country and country) besides fixing terms and limits in amount of repayments also establish expressly the right of extending or modifying them. Often, however, with certain restrictions.

Let us cite the Savings Bank and Mont de Piété of Valencia (Spain):

« The board may refrain from applying these terms when the situation of the bank will allow of its so doing, or may *double* them, graduating the withdrawals, should the great demand make it necessary ».

The bye-laws and regulations of the Savings Bank and Mont de Piété of Segorbe (Spain) do not consent to the extension of the periods of notice to *more than double* of those previously fixed.

It is laid down in the bye-laws of the Legnago Savings Bank (Italy) that: « in case of necessity, the board may reduce the limit to withdrawals, but not, however, to less than *half* the sums mentioned in the present article, and may extend the periods of notice although not to *more than double* ».

The Savings Bank of Navarra in Panplone (Spain) admits that: « in case of force majeure and on the approval of the Very Excellent Deputation, the Savings Bank may be authorized to delay repayments by *5 days* ».

For the Finsbury and City of London Savings bank « the actuary may, in special cases, waive or shorten the period of notice and the Committee may reserve power at any time they may deem it necessary, of requiring *fourteen days'* notice for the withdrawals of any money whatsoever ». Article XVIII of the rules of the Manchester and Salford Savings Bank (England) establishes « but the Committee or the Actuary on their behalf shall be at liberty at any time when it shall be deemed expedient, to require *fourteen days'* notice of the intended withdrawals of any

money by Depositors, other than money received for Special Investments ».

The regulations of the Savings Bank and Mont de Piété of S. Sebastian (Spain) in providing that the repayment of amounts higher than 75 pesetas or in extinction of the account shall not be effected before the Sunday following the day on which the demand for repayment is made provided such day falls before a Thursday, leave it to the discretion of the board or of the permanent inspecting body to modify this period « according to the importance of the demand and to graduate the repayments when the number of demands render it necessary without however exceeding under any circumstances the period of *a month* ».

The Savings Bank of the Schwyz (Switzerland) Municipality is authorized: « to demand a period of *three months* notice for all withdrawals in times of abnormal monetary conditions », and the Savings Bank of Wädenswil (also in Switzerland) allows « the board to reserve the right to fix a term of notice from one to *six months* in extraordinary circumstances and for fairly high amounts ».

LIMITATIONS AND FACULTY OF EXTENDING THEM (WITHOUT RESTRICTIONS).

In the above-cited examples the right of defence on the part of the savings bank has undergone certain restrictions as to time and amount, and the examples themselves have been set out beginning with the most rigorous and ending with the mildest limitations. But such right of the savings banks is generally unlimited both for time and amount. For example, article 29 of the bye-laws of the Villareal Savings Bank (Spain) provides: « this term may be changed by the governing board when it deems it necessary ».

Art. 38 of the bye-laws of the Airdrie (Scotland) Savings Bank says:

« Repayments of deposits will be made on demand during Bank hours, or on such short notice as the Directors require; but the Directors may from time to time make such regulations for the purpose of regulating the repayments of Depositors or safeguarding the interests of deposit or alter or rescind the same as they may see fit ».

Even if the article or articles of the bye-laws or regulations in which the periods of notice are mentioned do not contemplate the possibility of extending them or of reducing the amounts withdrawable, the power of so doing is often implicit in the more general faculty granted to the governing board, vigilance committee or other organ of the savings bank to modify the bye-laws or regulations whenever it should consider it necessary.

EVEN WITHOUT REGARD TO CIRCUMSTANCES.

As we have seen up to now even the occasions on which such faculty may be exercised are not defined, and it is thus left entirely to the discretion of the management to apply them or not. The Berne Savings Bank (Switzerland) prescribes « in extraordinary circumstances »; the bye-laws of the Savings Bank of the Lombardy Provinces lay down « when circumstances advise it » and it is only perhaps the Savings Bank of Frauenbrunnen (Switzerland) which establishes rather more restrictively that « in extraordinary times (*war*, « *runs* » etc.) the governing board may reduce conformably the maximum figure which may be withdrawn at sight and increase the periods of notice for fairly conspicuous amounts ».

DUTY OF ANNOUNCING NEW LIMITATIONS IN ADVANCE.

On the other hand, in the procedure laid down for the exercising of this right of defence, a provision is inserted in certain bye-laws and regulations for safeguarding the claims and inte-

rests of the depositors. Sometimes the mere publication of the measure adopted suffices, as for example in the case of the Savings Bank of Legnago (Italy): « such measures must be immediately brought to the notice of the public » and for the Provincial Savings Bank of Guipuzcoa (Spain) « in case of force majeure, on the decision of the Provincial Deputation, *published in the Official Bulletin*, the Provincial Savings Bank may be authorised to reimburse only 50 pesetas every fortnight ».

On the other hand, we often find that the savings banks are engaged not to apply these restrictions unless a certain period of warning is given to the depositors. Thus, for instance, passing from the shortest to the longest periods of warning: in the regulations of the Savings Bank of Manchester and Salford (England) « every such proposed change in the rules » (consequently in the periods of notice for withdrawals etc. as well) « signed by not less than six Patrons of the Bank shall be exhibited for the space of *fourteen days* preceding such meeting in a conspicuous place in the Head Office ».

The bye-laws of the Savings Bank of the Bank of Sicily provide: « the board has the faculty of extending or curtailing the period of notice on giving at least a *month's warning beforehand* ». The bye-laws of the Austrian Savings banks, which like those of Czecho-Slovakia, are faithful to the model bye-laws, prescribe: « The periods of notice are fixed by the governing board in such a manner as to conform to monetary conditions and to the times. In the event of such provisions curtailing the rights of depositors they shall only enter into force *a month* after their publication ». This sometimes is effected by the exhibition of a notice in the savings bank itself, and sometimes by announcements in the local papers.

Likewise almost the whole of the Czecho-Slovakian Savings Banks fix a month's period of

warning to the public; a few however provide for an even longer period, as for instance the Savings Bank of Raspenau i. B. - « the periods of notice are fixed by the management from time to time in such a manner as to correspond to existing monetary conditions and a decision restricting the rights of depositors will not come into force until after *three months* from its publication ».

LAWS AND LEGISLATORS.

Leaving behind the bye-laws and regulations of individual institutions and passing to the laws which in almost every country govern the life of the savings banks, we sometimes find provisions which expressly authorise the savings banks to introduce or increase, under determinate circumstances, restrictions to the right of depositors to withdraw their deposits.

Except in small countries such as for example in the Vaud Canton (Switzerland) and in Luxemburg where the legislator and administrator of a savings bank are merged either *de jure* or *de facto* in the one person, or where there is only one savings bank (state or post-office S. B.), it is important to distinguish whether that faculty is sanctioned by the law rather than by the bye-laws or regulation of individual savings banks, because it is only in the first case that all the savings banks of a country are placed on the same footing in respect to their depositors.

LEGAL RESTRICTIONS TO THE FACULTY OF SAVINGS BANKS TO LIMIT THE RIGHT TO WITHDRAW.

No legislation that I know of expressly prohibits the savings banks from introducing or increasing restrictions to the right of withdrawal on the part of the depositors although some legislative systems limit such faculty on the part of the savings banks, such as, for example, the law of the state of New York. « The savings Bank may at any time by a resolution of its board of

Trustees require a notice of *sixty days* before repaying deposits, in which event no deposit shall be due or payable until sixty days after notice of intention to withdraw the same shall have been personally given by the depositor ». (Par. 248 of the Banking Law Article VI).

DELEGATION TO A SPECIAL AUTHORITY.

Some laws delegate to a special organ distinct from the administration of the savings banks the faculty of adopting, at need, these restrictive measures.

This we have seen in speaking of the Guipuzcoa Savings Bank (Spain); likewise respecting that of Navarra (Spain) which could only fix a term of 5 days on the approval of the Very Excellent Deputation, an administrative political organ extraneous to the bank itself.

For the Luxemburg savings bank it is decreed that « where circumstances render it necessary, derogations from the periods of notice prescribed by article 43 may be allowed by a provision which must take the form of a *regulation of public administration* after having heard the governing board of the Savings Bank ».

Art. 15 of the regulations of the Cantonal Savings Bank of Vaud (Switzerland) says: « in case of necessity or of established motive the *State Council* may by way of exception extend temporarily the periods of notice fixed by the preceding article ».

DELEGATION TO A SPECIAL AUTHORITY BUT WITH LIMITED FACULTY.

Some legislation not only delegates faculty to an organ extraneous to the savings banks, but also provides for restrictions to it. Thus, for instance, as regards the Post Office Savings Bank of the Argentine Republic « in exceptional cases, the *executive power*, acting on its own discretion, may lay down that repayments of over 100 *pesetas* are not to be effected except against a

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period of a month's notice for each withdrawal». The French law of the 20th July 1895, still in force, provides in art. 3 that « the governing board of the savings banks may reimburse depositors' funds at sight; but reimbursement may not be claimed except on 15 days' notice. Nevertheless, in case of force majeure, a *decree* issued at the instance of the *Minister of Finance and Social Welfare* in concert with the *Council of State* may limit repayments to the amount of 50 francs every fortnight ».

WHERE THE LAW IS SILENT.

I think there is no doubt that, where the law is silent, the individual savings banks have the faculty of limiting the right of withdrawal in exceptional cases when such faculty is declared in the byelaws or regulations and repeated in the savings bank books which are handed to depositors, or, as is the custom in certain savings banks, embodied in a kind of contract which the depositor signs on making his first payment. But where such express acceptance of possible future restrictions does not exist, the general laws of the state and the interpretation given to them decide whether or not the savings banks have that faculty.

Certainly, however, where there is no legal provision, it must be supposed that the legislative organ has the right of making a new provision, when it thinks fit, authorising the savings banks to proceed to new limits to repayments.

At the most, it might be discussed whether such a law would be valid in the face of previous engagements entered into by the individual savings banks with their depositors through their bye-laws or regulations.

One thing is certain, that the so-called « safe-

guarding clause », as in use for instance in France, is not to be considered as an exceptional provision, as a break-away from the usual rules and habits of savings institutes in all countries, but as a manifestation of the necessity felt in some countries of declaring expressly and in advance a part of that faculty which exists in all countries, whether it be tacitly comprehended in the faculty of the legislator, or expressly sanctioned either by the law or by the bye-laws or regulations of the individual institutions.

This faculty has been put to the test in its different sources and in its various extensions on the occasion of the war and after the war.

We then saw that not only savings banks applied limits which, although provided for in their bye-laws or regulations, had never yet been applied, and also availed themselves of the faculty of introducing new periods of notice and limits to amount, but we saw that governments also availed themselves of the faculty, granted to them by law, of authorizing the savings banks to proceed to such restrictions; and where such faculty did not explicitly exist we saw the application of a general moratorium on the strength of which long notices were demanded in respect of even small withdrawals.

It is difficult to judge whether, and how much, provisions imposing exceptional restrictions to the rights of depositors have contributed in each country to bring its savings banks in safety through the stormy war and after-war period, and could help in future contingencies; certainly, they testify to the prudential character of the savings banks and to the special position which the governments assign to them in the economic structure of the respective nations.

FILIPPO RAVIZZA.

BIBLIOGRAPHY

Under this rubric mention will be made of all the publications received by the Institute.
A summary will be given of all books which present special interest to Thrift, and to Savings Institutions.

The very abundant and excellent German literature about Savings Banks and the services they offer, has been enriched by a series of publications brought out by the *Kern-Verlag, G., m. b. H., of Frankfurt on the Oder.*

The first four books are the work of Dr. Walter Wolfslast, Director of the Oder Bank, a Credit Institution of public character.

He is already well known as the author of a series of small books, which are intended to bring into everyday life, either private or commercial, some practical ideas about the law, and which hold the readers' attention principally on account of the examples taken from everyday life, which the author presents and explains, adding the relative legal conclusions.

The volumes which he is just now publishing on the subject of Savings Banks, and for the Savings Banks, are also characterised by the same practicability and clearness. Some of these, for example the *Juristische Sparkassen-Formulare (Juridical Forms for Savings Banks)*, and *Die Einrichtung der Aufwertungsbuchhaltung bei den Sparkassen*, size 22 x 14 cm., 24 pages, price M. 1.20, can only be of service to the banks in his country. This applies more especially to the second of these books, which gives practical rules and examples for lessening the difficulties which face the bookkeeping of the German Savings Banks, on account of the complicated legislation for the revaluation of deposits and investments, rendered worthless by the inflation. Let us consider the books which can be of service also to the Savings Banks of other countries:

Die Umstellung eines Bankbetriebes auf Maschinenbuchhaltung, 48 pages, price M. 3, in which the author explains how, and with what results, machines for bookkeeping were introduced and applied in his Credit Institution, enlarging on the fruits of his own experience,

in order that others may profit by it. He reproduces all the relative forms.

Where the high salaries and the value of time make it preferable to go to the expense of acquiring bookkeeping machines, this book is worthy of study by Directors of Savings Banks.

In another book entitled, *Die Bearbeitung des Wechseldiskontgeschäftes bei den Sparkassen und Kommunalbanken*, pages 48, price M. 2, the author gives a practical account of the procedure followed in bill discounting, including the collections, by Savings and Communal banks and adds some juridical advice.

In *Die Sparkassen Revision*, 46 pages, price M. 2, the author treats, in the first place, the inspection of the Savings Banks by those bodies which they have created in different countries, for counsel and vigilance, and which very often emanate from the Associations of Savings Banks. He shows the correct procedure for effecting an unexpected examination of the cash, then for the auditing of the accounts, the control of the bank's assets, the security and liquidity of funds, an examination of the transactions in securities, the distribution of savings deposits and titles, as well as an inspection into the general working, in order to be able to form a synthetic judgement.

He also devotes some pages to the inspection on the part of the Manager of the Savings Bank, to that of a reviser belonging to the Board of Directors, but neglects almost entirely the control exercised by public bodies, to which he attributes little practical utility.

An excellent volume is also, *Die Bearbeitung des Kreditgeschäfts bei den Sparkassen*, by PAUL NEUMANN, same size as the above mentioned books, containing 68 pages, price M. 2.50.

This book contains a clear and orderly statement of the basis for personal credit business, real credit, either in

the nature of mortgage loans or otherwise, as adopted by the Savings Banks. The author makes a general review of the loan business on the basis of the statutory rules, of the reputation which the borrower enjoys, of the guarantee which is offered, of the requirements of the contract safeguarding the interests of the Bank when advancing money, and of the relative control. At the end of the book, various forms are to be found, which are useful, especially to the German Banks.

The Monte di Pietà of Milan, for the DCC anniversary of the death of St. Francis of Assisi; historical notes by PIETRO COMPOSTELLA B. L. (94 pages, 4° size, with 31 illustrations. Not for sale).

The Monte di Pietà (state controlled pawn institute) like the other numerous Monti di Pietà in Italy and in other countries, also collects savings deposits, and owes its origin to the Franciscan monks.

In 1496, some citizens obtained the right of forming a congregation for «creating a charitable institution for granting subventions of money, gratis to those judged to be in extreme need, against the security of their pledge». There were already about forty institutions of this kind in Italy, at that time.

In order to procure the necessary funds, the Monti di Pietà disposed, not only of the money offered by the promoters and supporters and of that collected by alms, but also of the money which was given them in custody or in loans.

The authorities ordered that the amounts in dispute during a law-suit, or the sums repaid, the owners of which were unknown, or money found, and other amounts of like nature, should be deposited with the Monti di Pietà.

In certain towns it was even obligatory for persons who had money to be taken care of, to give it exclusively into the safekeeping of the Monti di Pietà.

The Milan Monte di Pietà also obtained that an indulgence would be granted in proportion to the amount of the sum and the duration of the deposit.

In 1550 the Monte di Pietà of Verona started to grant a modest interest to their depositors, and this custom, approved by Papal Decree in 1555, spread to the other Monti di Pietà.

The oldest document which exists regarding deposits bearing interest at the Monte di Pietà of Milan, dates from the year 1666.

It was generally recognised that the Monte di Pietà should have the right of observing the secrecy of deposits. The systematic collection of saving deposits, with modern conceptions, only started in 1827. (The Milan Monte di Pietà has savings deposits for an actual amount of Lit. 104.000.000).

The Juridical Nature of the Savings Banks. Prof. AVV. VINCENZO SINAGRA (page 145 Athenaeum, Rome. Price Lit. 12).

As is known, there are two diverse opinions on this subject. Some writers assert that the Savings Banks have an essentially civil nature, and are, therefore, not subject to the discipline which governs the commercial enterprises; others affirm, however, that the Savings Banks have exactly the same character as commercial enterprises and that they are, therefore, subject to all those rules which are in force for commercial enterprises in general, with those particularities introduced by the special legislation which governs the Savings Banks. To solve the question, the author commences by examining from an essentially objective point of view, considering from the historical, practical and juridical sides, the economic function which the Savings Banks fulfil. The sole scope of the Savings Banks is the formation of savings from working people, and the greater influx of well-to-do depositors does not do away with the true function of the Savings Banks, namely, the collection of small savings. Even if the active operations, necessary for ensuring an interest to the money received in deposit, are composed either entirely or in part of commercial transactions, this does not suffice to modify the nature of the Savings Banks, as such commercial operations are not a condition for the existence and social life of the Savings Banks, that is to say, such operations do not constitute their «profession».

A juridical entity whose scope has been determined «a priori», remains in the social relations that which it is on account of its supreme aims and on account of its social function; it is this which determines its physiognomy, its characteristics and its existence.

As Institutions of a civil nature, the Savings Banks are Institutions «sui generis» and must, especially, not be confused with benevolent institutions, as the true and essential function of the Savings Banks is the collection of savings, and not the giving of charity; the work of the Savings Banks is, therefore, specially provident and not benevolent.

The author goes on to consider the question from a strictly juridical point of view, examining the solution which could be drawn from the Italian law.

This second part also demonstrates the indisputable civil nature of any Savings Bank whatsoever, contrary, therefore, also to the opinion of those writers, who contend that in each individual case it should be examined, whether or not a Savings Bank carries out commercial transactions as its habitual «profession».

NEWS AND EXTRACTS

After the title of each article, we have indicated the approximate number of words of the original article, for the guidance of those wishing to have a translation of same.

The cost of translating has been fixed at:

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AUSTRIA

From the DEUTSCHE SPARKASSEN ZEITUNG, Vienna, 22nd January, 1927.

DANGERS FOR SAVINGS DEPOSITS. PROF. KLEMENS OTTEL (1300 words).

The collapse of many Austrian Institutions which received savings deposits must be attributed, not alone to the consequences of the inflation, but even more to their having accepted large savings deposits which could be withdrawn without notice, to their lack of prudence in making investments, and to speculation. Sometimes even businesses organised for the sale of merchandise (co-operative societies, etc) received deposits.

Savings Banks, being hampered by the legislation for the protection of tenants, from transacting mortgage business, ended by depositing the money which they received with other Credit Institutions. These institutions had for years, copied the methods of the Savings Banks, for collecting savings deposits, but their way of dealing with investments was vastly different.

The only way of ensuring the safety and liquidity of funds is by investing them in mortgage business, prudent loans against sufficient security and, in normal times, also in perfectly safe securities, and in first-class bills.

Another necessity is the guarantee by public institutions (city, county, etc.) or the collective responsibility, either limited or not, of groups of Savings Banks or similar institutions, or precise laws and conditions for making investments.

Such security would practically do away with the possibility of alarming rumors being spread about amongst the public, and would render a relatively small amount of cash in hand quite sufficient, especially in view of the continuous movement, owing to the paying in of deposits and the repayment of loans. On the basis of comparisons with England and the United States, the writer submits proposals for the regulation of all the Credit Institutions in Austria, which, although they are not Savings Banks, collect savings deposits.

PROHIBITION OF DEPOSITS IN SCHILLINGS WITH GOLD-CLAUSE (450 words).

On the request of some Austrian Savings Banks, their Association, as well as the competent authorities came to the decision that the savings banks were not permitted to accept deposits in schillings, against the promise to repay these in gold.

The consequence of such an arrangement would be that a condition would be attached to the corresponding investments, stipulating their repayment in gold; this would have led to complicated technical difficulties, also because the necessary proportion for circulation would likewise have to be kept within the gold zone.

If it were not agreed that the repayment of investments should also be made in gold, the fluctuations on the exchange would lead to the sacrifice of the other deposits, in favour of those, whose repayment was promised in gold. It is added that distrust would be created in the national money, which is not gold.

CONSTITUTION OF THE « AUSTRIAN INSTITUTE FOR ENQUIRY INTO THE ECONOMIC SITUATION » (330 words).

Amongst the representatives of the principal economical Institutions in Austria there is also a delegate of the Savings Banks Association.

EXEMPTION FROM INCOME-TAX FOR FOREIGNERS' DEPOSITS IN FOREIGN CURRENCY (120 words).

Prolonged until 1923, in order to facilitate the influx of foreign currency into Austria.

CZECHOSLOVAKIA

From the VESTNIK SVAZU CESKOSLOVENSKYCH SPORITELEN, Praga, 15th January, 1927.

SAVINGS BANKS AND FISCAL REFORM (8500 words).

On the 3rd December, 1926, an assembly was convoked by the Czechoslovakian Savings Banks, in order to decide on a course of action against a new project of increased taxation.

Deputies and Senators from different political parties were also present. The various speakers traced on broad lines the history of the Czechoslovakian Savings Banks prior to and during the war, and their praiseworthy actions to the nation (their actual deposits amount to 14 milliards of crowns) principally in upholding the credit of the state and that for the construction of dwellings.

These Savings Banks do not get the appreciation which they deserve, and are not appreciated like the Savings Banks of other countries, which was very evident at the First International Congress held at Milan.

In 1924 they were obliged to contribute towards constituting a common reserve fund with other credit institutions, which found themselves in difficulties as a result of imprudent transactions and their spirit of speculation.

These Savings Banks are now faced with new and vexing taxation, which places them in the same category as enterprises dealing in speculations, and treats them very much worse than the Credit Cooperative Societies (with a revenue of, say 300,000 crowns, a Savings Bank would require to pay in taxes and excess taxes 106,642 crowns, whereas a Cooperative Society would only pay 1278 crowns).

The salaries of their staff have also been severely affected by the taxes.

SOME INTERESTING CASES OF ELECTIONS OF TRUSTEES AND DIRECTORS OF SAVINGS BANKS, IN THE DECISIONS OF THE SUPREME ADMINISTRATIVE COURT. DR. WILD (2300 words).

After having described the procedure established for the election of trustees and directors of Savings Banks, guaranteed by the municipalities, the author presents and comments on the decisions taken on various questions relating to this matter, viz. principally, 1) who has the right to be entered on the list of persons who are eligible for trustees? 2) by whom are the elections to be called? 3) who can raise objections to the election? 4) can the municipality oppose the dissolution of the Board of Administrators and Directors of the Savings Bank, on behalf of the Minister for Home Affairs.

THE RESPONSIBILITY OF THE BOARD OF ADMINISTRATION. DR. X. (1400 words).

On this question the author commences a comparative study between the Czechoslovakian and the German Savings Banks, starting with the resumé of an article published in the July and August numbers of the « Spar-kasse » of Berlin, on the same subject.

He considers three principal points:

- 1) The responsibility of the Board of Administration towards the Savings Bank for damage caused to the latter.
- 2) Responsibility towards third parties.
- 3) Responsibility established regressively by the Savings Bank in the case of a third party taking action against the Savings Bank for damages suffered in consequence of an action of the Board of Administration.

STATISTICS OF THE MOVEMENT OF DEPOSITS IN THE CZECHOSLOVAKIAN SAVINGS BANKS IN OCTOBER, 1926, AS COMPARED WITH THAT IN OCTOBER, 1925 (250 words).

Data summarised for the whole country:

	No. of Savings Banks	Total Deposits
October 1926 . . .	375	Crowns 13,205,148.461
" 1925 . . .	374	" 11,940,814.293

MEETING OF THE CHIEF COMMITTEE OF THE ASSOCIATION OF CZECHOSLOVAKIAN SAVINGS BANKS, 20th DECEMBER, 1926 (2500 words).

The literary fund of the Association was increased to 200,000 crowns, for a bursary in the name of Dr. William Pospisil, first President of the Association and one of the founders of the International Thrift Institute.

FRANCE

From LE MUSEE SOCIAL, Paris, January, 1927.

FIRST INTERNATIONAL THRIFT CONGRESS (190 words).

Critic of the Volume of the Official Acts, « This publication is an inexhaustible source of information on foresight and on thrift in all countries ».

Extracts from the JOURNAL DES CAISSES D'ÉPARGNE, Paris, January, 1927.

THE CALCULATION OF THE INTEREST PAID BY THE « CAISSE DES DÉPÔTS ET CONSIGNATIONS » TO THE ORDINARY SAVINGS BANKS.

MR. PAUL ROZEY (3500 words).

The investment of the funds of the French Savings Banks is entrusted to the « Caisse des Dépôts et Consignations ». The interest which this latter must pay is fixed by taking into account the revenue of the portefeuille and of the account current with the Treasury, which represent the funds coming from the Savings Banks.

The variations in this rate of interest are expressed in indivisible fractions of 0.25 %.

The Government, having received the double advice of the Supervising Committee of the « Caisse des Dépôts et Consignations », and of the High Committee of the Savings Banks, issues each year the decree fixing the rate of interest to be paid for the following year, such rate serving also as a basis for the interest paid by the Savings Banks to their depositors. (Each Savings Bank is permitted to retain from 0.25 to 0.50 % for its expenses of administration and for constituting its personal capital).

The article speaks of the examination made by the High Committee of the Savings Banks of the manner in which the liquid funds of the preceding year have been employed, and especially of the rate returned by the whole portefeuille.

The revenues yielded by the portefeuille of the Savings Banks in 1925 (495 millions), were allocated to the depositors and to the reserve fund, in a proportion of 82 % and 18 % respectively, the minimum amount foreseen by the law for paying into the reserve fund being 0.25 %.

A large contribution to the reserve fund was justified during the first post-war years, as the reserve fund had decreased to almost nothing, and the deposits increased rapidly, but at present it is still continued, merely on account of the fact that the portefeuille of the Savings Banks has suffered a decrease in value because of the fall in the exchange. In this latter case, as the « Caisse des Dépôts » has been receiving from the Savings Banks, since the armistice, larger and larger surpluses of deposits and as no realisation of securities is necessary, no loss is sustained, and it appears that the « Caisse des Dépôts et Consignations » will not have the right to continue indefinitely increasing the reserve fund.

The representatives of the Savings Banks in the High Committee have estimated that the forecast of the revenue for 1927, should not be less than 5.864 %, and that 5 % could be attributed as interest to the Savings Banks (instead of 4.5 %), increasing, at the same time,

the reserve fund by a proportion considerably superior to the minimum of 0.25 % foreseen by the law.

REVIEW OF THE YEAR 1925/26 (3000 words).

Excepting the short period of July/August, the French Savings Banks received continual increases of deposits which, at the end of the year, amounted to a total of more than 900 millions.

An advantageous fact, both for the depositors and for the Savings Banks, is the progressive revaluation of the franc, since the end of July, and its stability at the end of the year.

The maximum of deposits on individual accounts has been raised from 7500 to 12000 francs; this has had excellent effects, partly prejudiced, however, by the low rate of interest which the Savings Banks are authorised to pay to their depositors (4 to 4.25 %).

The questions which especially interested the « Conférence Générale des Caisses d'Épargne », were:

The housing problem,

Repayments through the post and postal-orders,

The faculty of the Savings Banks to receive sums which are burdened with usufruct,

The institution of « World Thrift Day »,

The organisation of Savings Propaganda,

The accident insurance for the employees of the Savings Banks,

The régime of the Alsace & Lorraine Savings Banks,

The High Committee of the Savings Banks considered, especially, the regulation of the rate of interest.

The Central Office of the Savings Banks, which has been engaged for 21 years in documentation and information service, has been newly organised, and has devoted itself to the work of centralising and coordinating all the initiatives taken by the Savings Banks for savings propaganda.

The « Journal des Caisses d'Épargne » enters on its 46th year of existence.

Taking into account the surplus of deposits realised during the year 1926, and the interest at the 31st December, the amount due to the depositors at the beginning of 1927 reached almost 11.300 millions of francs. (On December, 1925, it was 9.960.480.856 fr. 03).

HIGH COMMITTEE OF THE SAVINGS BANKS.

October, 1926 Session (4800 words).

Report of the discussion on the fixing of the rate of interest for 1927; same argument was treated in the article of M. Rozey, already summarised.

THE SUBSTITUTION BY TAX-COLLECTORS OF THE FINANCE RECEIVERS WHO WERE ABOLISHED (1300 words).

The finance Receivers act also as agents of the Caisse des Dépôts et Consignations, receiving funds from the

Savings Banks and paying out to the latter, funds for the withdrawals.
In 170 districts they have been replaced also in this function by the tax-collectors.

THE SURETY GIVEN BY EMPLOYEES (600 words).
A bill brings into agreement the arrangements relating to the guarantee of the surety offered by employees, and the legal provisions which have raised, or which could raise in the future, the maximum of the deposits in the Savings Banks.

THE MUTUAL SURETY AND THE PUBLIC DEBT (250 words).

« L'Association française de Cautionnement Mutuel », aims at guaranteeing by means of a collective act, the obligations of its members, vis à vis of the Treasury and of the various public services interested. There are more than 40,000 functionaries in this Association, and for 18 years its working has not given rise to any criticism.

A decree dated the 24th December, 1926, simplifies the formalities exacted either at the time of the engagement of employees at the Association, or on their ceasing their duties.

SUNDRY NEWS (400 words).

The town of Cherbourg has celebrated « World Thrift Day », for the first time; the celebration was very successful.

From LA REVUE DES CAISSES D'ÉPARGNE ET DE PRÉVOYANCE, organ de l'Association Amicale des Agents Généraux, Caissiers et Employés des Caisses d'Épargne de France. Nancy et Wassy. January 1927.

Table of the operations of the Savings Banks with the « Caisse des Dépôts et Consignations ». (88 words).
Official Communication, Notices and Data on individual French Savings Banks.

Greeting by V. Didelon, the praiseworthy President of the « Association Amicale » to his fellow members; hints at a movement of secession in the « Association Amicale ». (600 words).

GERMANY

From the SPARKASSE, Berlin 1st January 1927.

WASTE. DR. H. HÖPKER (4000 words).

After giving a clear definition of waste, and what was considered as waste in different periods of history, by different classes, by different social and professional

groups, from the individual and collective point of view, the writer calls the reader's attention to a series of acts which, although not commonly looked upon as waste, are in reality nothing else, and are all the more important because they are committed by those persons who neither belong to the real savers, nor yet to the squanderers, or in other words, by the majority of persons.

THE ECONOMICAL AND SOCIAL IMPORTANCE OF A PROSPECTIVE SAVINGS BANK. DR. R. WILBRANDT (4400 words).

On the basis of the characteristics of the economic and demographic development of Germany, and of technical data on the nutritive power of the produce obtained from a determined surface of land with a certain amount of human labour, the writer shows the necessity of a Savings Bank for promoting, principally, the buying of houses with land for cultivation purposes, especially for vegetable growing, on the part of workmen.

15th January, 1927.

SAVINGS BANKS AND PERSONAL CREDIT BUSINESS. PROF. DR. E. HUGO VOGEL (5900 words).

The writer gives a clear description of the difficulties which the Austrian Savings Banks overcame triumphantly after the war, and explains the causes which led to the crisis entailing the liquidation of the Central Bank of the Austrian Savings Banks, founded in the year 1901, and which was badly damaged in consequence of the loss of territory suffered by the Empire; like all the Austrian Savings Banks, in order to continue its activities during the inflation period, it was forced to extend its sphere of activities to purely banking and industrial business, for which it had neither the necessary capital nor sufficient technical experience. It received a final shock in consequence of the stabilization of currency. The dire necessity arises, from these facts, for leading the Austrian Savings Banks back from transacting personal credit business, to their pre-war activities, and more especially to mortgage loan business, the need of establishing the security of deposits, by guarantee of the State and other public institutions or the constitution of a common fund by all the institutions collecting savings deposits, and finally, the reconstruction of a Central Clearing Institution for the Savings Banks, with territorial jurisdiction, even wider than that of the Institution in liquidation.

THE DEVELOPMENT OF THRIFT UNDER THE INFLUENCE OF THE FUTURE MOVEMENT OF THE POPULATION. M. SCHÖNWANDT (1500 words).

The variations in the totals of savings deposits is not a

sufficient indication of the progress of thrift, for, even if the amount remains stationary, its relation towards other important factors can change, for ex. towards the buying power of money, the employment of capital in its various forms, industrial and agricultural activities, the national income, consumption, import and export of capital, and above all, towards the population itself. Factors which exert a great influence on thrift are: the desire to save (conceived with a view to protecting oneself and one's family) and the surplus income not required for present needs. The above mentioned relations have not yet been investigated, and the statistics limit themselves to giving the average number of savings pass-books, and the average amount of savings deposits per capita. On the basis of the existing data, however, an inquest of this kind could be made into the past years, whereas it is not possible to set down anything definite concerning the future, as thrift is influenced in the first place by the needs which may arise in the *future*, which do not depend on the *actual* relation between produce and consumption, but more especially on the influences resulting from the composition of the population (sex, age, etc.), and the standard of life which is changing.

PREFERENCE DEBENTURES IN MARKS, OF CZECHOSLOVAKIAN ENTERPRISES. DR. GEORG WEIS (4000 words).

The writer exposes the injustice and the harm done to German savers, who invested more than 800 million gold marks, principally in the Austrian railways, which are today Czechoslovakian; their debentures were repaid in paper marks, having no value.

TO WHOM DOES THE SAVINGS BANK RESERVE FUND BELONG, AND CAN IT BE REVALUATED UNDER THE LAW. VERBANDSREVISOR BRUER (3500 words).

Although the replies to these questions interest specially the Prussian Savings Banks of public character (communal, district, etc.), the arguments treated are of general interest.

I) The answer to the discussion as to the juridical nature of savings deposits is, that the transaction between the Savings Bank and the depositor is a contract of special nature, viz. the one party receiving the money and employing it in a useful manner, paying to the other party a certain amount of interest, and promising him the repayment of his money, under certain fixed conditions. This money, therefore, becomes the property of the Savings Banks. The reserve fund is formed from the results of the employment of the savings deposits.

II) Juridically, the different elements which go towards

building up the reserve fund are not separated from the other funds of the Savings Bank.

III) The principal aim of the reserve fund is to meet, at any and every time, the requirements of the depositors, without having to resort to the public institution which acts as guarantee.

For these three reasons, it should be concluded that in Prussia the reserve fund belongs to the Savings Banks and respectively to the Public Bodies which guarantee them.

The second question, therefore, loses all significance, unless, the reserve fund has been deposited with another Savings Bank, in which case it would come under the law treating the revaluation of savings deposits, because it would be regarded as such.



From the DEUTSCHE SPARKASSENZEITUNG, Berlin. 1st January 1927.

SAVINGS BANKS AND PRIVATE LIFE INSURANCE COMPANIES (385 words).

A collector is sent by a life insurance company to the houses of the persons who have taken out an insurance policy, for the purpose of gathering their savings, which are paid into a Savings Bank every month. A savings account is opened with the Savings Bank for each of the persons insured, and the sums collected from each person are paid into his individual account, which is later debited with the amount of the premium due to the Insurance Company. The premiums thus debited to the various policy holders are brought to the credit of an account opened by the insurance company at the Savings Bank.

The Association of German Savings Banks warns the Savings Banks against permitting such a procedure, principally because of the fact that the collectors employed by the life insurance company are not known to them, and if one of these should be guilty of fraudulent dealings with the money entrusted to him, the Savings Bank might be held partly responsible.

PROPAGANDA OF GERMAN SAVINGS BANKS IN AN INTERNATIONAL COMPARISON. DR. HEINZ LUEDICKE (1400 words).

From an examination of the propaganda material displayed at the Philadelphia Convention in October 1926, it was seen that there were no fundamental differences between the methods used by the different countries. It must be remembered when admiring the propaganda of the American Savings Banks, that one is practically only considering that of the most progressive of these Savings Banks. The propaganda of the German Savings Banks differs from that of other countries, principally because of its systematic coordination.

School propaganda is more developed in other countries.

As far as posters are concerned, none of the countries excel.

The American posters give more importance to the text, and show more realistic figures than the German ones, the latter giving preference to allegorical figures. Japanese posters are outstanding on account of the absence of text, the efficacy of the figures and the brightness of the colours. Germany (as also Australia) holds a leading place in film propaganda; America, however, is far superior as regards the leaflets, pamphlets, etc. for sending to clients and for distribution in the Savings Bank premises. As far as Thrift Propaganda is concerned, Germany holds a good place amongst the other nations.

4 th January 1927.

OWN DWELLINGS WITH THE HELP OF SAVINGS BANKS; WHAT IS DONE ABROAD. DR. HEINZ LUEDICKE (1700 words).

The Australian Savings Banks hold a leading position as regard the efforts they make to constitute thrifty families, giving them the possibility of constructing their own dwellings.

The «Government Savings Bank of New South Wales» grants advances up to 90 % (not more than L.Stg. 750) of the cost of construction, through special departments of the Savings Banks, which are also financially independent from the latter and which issue special mortgage bonds. The repayment of loans must be effected within 30 years, by monthly instalments. Only in exceptional cases is it permitted to rent or sell the house; the Savings Bank also pays special attention to the upkeep of the dwelling.

The «State Savings Bank of Victoria», in return for a modest compensation looks after the construction and the upkeep of the houses of their mortgagors; the latter can choose the house they prefer from 30 different models.

Risk and loss are insignificant.

In the United States, the Savings Banks limit themselves for the most part, to promoting saving with a view to people becoming able to construct their own houses. The «National Savings Bank of Albany, N. Y.» has formed a club, the members of which bind themselves to pay in weekly a certain fixed amount. To the sum thus saved in 5 years, the Savings Bank adds a corresponding amount in the form of a loan, and it also assists the builder by helpful advice.

There are two essential points regarding the intervention of the Savings Banks in the construction of houses, namely; the moment when this intervention takes place

i. e. whether before, during or after the construction; and the constitution of generations of savers.

6 th January 1927.

JURIDICAL CAPACITY OF SAVINGS BANKS TO TRANSACT BUSINESS «FOR THE ACCOUNT». DR. HANKE (630 words).

According to German legislation, public Savings Banks, viz. belonging to communal or other local administrations, can transact account business on the stock exchange on the condition that they have not only in view to cover their expenses, but also to realize a profit, even though this is destined for the public welfare.

PUBLIC SAVINGS BANKS AND THRIFT FOR HOUSE CONSTRUCTION. DR. POTYKA (1500 words).

The many different methods employed by the German Savings Banks and the public institutions on which they depend, as well as by an enormous number of other institutions, to overcome the housing problem, do not meet with the requirements, and are often prejudicial. It is necessary for the central organ of the Savings Banks to organise on a firm basis, through the affiliated Savings Banks, the saving for house construction in the whole of Germany.

8 th January 1927.

SAFEGUARDING GOOD FAITH IN MORTGAGE BUSINESS. DR. FRANZ KÖMHOFF (1800 words).

From special legislation concerning revaluation, the German Savings Banks who had received repayments of mortgage loans in inflated money, are authorised to revive these expired mortgages at a certain fixed quota of their original value. If, however, on the estate which was freed in inflated money, other mortgages have been meanwhile contracted in good faith, those revived in favour of the Savings Banks in accordance with the above-mentioned legislation, can never obtain precedence over these, which retain first place. In discussing the argument, the author presents clearly many fundamental points concerning mortgage rights and the function of the Land Register in Germany.

11 th January 1927.

JOURNALISTIC ACTIVITIES OF THE SAVINGS BANKS STILL DEVELOPING IN GERMANY (460 words).

The publication by the newspapers of the annual review regarding the economic situation of the country was looked upon by the Savings Banks as a fitting moment for the publication of interesting articles on their Deposit and Credit Business. Savings Banks working in the same locality very often combine in carrying out propaganda through the press.

The stimulus and the material for publication are given by the central organ of the Savings Banks. Each Savings Bank has the necessary data and is well enough informed to reply to the frequent articles published by other Institutions and to the erroneous facts which are often circulated on the subject of the Savings Banks.

13 th January 1927.

BUILDING OF DWELLINGS AND ITS FINANCING. H. (880 words).

In reply to a proposal which would assign the task of solving the housing question principally to private building institutions, with the guarantee of the municipality and of the state, the writer points out that the Savings Banks, both on account of their constitution and their experience, are more fitted to deal with the problem of providing working-class dwellings.

He shows up the contradiction between the opposition of the banks to the activities of public Institutions in the economic field, and the actual request for collaboration and protection in the building field.

15 th January 1927.

THE FORMATION OF CAPITAL FOR HOUSE CONSTRUCTION. DR. RINDFUSS (2100 words).

This article reviews the advantages and disadvantages of State intervention with funds obtained by levying taxes, either for constituting a capital to be lent at a favourable rate of interest (Germany), or for adding to the interest which the construction of working-class dwellings can offer to private capital, serving to attract a greater amount of this (England).

The fiscal burden might, however influence prejudicially other economic activities of the nation, thus indirectly causing more harm to the very classes whom the State wished to assist, than the advantages which they would obtain. A solution to the problem lies in favouring free saving, for the purpose of buying own dwellings.

An example is given of the means taken by the « Spar-kassen und Giroverband » of Hesse in the matter.

The article concludes by calling upon the central government for an organic programme for the financing of working-class house building, for a certain number of years.

18 th January 1927.

INDUSTRIAL MORTGAGES. DR. VOGEL (1700 words).

Small industry is in need of capital, not so much for new buildings, as for machinery and for rational reor-

ganisation, in order to manufacture better material at better prices.

In order that efficacious and sure progress can be made in this reorganisation, mortgage loans are required, to be repaid from profits. This form of credit, which is closely related to personal credit, because the plant owes its value to the commercial or technical capacity of the person employing it, presents greater difficulties than the mortgage on estate.

However, the experience of the only Institute which has dealt in this business for many years (Sächsische Landespandbriefanstalt in Dresden) shows that it is both within the realms of possibility and also advantageous.

Thanks to it the small and middle-sized industries, which have great importance in the economic life of Germany, can find the necessary capital, in the same way as the large industry and agriculture also find capital.

20 th January 1927.

FOUNDATION OF NEW SAVINGS BANKS. J. C. (1800 words).

The article reviews the admirable system of the German Savings Banks, and gives the reasons for which it would be desirable, especially at present, to increase their already large number.

The scarcity of new capital, however, which is contested between Savings Banks, Banks and Cooperative Societies, makes it difficult to found new Savings Banks which would have a chance of becoming prosperous.

The article favours the opening of new Branches and the amalgamation of many Savings Banks in more solid and efficacious organisations.

27 th January 1927.

THRIFT EDUCATION. E. RAUK, Cuxhaven (1000 words).

Starting with a quotation from Cicero, « In the family as well as in the State, the best source of riches is economy », the article goes on to trace a moral and historical synthesis of the principles and the need of thrift, and confirms once again the importance which Savings Banks should give to scholars' savings.

Special stress is laid on the education of girls, because, when they become housewives, it lies in their hands to give their husband the possibility of saving, by exercising a wise domestic economy.

A NEW METHOD FOR PROMOTING THRIFT, ADOPTED BY A WORKMEN'S BANK IN THE U. S. DR. GECK, Münster (1900 words).

After a word regarding the Credit Institutions, emanations of the Workmen's Association, which justify

the term « workers capitalism », which have recently grown up in the United States, the article goes on to point out what one of these Institutions does, in order to teach its clients to compile a budget of household expenses and to keep the relative accounts. A translation is given of a propaganda leaflet, giving replies to the following questions. 1) What is a Budget? 2) Why should I make my Budget? 3) How should I make my Budget?

In concluding, the article proposes that this form of propaganda and education be also adopted by the German Savings Banks.

29 th January 1927.

CINEMATOGRAPH DISPLAYS ON THRIFT, AS A SUBJECT FOR COMPOSITIONS (450 words).

In order to make still more efficacious the already widely diffused use of the cinematograph in Germany, as a medium for savings propaganda, the writer suggests that these films should be also shown in the schools, and that subjects for scholars' compositions should be taken from them.

PRIVATE CAPITAL OF CREDIT INSTITUTIONS, Austr. (1800 words).

As credit Institutions are only intermediaries, there is no logical necessity for their having their own capital, if not for covering initial expenditure, for buying the building and the furniture. After having mentioned the uses to which the capital of Credit Institutions could be put, the writer shows how its proportion varies greatly, from one Institution to another, in respect to the money of others, with which they work. The article demonstrates that the conception of the importance of own capital for Credit Institutions, which seemed to be ignored for some time, has again come to the fore.

ORGANISATION AND SUCCESS OF THRIFT IN HUNGARY. DR. HEINZ LUEDICKE (900 words).

Hungary is recovering rapidly from the military and economical disaster. In spite of the great reduction of its land surface, savings have reached 20 % of their pre-war figure.

There are, however, no real savings banks in Hungary, but only departments of ordinary banks, and the Post-Office Savings Bank. Founded in 1866, the latter assumed from 1924, a great variety of functions, viz. the receiving of savings deposits, the opening of current accounts, with service for checks and transfers, the buying and selling of securities, and the granting of loans against security; it serves also as a clearing house for the state offices. In conformity with a recent law, the Post-Office Savings Bank must deposit the greatest part of its funds with the National Bank.

GREAT BRITAIN

From SAYING, London, January 1927. (350 words).

In his speech, Sir Robert Kindersley, President of the National Savings Movement, states that the cessation of the strike in Great Britain, as well as the reverting to a sound monetary basis on the part of many European countries, give rise to hopes for the betterment of the economic situation and the progress of thrift in Great Britain. On the other hand these possibilities of prosperity can only be realised by intensifying the thrift movement, for the purpose of accumulating the necessary capital.

THE NEW YEAR. (700 words).

Notwithstanding the economical difficulties, Savings Certificates were sold in 1926 at an average weekly rate of 750,000, and 3,500 new Savings Associations were formed. Even in those localities which received the full shock of the industrial crisis, there was quite a negligible loss in dissolutions. The outlook for the new year is good. There will be a greater abundance of money, but there will also be the need for more new working capital in the country, giving a greater emphasis than ever to the obligation to save.

WISE AND UNWISE SAVING. (670 words).

The fear of appearing mean often keeps people from saving. For instance, a farmer putting aside a certain portion of wheat to serve as seed for the new harvest, and afterwards locking it up in a bin and making no use of it, gives a good example of the difference between thrift and meanness. The saver economises for the purpose of investing, but the miser in saving, withholds his money from investments; the former follows a truly social policy, but the latter's policy is quite anti-social.

HOLLAND

From the VAKBLAD VOOR NEDERLANDSCHE SPAARBANKEN, Rotterdam. January 31st, 1927.

PRECAUTIONS AGAINST THE CRISIS IN 1920 (300 words).

The agreement made at that time between the Government and the Dutch Bank, according to which the latter was obliged to grant advances on securities to the Savings Banks, in order that it would not be necessary for them to sell their securities at a time of such depreciation, is no more in force.

ANOTHER WORD ON AMERICA, P. (1400 words).

The writer commends the courtesy shown by the Americans to the foreign delegates at the recent Philadelphia Convention, which allowed them to make a min-

ute study of the Savings Institutions of the United States; he delineates the composition and the working of one of these, viz. « The Bowery Savings Bank of New York », and makes principal mention of the following facts: deposits and withdrawals are made at the same window; the use of bookkeeping machines; the quarterly crediting of interest on the smallest balance for the whole period; the minimum deposit of one dollar, interest being paid, however, only on five dollars and over, the maximum amount which can be deposited being \$ 7,500; the Pass-books are exclusively registered in the name of the depositor and the Savings Bank grants loans on these books; the custom of accepting deposits also in cheques and in coupons, the depositor being informed of the regular payment by telephone; that the withdrawals and deposits can be made only at the same Branch; business hours from 10 a. m. to 3 p. m., excepting Saturdays and Mondays; the employees lunch in the building; the large use of propaganda.

The writer finds that, in comparison with the American Savings Institutions, the Dutch Savings Banks do much more for their depositors, have a book-keeping control which is less expensive and better, and enjoy the greatest liberty.

THE RESERVES OF THE BRITISH SAVINGS BANKS. H. W. B. (2000 words).

Reviews the three characteristic sections of the British Savings Banks, viz: 1) the Ordinary Department for savings deposits, which transmits its funds to a State office for investment; 2) the Investment Department, which deals with the placing in bonds the sums saved which exceed the limit which can be placed in the Savings Book; 3) the Stock Department, which buys bonds in the name of and for the account of the depositor; the writer points out that only the 2) section requires a reserve, but that all the savings banks have, nevertheless, accumulated on their profits over many years, very considerable reserve funds, invested for the most part in houses. The Savings Bank of Glasgow with 300,000 depositors and 25 million pounds stg. of deposits, 5 million of which come under section 2), has a reserve fund of 700,000 pounds stg.

AGREEMENT FOR TRANSFER AND CLEARING BUSINESS. S. (450 words).

In 1910, at the assembly of the Association of Dutch Savings Banks, the agreement was approved which organised a transfer and clearing service between the Savings Banks. Although 16 years have elapsed not all the Savings Banks have adhered. It is proposed to revise the agreement, and at the same time to have it accepted by all the Dutch Savings Banks.

ITALY

From the RIVISTA DELLE CASSE DI RISPARMIO, Roma, January, 1927.

THE REPRESENTATIVES OF THE SAVINGS BANKS ASSOCIATION RECEIVED BY THE PRIME MINISTER (360 words).

The President of the Association, His Excellency the Marquis Ferrero di Cambiano, with the other members of the Executive Committee of the Association of Italian Savings Banks, was received on the 13th January by the Prime Minister, Benito Mussolini, to whom a brief report was presented, illustrating the work carried out by the Savings Banks, principally in the field of granting credit for agriculture, and demonstrating the necessity for the prompt application of the recent measures taken for the new organisation of the Savings Banks.

SOME ASPECTS OF CREDIT IN PERIODS OF CRISIS. DR. GERMANO VIOLI (1400 words).

During the inflation period which followed on the war, money was very abundant, and deposits flowed into the banks and savings banks, and thus it was easy to grant credit.

This is, however, now very limited, in consequence of the actual efforts which are being made for the deflation and the revaluation of the lire.

In order to attract depositors, the banks raise the rate of interest. The savings banks do not follow their example, persevering in calming the money market, true to their principles.

THE SAVINGS BANKS AND THE PRODUCTION OF GOOD SEEDS. DR. CLAUDIO MARANI (1400 words).

On account of the importance of this in the economical life of the Nation the Savings Banks have always upheld every effort, either for the production of new kinds of seed, for the multiplication of tests, or for the industrial diffusion of good grain.

A new enterprise entitled, « Il Consorzio delle tre Venezie per la Produzione delle Sementi », has now grown up, and the savings banks are invited to support it by contributing capital and assisting it with their administrative experience.

DISCOURSE ON THRIFT (3100 words).

Giovanni Bertacchi, one of the greatest Italian poets living at the present day, extolled World Thrift Day, in a speech given on the 31st October 1926, on the invitation of the Savings Bank of the Lombardy Provinces. October, when in many parts of the civilised world the fruits of the fields are being gathered in for winter, is the period most adapted for celebrating thrift.

The speaker mentions the feeling of pride and of trust

which is experienced by even the small saver, in the knowledge that he shares in the riches of his own country.

He outlines the figure of the teller at his window in the Savings Bank and his friendly relations with the public, and finishes by praising the union of the Savings Banks of all the countries in the world.

« A troubled and odious destiny still reigns over these, which emerged partly altered by the conflict of the nations. Sharp barriers of prohibition and envious diffidence shut in each nation and block up with deaf obstacles the current of world interchange; each nation obstinately embraces its old destiny, forced on its way by rivalry and selfishness, which preclude vaster horizons. Oh! that dream of Giuseppe Mazzini, which predicted from across the future the union of all the countries of Europe, and which today, like an angel betrayed, covers its face with its wing, only listening anxiously to hear whether some faint echo of its words resounds from time to time amongst us. Events will come to pass, the word will receive the fullness of its own prediction, and the angel will reveal again to the nations its face, radiant with the light of the future. Let us content ourselves for the present with the signs, and if a word of union be heard passing over the nations, let us seize it and plant it in our hearts. Is it not perhaps one of these words which is being pronounced amongst us today, and which unifies in a pact of ideal federation, the most humble and scattered and disparate fortunes of mankind?

Yesterday, this word was acclaimed on the other side of the Atlantic, in the great assembly of thrift, gathered in a city which carries in its name the omen of widespread brotherly love.

It was an action of courteous justice that at the Philadelphia meeting, besides the language of the United States, the other official language in which the debates were held was our dear Italian tongue; the language of the great Explorer, the first of the sons of Europe to see the unknown continent rising out of the ocean; the language of the great Sailor who baptised it for the centuries to come; the language of the unknown multitudes who pitched their tents there, who tilled the virgin earth and created the immense Metropolises.

These unknown multitudes knew, besides exertion, thrift; and their little hoard, earned by the sweat of their brow, carefully taken care of, and sent by them from across the ocean to their poor native huts, became for these humble exiles a mode of returning in spirit to their country, of feeling themselves closer to their good old parents, to their wives, their children, the valleys and their little farms, which their hearts longed for so passionately.....

Do you not perhaps hear, even now, a concert of far-off voices coming slowly out of space? Listen in your

heart.... there are singing, I know not where, the savers of the world....

From Spitzberg to New Zealand, from the Himalaya to the Andes, for all those men who labour on the earth and on the sea, blessed be the work which is crowned with a reward, and blessed be the reward which knows how to increase its fruits.

But the goal is still afar off, it is necessary to give bread to the traveller, to accord a little daily happiness to the humble hearts, it is necessary to have for the days to come the pleasant feeling of self-reliance. He who, all along his path, has created for himself his own virile virtue, will arrive well at the goal.

From all countries, from all the ways of the earth, we, brothers in work, brothers in thrift, let us lift our voices concordant in one sole hymn, which will arrive at the God of all, which will knock at the door of the Unknown, and which will return to us, announcing the time which will arrive one day ».

THE SAVINGS BANK OF THE REPUBLIC AND CANTON OF GENEVA. PROF. TULLIO CAVAGNARO (900 words).

Founded in 1816, it is guaranteed and supervised by the state.

Maximum limit for each deposit is 1000 francs, and for the total deposits, 20,000 francs. It is promoting school savings.

A savings Pass-Book can be transformed into a life-annuity, in which case a new savings book can be opened in the name of the same depositor. More than 61 % of the population have a deposit account with the savings bank.

THE « CAISSE GENERALE D'EPARGNE ET DE RETRAITE » OF BRUSSELS. PROF. TULLIO CAVAGNARO (1100 words).

Founded in 1865, and uniting with it the « Caisse de Retraite », instituted in 1850, it had on the 31st December, 1925, deposits amounting to 2.620.000.000 francs, employed for definite and temporary investments, and a reserve fund of 33.000.000 francs. It favours the construction of working-men's dwellings, and grants credit for agriculture.

POLAND

From the OSZCZEDNOSC, Warszawa, 16th January, 1927.

THE STATE AGRICULTURAL BANK (2900 words).

Founded in 1919 by Francesco Stefczyk, the praiseworthy promoter of many savings institutions and cooperative societies in Poland, transacts through the

intermediary of cooperatives, small agricultural banks and savings banks, long and short term loans, principally for facilitating agricultural exportation, the use of machinery, and chemical fertilizers.

It absorbed the bank of the peasants and that of the nobility.

HISTORY OF THE BANKS IN VARIOUS COUNTRIES. STEFAN WOYZBUN (1600 words).
Rome.

THE MONETARY CIRCULATION IN THE DIFFERENT COUNTRIES (250 words).

A table of the monetary circulation in the different countries is given, showing the total figures, and the figure per capita, in national money, and in zlotys (gold).

DEPOSITS IN THE COMMUNAL SAVINGS BANKS (350 words).

These are very numerous in the Provinces which before the war belonged to Germany and Austria, but there are hardly 46 (in 1925 there were hardly 18) in the Provinces which belonged to Russia.

A table shows, for the whole of Poland, and per Province, the number of Savings Banks (197), the number of Savings Pass-Books (708,034), the amount of Savings Deposits (48,127,000), the average amount on each book (68), the amount of deposits on Account Current (9,734,000) and the amount in Loans (62,583,000) on 31st December 1925.

EFFICACIOUS WAYS OF PROMOTING SCHOOL SAVINGS BANKS (1000 words).

This article shows the importance that savings propaganda can have in the schools, and the educational effect it has also on the scholars' parents. It proposes to hold meetings for the teachers, in which they would receive the necessary preparation, and become acquainted with the publications which already exist in Poland on this subject, principally « Bonkowski » — The School Savings Bank, and « Zalucki » — How to found School Savings Banks. In each school the teachers must choose the most adaptable forms and the best method of procedure. The system of stamps is recommended, also that of coupon books with counterfoils. The teachers should be supplied with propaganda material, which should be used specially during patriotic and religious festivals.

30th January, 1927.

FRENCH SOCIETIES FOR CAPITALISATION. (560 words).

The depositor is obliged to pay in regularly a fixed premium, just as he would do to an insurance compa-

ny; the capital is repaid after a certain number of years have elapsed, or earlier, by drawing lots.

The hope of being favoured in this way attracts many people to this form of saving, and obliges them to save regularly, as the lots can only be drawn by those whose payments are up to date.

There are 36 societies for capitalisation in France (22 of which are limited, and 14 cooperative), and they have at their collective disposal about 9.250.000.000 francs. The oldest of these societies was founded in 1889, and has a capital of about 3.250.000.000 gold francs.

Such societies are also growing up in Poland.

SAVINGS IN VARIOUS COUNTRIES AT THE END OF 1926 (550 words).

The formation of capital is not directly dependent on the abundance in circulation, but rather on the degree of economic education, and principally on the knowledge, more or less widely diffused, of the Savings Institutions, and of the various forms of investments.

The author presents an interesting table depicting the proportion between the money in circulation and the amount of the savings in various countries at the end of 1926, in the national currency and in gold francs.

THE MOVEMENT OF THE EUROPEAN CURRENCIES IN 1926. ING. JOZEF JASKOLKI (1000 words).

The article gives the quotations of the dollar in various European countries on the 15th of each month of the year 1926.

ORGANISATION OF THE SAVINGS BANKS IN GERMANY. ST. LECKOWSKI (550 words).

A concise and clear treatment of the argument.

HISTORY OF THE BANKS IN VARIOUS COUNTRIES. STEFAN WOYZBUN (1700 words).

Continuation: Eastern Roman Empire, Middle Ages, Italian Republics.

SUMMARY OF THE PROCEDURE IN CONNECTION WITH THRIFT DAY, « 31st OCTOBER, 1926 » IN THE NORMAL GIRLS' SCHOOL OF THE CATHOLIC UNION OF POLISH WOMEN (2300 words).

The article gives the programme carried out in this school of Warsaw, and the text of two comedies written and recited by pupils.

MEETING OF REPRESENTATIVES OF SAVINGS BANKS. J. B. (425 words).

The meeting which was held at the end of December, on the initiative of the Savings Bank of Ilzy was also attended by civil authorities and ecclesiastical persons.

The principal speaker was Mr. Luciano Dura, one of the founders of the International Thrift Institute.

The meeting concluded by proposing the institution of many school savings banks and thrift circles for adults; the intensification of propaganda, principally oral, through the medium of meetings of peasants and artisans, etc.

For this purpose a centre was established in the same city of Ilzy for preparing the teachers for making thrift propaganda.

RUSSIA

From the SBEREGATELNOE DELO, Moscow. January 1927.

THE TWO THRIFT WEEKS IN THE U.R.S.S. A. T. POPOFF (970 words).

Practical results have been obtained from an extensive propaganda throughout the Union. In order to get even better results, two Thrift Weeks will be organised in the Union, during the month from the 15th March to the 15th April.

The author proposes the following motto for this period of propaganda, «A gift of another 100 millions of roubles of deposits to the Soviet Government on the occasion of the tenth anniversary of the October Revolution, for the industries of the country!».

THE SAVINGS BANKS OF THE RAILWAYS. K. BILINSKI (1200 words).

The organisation of Savings Banks is becoming indispensable for the population. The Savings Banks of the Railways, which are situated in the stations for the benefit of the railway employees and the general public, have shown a great development since the year 1925. They can be looked upon as an organisation which gives the country population a means of savings. The Savings Banks of the Railways have now about 12 % of their pre-war deposits.

THE NEWSPAPERS MUST MAKE A LIVELY PROPAGANDA CAMPAIGN IN FAVOUR OF THE SAVINGS BANKS. P. KOSSINSKY (1900 words).

The Information Bureau supplies the Central Administration with cuttings concerning thrift, taken from all the newspapers in the Union. It is seen from these cuttings that up to the present the newspapers have not interested themselves very much in the savings question. One of the reasons for this is the lack of energy shown by the directors of the Savings Banks, who do not supply the editors with the necessary material. The Central Administration often furnished the newspapers with articles on thrift, and with few exceptions, these were well received.

THE NEW FORM OF SAVINGS PASS-BOOK. M. FEDOROFF (460 words).

In spite of the defects in the Pass-Books at present in use, especially as regards the setting forth of the operations of the Savings Banks, the administration has decided to retain the old form for another year, as it provides solid guarantees against falsification.

THE CHEQUE AND CHEQUE OPERATIONS IN THE SAVINGS BANKS. P. TCHERBAKOFF (1200 words).

The author explains what a cheque is and how it differs from a bill or a bank note. He believes that the use of cheques will become widely diffused in the Union. While advising the perfecting of this instrument of credit, he points out the necessity of popularising the form of cheque having a fixed value.

REGARDING THE QUESTION OF PERFECTING THE CHEQUE OPERATIONS IN THE SAVINGS BANKS. K. B. (1100 words).

This article is a reply to the foregoing ones. The author agrees that the press takes too little interest in thrift. As regards favouring the cheque with a limited value, the writer points out that already in 1923 the Administration introduced this form of cheque with a certain fixed maximum value. The favouring of this exclusive form of cheque has been discontinued, as the Finance Committee considered that it might be prejudicial to the State finances.

MATTERS WHICH CATCH THE ATTENTION. I. NEFEDIEFF (1100 words).

The administration expenses of the savings banks for last year amounted to about 7 % of the total savings deposits; adding to this the 8 % paid to depositors and the 1 % to 2 % of supplementary expenses for commission, etc., the total expenses amount to about 17 % of the accumulated capital of the Savings Banks. This percentage is much too high. The author finds it necessary to practice greater economy and insists on the necessity of the reports being more accurately drawn up.

THE ORGANISATION OF THE COUNTRY SAVINGS BANKS. P. KNIASEFF (600 words).

The author reviews various country post-office Savings Banks, whose condition proves to be the reverse of prosperous. He suggests that the Administration should organise an independent Savings Bank for every district, which would serve as a centre for all the others.

THE TECHNIQUE OF SAVINGS BANK OPERATIONS FOR A DEFINITE PURPOSE. B. KOURNOSOFF (800 words).

Savings Deposits which are intended for a definite purpose, and which can be withdrawn by the depositor at

any and every moment, not only for the fulfilment of the purpose originally stated, should not be permitted. The author suggests replacing this form of savings by deposits for fixed periods. These deposits cannot be withdrawn until the sum agreed upon when the account was opened, or the date fixed have been reached. For such deposits the Savings Banks should pay interest at the rate of 9 %.

SAVINGS STATISTICS. ALFA (900 words).

The author finds that the Savings Statistics are beyond all criticism, and states that the Administration is at fault in allowing the statistical work to be concentrated in the Bureau at Moscow; this work should be attended to by persons thoroughly cognisant with the savings business.

MORE SOFTLY! F. P. (1000 words).

The facts which the author of the preceding article took as a basis for asserting that the savings statistics were not well looked after, are incorrect. It was decided to centralise the savings statistics, owing to the impossibility of having the work carried out on the spot.

THE PROBLEM OF THE DAY. (1000 words).

The paying of the Railway employees' and Railway workers' wages through the intermediary of the Savings Banks is of advantage both to the employees and workers and to the State. The reorganisation of this service is the problem of the day.

This method of paying the wages is all the more desirable, as a considerable number of the employees is often travelling about, and the Railways have a large number of Savings Banks on all their various lines.

SAVING PROMOTED BY THE RAILWAYS AND THE FACTORS WHICH TEND TO DEVELOP IT. S. KONKEVITCH (700 words).

Thanks to the perfect organisation of the Savings Banks on its lines, the Ekatherininsk Railway has obtained results in this field, which cannot be compared to those obtained by the other Railways. The principal factors which led to the development of this form of saving were the careful and rapid execution of the operations, individual propaganda, the adaptation of the savings organisation to the requirements and the conditions of life of its depositors and, finally, the transformation of the Savings Banks into little educational centres (of culture).

THE SITUATION OF THE STATE CREDIT IN NOVEMBER 1926. E. FACHINSKY (1100 words).

A rising tendency was signalled on the market of the State funds, which created a favourable situation for the

credit of the State. The market also showed an abundance of both new private capital and State capital.

THE SITUATION OF THE NATIONAL ECONOMY IN NOVEMBER 1926. K. RIBAKOFF (1200 words).

Favourable development of the wheat crops, allowing a remunerative exportation. Diminution in the demand for industrial products. Increase in industrial production. Prudent policy in the granting of loans and of credit, which renders the economic situation more favourable and increases the value of the money.

AGRICULTURE AND AGRARIAN CREDIT IN THE REPUBLIC OF BACHKIRE. A. LOUSINA (950 words).

From its 14,1 millions of « désiätines », the Republic of Bachkirie has about 1/3rd of its surface in cultivated ground, 1/3rd in forest land, and the rest in fields and non-cultivable ground. Its present productive surface is about 80 % of the pre-war one.

In the other forms of production the revaluation makes slower progress.

As regards agrarian credit, this shows a satisfactory development. A more exact connection is being established between the credit to be granted and the financial position of each individual.

Long term loans have been granted for the sole purpose of buying cattle or agricultural implements.

SUMMARY OF THE WORKING OF THE SAVINGS BANKS DURING THE MONTH OF DECEMBER, 1926. (900 words).

The number of Savings Banks in activity attained a figure of 12664. The number of Savings Banks on the Railways was increased by 255. The total of savings deposits increased by about 10 million roubles. (Statistical Table).

THE MEETING OF SAVINGS BANKS' DIRECTORS AT PHILADELPHIA. (1700 words).

The Savings Banks of the Union of Soviet Socialist Republics also attended to send their delegates. The American Savings Banks unanimously resolved to support the International Thrift Institute.

Brief description of the Philadelphia Conference (to be continued in the following number).

TENTH ANNIVERSARY OF THE COMMUNAL CLEARING ASSOCIATION IN GERMANY. (750 words).

The history of this Organisation.

SAVINGS DEPOSITS OF GERMANY AND PRUSSIA. (650 words).

Extract from the Berlin Daily Paper, with statistical table.

FOR WHAT CONTRACTS DRAWN UP BY THEIR ATTORNEYS ARE THE SAVINGS BANKS NOT RESPONSIBLE? P. I. LINDE (900 words).

For such contracts wherein the attorneys have overstepped the limits of their power; where they are shown to have acted contrary to the interest of the Savings Banks or where they have not complied with the prescribed rules.

ONCE MORE CONCERNING THE SECRECY OF DEPOSITS. V. SKLOWSKY (1000 words).

The secrecy of deposits cannot be disclosed except by order of the court of justice and in the case of crimes.

THE STANDARDISATION AND SYSTEMATISATION OF THE WORK IN THE SAVINGS BANKS. A. SAVRASKINE (500 words).

In order to distribute the work equally among all their employees, many Savings Banks have drawn up a plan of their daily work, showing the amount of work which every employee should carry out in one hour; for example the transfer of forty entries from one book to another during one hour, etc.

The work produced by the staff under this system showed an increase of 119 %.

UNITED STATES OF AMERICA

From the SAVING BANK JOURNAL, New York, January 1927.

FIRST AID FOR MORTGAGE BONDS (2500 words).

The great increase in mortgage bonds business which reached about 900.000.000 dollars in 1926 (100 million of dollars over 1925) is not without danger.

A large number of the mortgages are believed to have no more than 25 % between face value and sales value of the property represented, but another large share have a diminishing margin that gradually disappears altogether.

Interest and capital are often guaranteed by unstable societies; losses during 1926 can be calculated at 50 millions of dollars. The influence of a crisis which would lower the value of real estate, would be very widely felt.

Mortgage-bond concerns are competing with the Savings Banks, by seeking out the small investor, but they do not offer the same guarantee of safety.

Various changes in the Legislature have been proposed; amongst others, that in the State of New York, Savings Banks will be permitted to grant loans on leaseholds up to 75 % of the value (instead of 60 %).

\$ 1.500.000.000 GAIN IN SAVINGS IN THE YEAR (650 words).

From the annual compilation of the Savings Bank

Division of the American Bankers Association it is seen that on the 30th June, 1926, there were for all classes of banks in the United States, 46.762.240 savings depositors and \$ 24.696.192.000 in savings deposits. The increase on the year 30th June 1924/25 is more than one milliard and a half of dollars, but approximately \$ 400.000.000 less than the gain in the year 1924/25 as compared with 1923/24. The number of depositors, however, increased by about 3 millions. The statistics show the figures also for the banks. The rate of savings per head is \$ 211, an increase inferior to that of the preceding year, in spite of the widespread prosperity in the United States.

NEW YEAR OPENS FAVOURABLY (3400 words).

Various and diverse views are expressed by Directors of Credit Institutions as to the economic trend to be expected in the United States in 1927. There are grounds for hoping that the new year will be as prosperous as the preceding one. Fears are principally felt as regards agriculture and exportation.

CONQUEST OF DEPENDENCY. M. ALBERT LINTON (3000 words).

The writer recounts from the figures of 201 Companies the triumphal march of life insurance in the United States; in 1926 the insurance companies had in force about 80 billions of dollars of life insurance, which signifies an amount per capita of \$ 678, an increase of more than 16 billions of dollars, i. e. 140 dollars per capita during the year. This fact signifies that the population is protected by a fund corresponding to the revenue of about 1 year and four months' work. He presents an interesting table giving comparisons between the figures of 1906 and those of 1926, keeping in view that the dollar in 1906 had the value of 1.88 dollars of the present day. He analyses the general economic factors, the educational activities of the Insurance Companies and their progress to which the merit of these results must be attributed.

AUTO CREDIT WORRIES BANKERS (1600 words).

In the year 1926 over \$ 7.563.000.000, repayable on the instalment plan were granted to private individuals in the United States. This abuse of credit has been preoccupying for a considerable time economists, moralists and business men. It must be considered that the national income is calculated at \$ 70.000.000.000, and that sales on the instalment system represent about 11 % of the national income, including real estate business, which represents about one half of the yearly sales. The financing on deferred payment of luxuries and perishable articles by badly organised concerns, is a great danger and has a bad effect, especially as far as thrift is concerned; on the other hand the financing of useful

objects, where the buyer pays cash down a considerable part of the value, the remainder to be paid off within a brief period, favours economical development and creates the necessity for saving.

Many industries owe their prosperity to this plan, such as, for example, the automobile industry.

NEW SAVINGS PLAN WINS ACCOUNTS (1300 words).

The Savings Banks in the United States spread the habit of depositing certain fixed amounts at fixed periods (for ex. 3 dollars a week for 50 weeks) principally with a view to « saving for a special purpose », viz. for the holidays, for a journey, for Christmas, etc. and in doing this, the American Savings Banks see a means for thrift education. When the time is near for the withdrawal of these special deposits (for ex. Christmas), the Savings Banks try to induce the depositor to transfer a part of the amount to an ordinary savings account. However, such deposits usually remain with the Savings Bank for only a comparatively short period, and are withdrawn all at one time.

The « Citizens Trust & Savings Bank », Los Angeles, has adopted a similar plan of saving for a special purpose, opening accounts for « Your Fortune's Foundation », which aim at constituting a small hoard, which is later transferred to an ordinary savings account.

For this form of saving, as in many Savings Banks for Christmas Clubs, Holiday Clubs, etc. the depositor receives a coupon book, on each leaf of which is printed the date and the amount of his deposit. The depositor accompanies the coupon with his money, the teller stamps the stub, and the latter becomes the receipt for the money. The plan, « Your Fortune's Foundation », was announced to the public through great publicity, bills in the streets, illustrated insertions in the papers, etc. It was inaugurated on the 15th September, and as a result, an average of 25 new accounts were opened daily.

SAVINGS PLAN ORGANISED BY THE GIRL SCOUTS OF COLORADO SPRINGS (COLORADO: U. S. A.) (625 words).

All the Institutions which receive deposits were visited by the Girl Scouts, to whom the value of thrift was fully explained, and the value of the Institutions which transact thrift business.

An original play entitled « Penny Providence » was given, and the press also made a propaganda campaign. The Girl Scouts were urged on and helped, not only to take their savings to the Savings Banks, but also to earn, in order to be in a position to save.

In (this way one girl was able to save up \$ 65 in 6 months, by making and selling leather articles. An-

other girl found time to be a neighbourhood helper, and thus saved \$ 60., etc. etc.

95 % of the Girl Scouts had their own savings account, within 6 months of the initiation of the plan.

THE NEW HOME OF AN AMERICAN SAVINGS BANK (2200 words).

The Seamen's Savings Bank, on the completion of its 96th year, transferred its quarters to a new building, constructed on the old site of the bank. No effort has been spared to give the new edifice an appearance corresponding to the age of the bank. For example, the granite used for the exterior walls was of a special kind which had been exposed for a long time to the weather. In view of the superstitions held by many sailors, the number of the building was changed from 76 Wall Street to 74 (for the reason that 7 plus 6 makes 13). It need not be added that the organisation responds to all present requirements. Near the entrance is a special room where all information in the matter of investments, budget and income tax matters, can be secured by depositors. For new depositors there has been provided a special teller's window. The building has 15 floors, 10 of which are let.

EX-SOLDIERS BONUS LOANS (1800 words).

Legislators and Savings Banks of various States in America are considering the question of granting subventions on service compensation certificates, as on other public securities. The question is of great importance; as the loan value of these adjusted compensation certificates amounted to approximately \$ 216,668,000 on the 1st January 1927, and by the end of 1930 will have increased to more than \$ 590,000,000.

INCREASE IN THE LIMIT OF SAVINGS DEPOSITS (140 words).

A proposal has been made to increase the limit of post-office savings deposits from 2,500 to 5,000 dollars.

ON THE CREST (500 words).

In 1914 Europe held more than \$ 5,000,000,000 of American securities. These are now in American hands. Not alone this, but Europe owes America about \$ 25,000,000,000, one-half of it war debts due to the United States and one-half investments, loans to private parties, public concerns, etc. Savings in the United States increased last year by \$ 1,500,000,000. The problem is to keep up this pace.

THE RISING TIDE OF TAXES. GAYLORD C. CUMMIN (2200 words).

Everyone pays taxes, with the exception of those who are supported at public expense. Taxation is always ac-

quiring a more important effect on our standard of living. It may conceivably reach a point where industries may no longer be profitable, entailing their abandonment and grave economic consequences. Savings Banks which are dependent on the margin between individual earnings and individual expenditure are vitally interested in the taxation question. It is necessary to see that the tax-money which has been collected from the public is not wasted. The article explains why in the United States the government taxes, i. e. those of the Federal government, decreased after the war, whilst the state and local taxes increased until they constitute today more than 60 % of the entire tax burden. The writer gives some hints for the education of the taxpayers.

THE OPINION OF BANKERS ON THE GAS INDUSTRY. CHANNING H. COX (2700 words).

This is one of the most important industries and is of special interest for the American Savings Banks which desire and which can invest in shares issued by gas companies. As these companies serve a large number of small consumers, they require to foster the good-will of these in order to find the necessary support from the public for their financial needs.

PROGRESS OF THE MASSACHUSETTS SAVINGS INSURANCE (450 words).

Life Insurance by means of savings deposits was started over 18 years ago. The amount of business in force just now exceeds \$ 43,500,000, with an annual amount of premiums of \$ 1,370,574. The system is purely mutual and 105 banks and savings banks take part. It is regulated by special laws.

FAIR EXHIBIT PROFITABLE ADVERTISING (450 words).

At a County Fair the Poughkeepsie Savings Bank constructed a booth, reproducing the facade of the Savings Bank, and employed the services of an artist who sketched before the public, cartoons bearing thrift messages, which were afterwards distributed gratis to the public. This drew a large crowd. Once every day \$ 50 was offered by the Savings Bank to anyone who could draw a line on the board, which the artist could not incorporate in a sketch on thrift. The \$ 50 remained in the hands of the bank. The artist executed and distributed 700 sketches in one week. Many new accounts were opened as a result of this publicity. The artist's services have also been engaged for next year.

DEPENDABILITY AS A BANKING ASSET. WILLIAM H. KNIFFIN (1800 words).

The principal quality of a Savings Bank employee, no

matter in what capacity he is working, is the scrupulous way in which he carries out his duties. Honesty is not enough.

Many examples are given in proof of this statement.

CUT NATION'S CHECK BILL (400 words).

The adoption by a great number of Credit Institutions of standard types of bank checks, drafts and vouchers, has brought with it an economy within eight months, which will reach in one year \$ 25,000,000. In view of the success of the plan, the standardisation, through the Bureau of Standards of the Department of Commerce, will be extended to many other kind of commercial and bank forms.

BANK DEPOSITORS EASILY FLEECE. P. F. LOFTUS (1400 words).

Bands of unscrupulous speculators are always ready to fleece inexperienced savers. This applies more especially to women and widows with a certain fortune and who are ignorant of financial affairs. Anyone possessing a savings bank book is « ready money ». It is at this critical time, the time of withdrawal of all his savings that the depositor should be put on his guard, and a printed word of caution should be placed in the pass book. It would also be very beneficial to give people the habit of asking advice from the Savings Bank before investing their money.

From the ASSOCIATION NEWS BULLETIN ISSUED BY THE SAVINGS BANK ASSOCIATION OF THE STATE OF NEW YORK. 7th January. 1927.

THE INTERNATIONAL THRIFT INSTITUTE. Address by CHARLES A. MILLER, President of the Savings Bank of Utica, before the Five Groups of the Savings Banks Association of the State of New York (2000 words).

Mr. Miller speaks of the origin and the organisation of the Institute, its financial situation and the subscriptions which are required from members. He also touches on the advantages which Savings Banks can draw from becoming associated with the Institute, laying special stress on the moral and general advantages to be obtained, by the interchange of ideas between America and other countries of the world in regard to savings bank problems. He mentions also the possibility of the Institute contributing towards bringing about better international relations.

To Savings Banks which find the dues too high, he says.

« If then, I am right about it and it is possible

that this international body which I am advocating might do its small part in preventing complications which might lead to war, does it not become apparent that it is not only a duty but a privilege to pay the small dues that entitle one to take part in such a movement? The dues for a bank with a hundred million dollars of deposits amount to two hundred dollars a year. As against this figure let me contrast what the fall in market values, occasioned by a mere threat of war would cost such a bank. Assuming a forty per cent bond investment, the fall of but one per cent would mean a loss of four hundred thousand dollars, and we all know that the mere threat of war would cause a much greater collapse in market values than that. So it seems to me that the two hundred dollars in dues for such a bank are no more than the right amount when one considers the loss that this organization might thus obviate ».

In order to assure himself that his enthusiasm was not misplaced, Mr. Miller laid the matter before Senator Elihu Root, whose wisdom and experience qualify him more than anyone else to speak on such a subject. Mr. Root replied, « Not only may such organizations do something towards the world's peace, as you think, but they are almost the only things that can help in that direction ». In closing, the speaker makes the following appeal to his audience, « May I not, therefore, trust to each of you, my associates in mutual savings bank work, to do his part in bringing about a response as nearly unanimous as may be to this cordial overture from our foreign brethren? Will you not do what you can, each in his own way and in his own institution, to bring that institution into this international body, whose success, I believe, may mean so much to our savings banks and even to the world? ».

14th January, 1927.

BUSINESS DEVELOPMENT THROUGH PERSONAL SOLICITATION (680 words).

A very interesting experiment has again been made by a Savings Bank, which consists in personal credit solicitation at the houses of various classes of people, by one of the employees of the Savings Bank, carefully chosen for the purpose. The experiment proved satisfactory.

Indications are given of the best means to be followed for discovering prospects.

21st January, 1927.

ESTIMATING THE COST OF ADVERTISING (500 words).

Brief mention is made of advertising in the newspapers, in tramcars and by means of circulars.

It is necessary to calculate the cost per 1000 readers of each of these forms of advertising.

In Brooklyn, the estimated cost is 2.70 dollars for advertising in trams, 7.20 dollars for insertions in newspapers, and 20 dollars for circulars.

The text must, naturally, vary very much as, for example, the notices in trams must be short and to the point, whereas the newspaper insertion can go into detail.

The article states when it is preferable to use one or the other form of publicity.

HISTORICAL MURALS IN THE BUFFALO SAVINGS BANK (500 words).

A beautiful picture is given of the magnificent hall for the public. The article describes the frescos representing Commerce, Industry, Power, and the Arts, and facts in the history of the city. In the « eye » of the dome appears the millennial motto of Confucius, « VIRTUE IS THE ROOT AND WEALTH THE FLOWER ».

HOME PROJECT IN BUDGETING (470 words).

In a Continuation School for girls, each girl kept a personal account book for 2 years. Each week the book was brought to the teacher for examination and criticism, and one half-hour was set apart for arithmetic in connection with this simple bookkeeping.

After some time, the best girls were asked to decide whether they would keep household account books, and were given a register, for this purpose. Many families were very glad to assist their daughters in their efforts. At the end of the year, the girls were taught how to set up a budget for the coming year.

VACATION SCHEDULES (340 words).

From an investigation amongst about 9 Savings Banks, it was found that they allow their employees from 2 to 3 weeks holidays a year, according to the time they have been in service.

28th January, 1927.

THRIFT WEEK (2000 words).

Promoted by the Y. M. C. A., Thrift Week is celebrated each year, commencing on the 17th January, which is the anniversary of the birthday of Benjamin Franklin. This year a greater number of organisations and enterprises participated, than in the preceding years, with the exception of the Savings Banks, which have perhaps

become a little sceptic on account of the large number of special « weeks », which have been initiated in the United States during the last few years, or because Thrift Week falls at a time when the Savings Banks are overcharged with work for the closing of their accounts. Just as the 31 st October, « World Thrift Day », Thrift Week in the United States is not meant to celebrate thrift in a restricted sense, but as applying also to the best use of time, energy and the means for working.

Propaganda was made chiefly in the schools, where con-

tests were also conducted, on subjects relating to Thrift and Ben Franklin.

Extensive use was made of wireless.

A letter of Mr. Mellon, Finance Minister, is reproduced, and messages from politicians; « The purpose of the Thrift Week campaign is to bestir the unimaginative person who lives only in the present and cannot project himself into the future.

Many people are interested in thrift, but always postpone starting the proper budgeting of their income, and planning their future wisely. This thrift campaign will get them a little nearer the time for action ».

Those Savings Banks which have not yet sent the Institute a sample of their Savings Pass-Book, might be good enough to do so without delay, supplying it with a few copies of each kind of Pass-Book.

Besides making use of this collection for offering suggestions to those Savings Banks which intend reprinting their Pass-Book, and which apply to it for advice, the Institute will avail itself of this material for a publication in which the fruits of its examination and study of the Pass-Books used in the various countries, will be exposed.



P. A. S.

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References:

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Banca Commerciale Bulgara,
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