

1939

XIVth. YEAR

N° 1



Illustration on Calendar for 1939 distributed by the Leghorn Savings Bank (Italy)

THRIFT

OFFICIAL ORGAN OF THE INTERNATIONAL THRIFT INSTITUTE

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WORLD THRIFT

FOURTEENTH YEAR

OFFICIAL ORGAN OF THE INTERNATIONAL
THRIFT INSTITUTE - 11, Via Monte di Pietà,
MILAN (Italy) - 1939 - No. 2

5

Si à l'édition anglaise on préfère l'édition fran-
çaise, prière de le faire savoir à l'Institut Interna-
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Annual patronage subscrip-
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Per copy 10.— » »

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to whom all payments should also be made.

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the source is quoted.

THRIFT

OFFICIAL ORGAN OF THE INTERNATIONAL THRIFT INSTITUTE

N° 2

1939

14th YEAR



Illustration:

Poster issued by the District Savings and Loan Bank of Frederiksborg (Denmark). Caption: «Save for me!», Size: 21" x 27". Four colours.

WORLD *THRIFT*

OFFICIAL ORGAN OF THE INTERNATIONAL THRIFT INSTITUTE

N° 4

1939

14th YEAR



Illustration: Poster issued by the Central Union of Polish Communal Savings Banks. Caption: «The Communal Savings Bank will enable you to see the world».

THRIFT

OFFICIAL ORGAN OF THE INTERNATIONAL THRIFT INSTITUTE

N° 8-9
1939
14th YEAR



Poster issued by the National Association for the Promotion of Thrift of Turkey.
Wording: « Keep the Home Fire Burning through Saving! »

WORLD *THRIFT*

OFFICIAL ORGAN OF THE INTERNATIONAL THRIFT INSTITUTE

N° 11

1939

14th YEAR



**CAJA DE AHORROS Y MONTE
DE PIEDAD MUNICIPAL
DE BILBAO**

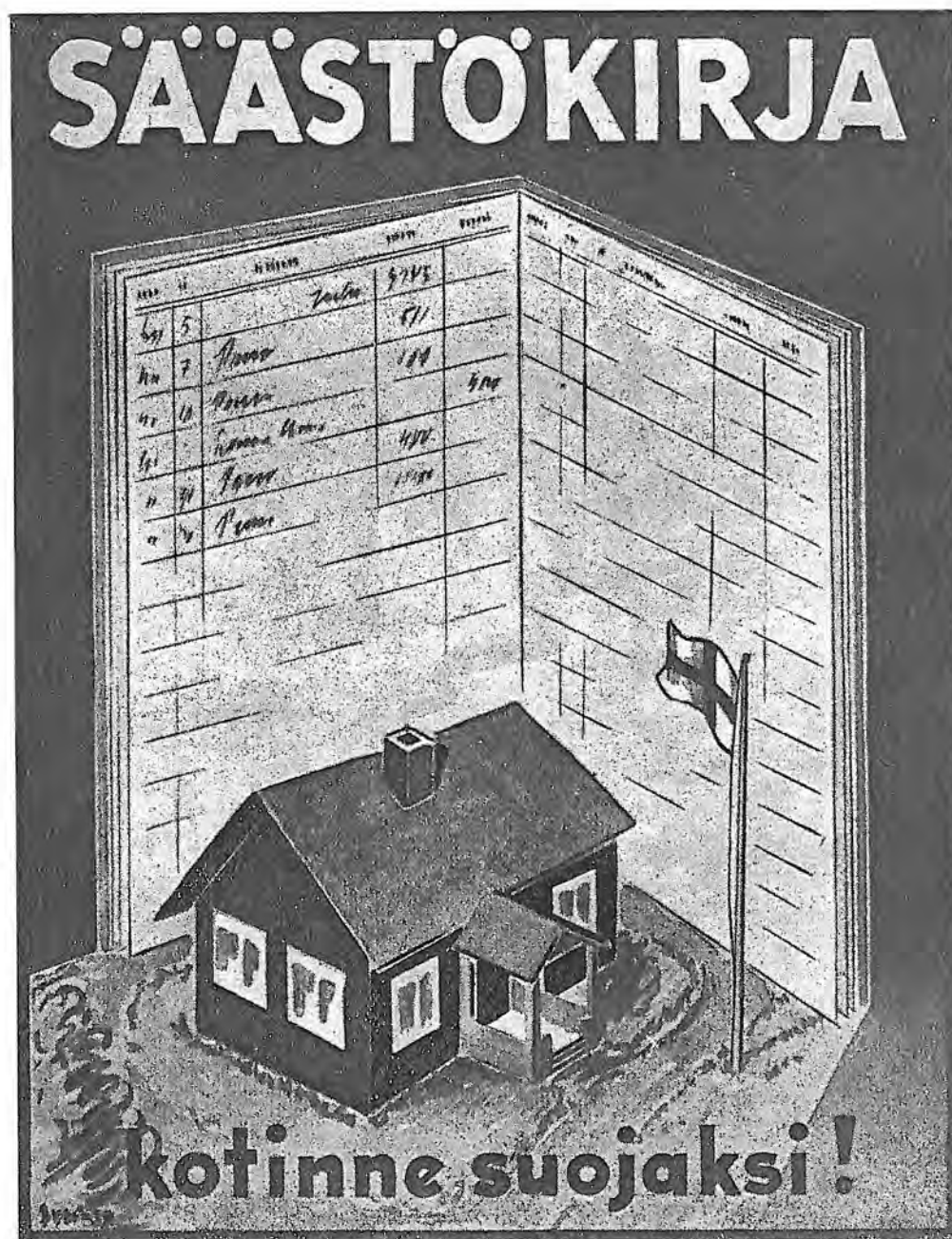
Poster issued by the
Municipal Savings Bank
and Pawn Institution of
Bilbao (Spain) symbolis-
ing thrift as the pro-
tector of motherhood.
Size 47" x 35".

LE DIXE KARRAL HENRIS SA BAZZAM

WORLD *THRIFT*

OFFICIAL ORGAN OF THE INTERNATIONAL THRIFT INSTITUTE

N° 12
1939
14th YEAR



Sketch for Thrift Poster prepared by the League of Finnish Savings Banks. Wording: «The Savings Book Guarantees your Home».

INTERNATIONAL EXCHANGE OF THRIFT PUBLICITY POSTERS

Resuming a scheme which we started in 1932 for the exchange of thrift publicity material, we give notice that

Those of our members who send us 12 copies of a thrift publicity poster will receive in exchange 10 different posters from other countries (2 copies remaining with us for our Files) with translations of their wording.

We hardly need emphasize the advantage there is in having posters of other countries available for purposes of comparison and inspiration and for exhibiting and publicity schemes generally.



View of the Thrift Exhibition organized by the Post Office Savings Bank of Netherlands Indies, Batavia, on the occasion of the Bank's fortieth anniversary with material supplied by the International Thrift Institute.

All that would-be exchangers have to do is to send the parcel of posters to the

INTERNATIONAL THRIFT INSTITUTE - Via Monte di Pietà, 11 - MILAN

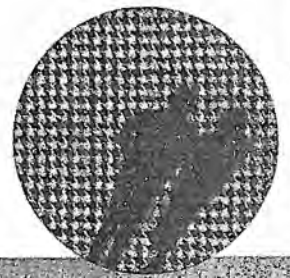
with the marking "International Exchange of Thrift Publicity Posters"

MONEY MANAGEMENT *for Households*



• about a budget plan with a sense of humor

MARRYING ON A SMALL INCOME



STRETCHING THE CLOTHING DOLLAR

BETTER BUYMANSHIP



No. 15—CHILDREN'S PLAYTHINGS AND BOOKS

Illustrations of some of the material distributed by the **Household Finance Corporation, U.S.A.** (see commentary on opposite page).

Top row and illustration on the right: Covers of booklets belonging the «Money Management» series. Illustration on the left and row underneath: Covers of some booklets belonging to the «Better Buyman-ship» series.

[Copyright Household Finance Corporation]

STRETCHING THE FOOD DOLLAR

BETTER BUYMANSHIP



No. 21—GLOVES

BETTER BUYMANSHIP



No. 22—FOOD FATS AND OILS

BETTER BUYMANSHIP



No. 23—FABRICS

BETTER BUYMANSHIP



No. 16—SOAP AND OTHER CLEANSING AGENTS

[illegible]

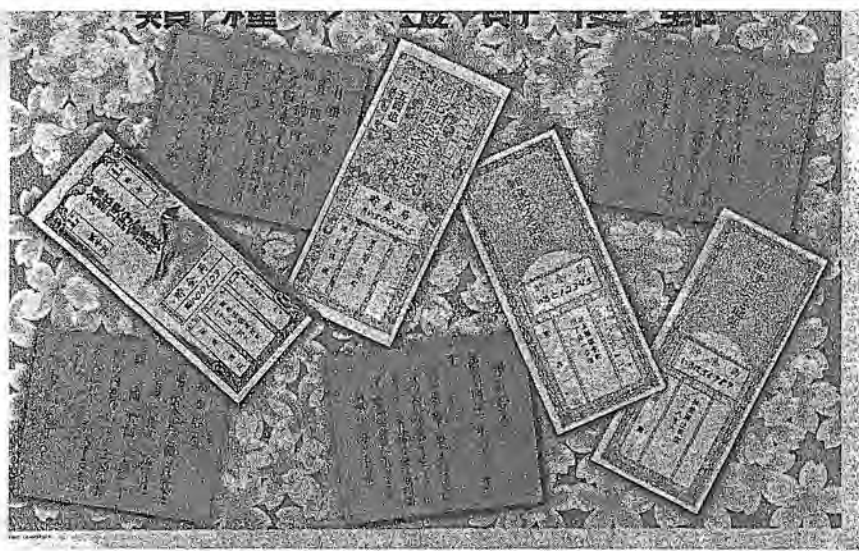
ALMANACCO
1939 XVII
XVIII

CASSA DI RISPARMIO DELLE PROVINCE LOMBARDE
 FIDELITÀ DEL SOG. - VILLAGE - LUGLIO 1929
 MONETA ITALIANA - LIRE E CENTESIMI - 100 = 100
SEDE CENTRALE IN MILANO - VIA CONTE DI RUFFO, 10

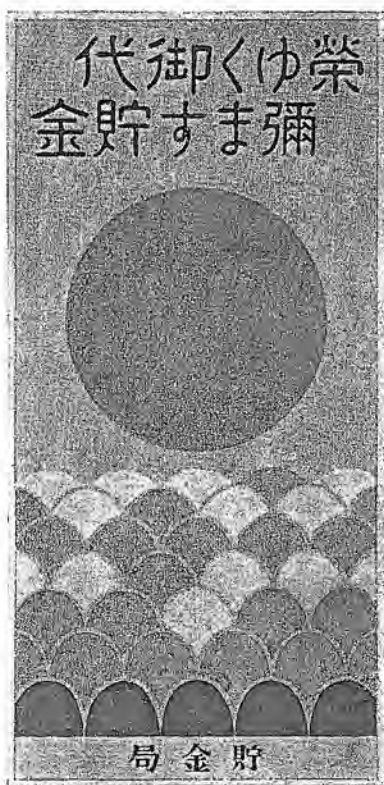
1929 FEBBRAIO

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4	Depositi		1.000,00	4.000,00
5	Depositi		1.000,00	5.000,00
6	Depositi		1.000,00	6.000,00
7	Depositi		1.000,00	7.000,00
8	Depositi		1.000,00	8.000,00
9	Depositi		1.000,00	9.000,00
10	Depositi		1.000,00	10.000,00
11	Depositi		1.000,00	11.000,00
12	Depositi		1.000,00	12.000,00
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14	Depositi		1.000,00	14.000,00
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26	Depositi		1.000,00	26.000,00
27	Depositi		1.000,00	27.000,00
28	Depositi		1.000,00	28.000,00
29	Depositi		1.000,00	29.000,00
30	Depositi		1.000,00	30.000,00
31	Depositi		1.000,00	31.000,00

[illegible][illegible]



Posters issued by the Japanese Post Office Savings Bank. See description opposite.







SEPTEMBRE 1893 XVII

1	La Tullia viene	
2	La Tullia viene	
3	La Tullia viene	
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5	La Tullia viene	
6	La Tullia viene	
7	La Tullia viene	
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30	La Tullia viene	

OTTOBRE 1930 XVII

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28	La Tullia viene	
29	La Tullia viene	
30	La Tullia viene	



Il Risparmio è un dovere per tutti le età.

risparmiare per tutti le età.

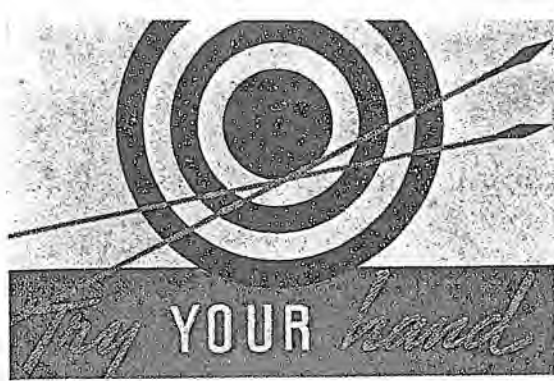
CASSA DI RISPARMIO E DEPOSITI DI PRATO

La Cassa di Risparmio e Depositi di Prato, fondata nel 1852, ha per scopo di raccogliere i risparmi dei cittadini e di impiegare i medesimi in opere di pubblica utilità, e di concedere prestiti a favore del commercio e dell'industria. La Cassa è regolata dalle leggi del 1852, 1855, 1858, 1860, 1862, 1864, 1866, 1868, 1870, 1872, 1874, 1876, 1878, 1880, 1882, 1884, 1886, 1888, 1890, 1892, 1894, 1896, 1898, 1900, 1902, 1904, 1906, 1908, 1910, 1912, 1914, 1916, 1918, 1920, 1922, 1924, 1926, 1928, 1930, 1932, 1934, 1936, 1938, 1940, 1942, 1944, 1946, 1948, 1950, 1952, 1954, 1956, 1958, 1960, 1962, 1964, 1966, 1968, 1970, 1972, 1974, 1976, 1978, 1980, 1982, 1984, 1986, 1988, 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020, 2022, 2024, 2026, 2028, 2030.

TUTTA QUELLE
 IL CANTILE DI FINE
 IL RACCOMANDA
 NIENTE IL NOME
 UN PO' DI PIÙ DI
 TUTTA DI PIÙ
 LA RACCOMANDA
 RITARDI PER IL
 TUTTO ALL'INTER-
 RACCOMANDA PER
 TUTTA DARE DUE
 TUTTA RACCOMANDA

IA DI RISPARMIO DELLE PROVINCE LO
RENTA DEL 1911 A TIRATA QUANTO
INTESSO A RISPARMIO E A TIRATA QUANTO
CENTRALI IN MILANO E SOTTO DI

OTTOBRE		OTTOBRE	
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3	4	3	4
5	6	5	6
7	8	7	8
9	10	9	10
11	12	11	12
13	14	13	14
15	16	15	16
17	18	17	18
19	20	19	20
21	22	21	22
23	24	23	24
25	26	25	26
27	28	27	28
29	30	29	30
31		31	



Here are the average
RECORDS
 OF OTHER BOWERY SAVINGS BANK SAVERS
 GOOD MARKS TO SHOOT AT!

How does your account in the Bowery Savings Bank measure up with the accounts of other savers at the Bowery? This folder will show you at a glance — may give you a mark to shoot at. Thousands of other savers have aimed well and have reached their marks by regular persistent saving. So can you.

16,980 professional men and women have deposited in the Bowery Savings Bank. The average account for every professional man and woman is \$1,348.

PROFESSIONAL
 \$1,348

\$1,990 men who had children and children under 21. This category has 14,070 savers. The average account for every man who has children is \$1,990.

\$990

\$1,393 is something for the mechanical worker to shoot at. 57,000 mechanical workers have \$71,700 in deposits in the Bowery Savings Bank. An average account of \$1,393 for each mechanical worker.

\$1,393
MECHANICAL WORKER

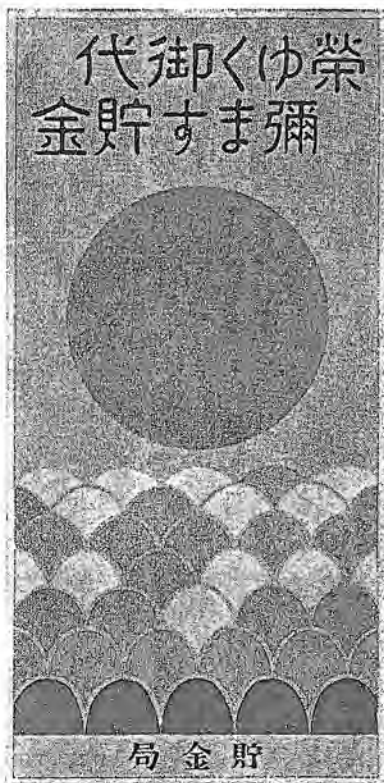
110 East 42nd Street
 130 Bowery
 Fifth Ave. at 34th St.

A Mutual Institution Chartered in 1824 to Serve Those Who Save

BOWERY SAVINGS BANK



Posters issued by the Japanese Post Office Savings Bank. See description opposite.



New material available to Member Savings Institutes: "TECHNICAL GUIDES TO SAVINGS BANKING":

Group A: THRIFT PROPAGANDA:

- 1. Wall Thrift Calendars**
(COMMENTARY AND 42 SPECIMENS)
- 2. Table and Pocket Thrift Calendars**
(COMMENTARY AND 96 SPECIMENS)
- 3. Money-Boxes and other Devices for the Collection of Savings** (COMMENTARY AND ILLUSTRATIONS)

Group B: TECHNICAL ORGANISATION OF SAVINGS BANKS:

- 1. Daily Control in the Savings Department**
(DESCRIPTION OF TYPICAL DAILY RECAPITULATION AND CONTROL)
- 2. Technique of Safe Custody Business at Small and Medium-Sized Savings Banks**

The above material will be forwarded in rotation to members of the International Thrift Institute desirous of examining it free of all charge except for carriage and customs.

Reservations to be addressed to the

INTERNATIONAL THRIFT INSTITUTE / MILAN (Italy)

11 / Via Monte di Pietà / 11



FOR WORLD THRIFT

THE FAMOUS VISIBLE-MONEY RECORDING HOME SAFES

SUCCESSFUL operations in Home Sales are invariably subject to the appeal the safe makes to the depositor. If lacking the features of beauty, refinement and portability—small size and light weight—home banks are of little value.

Beauty, refinement and portability in our modern Home Banks have placed over 12,000,000 of these devices in the homes of the savers of the world. They are in daily use.

The institution holds the master-key and loans the Home Bank to depositors. They slip into the pocket or handbag. They are of nickel and brass with non-rusting metal interiors.

Visible-Money Recording Home Sales for all countries and all coinages are ready for delivery for Great Britain and Dominions Overseas, United States, Scandinavia, Germany, Switzerland, Spain, Italy. For other countries in preparation.

Millions are in daily profitable use by clients and depositors—both young and old—of 7,000 Banks, Savings Banks, Building Societies, Co-operative Societies, Welfare Organisations and Thrift Institutions, including:

Midland Bank, Limited, and 2,000 branches
Yorkshire Penny Bank, Limited, and branches
Martins Bank, Limited, and branches
Williams Deacon's Bank, Limited, and branches
District Bank, Limited, and branches
National Bank, Limited, and branches
Colonial Banking & Trust Company, Limited, and branches
Savings Bank of Glasgow
Savings Bank of Edinburgh
Halifax Building Society, and branches

Bowery Savings Bank, New York
Dry Dock Savings Institution, New York
Royal Bank of Canada
Sächsische Staatsbank, Germany
Svenska Handelsbank, Sweden
Sparbanken i Christianstad, Sweden
Göteborgs Handelsbank, Sweden
Banque Cantonale du Valais, Switzerland
Thurgauische Kantonalbank, Switzerland
Lucerne Cantonal Bank, Switzerland

For Great Britain and Dominions; France,
Italy, Spain, and other Continental countries;
Near and Far East, Japan, China:

AUTOMATIC RECORDING SAFE CO., LTD.
83, RIDGMOUNT GARDENS, LONDON, W.C.1

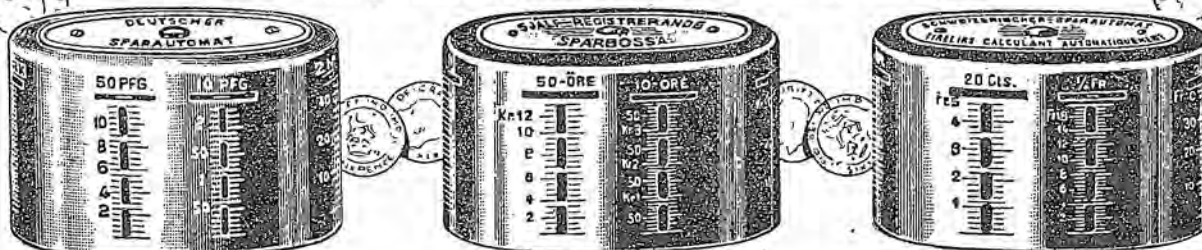
GERMANY:
Alfred Michel,
Berlin, W. 56

SWEDEN, DENMARK, NORWAY:
Alfred Michel,
Clarens-Montreux, Switzerland

SWITZERLAND
Alfred Michel,
Clarens-Montreux, Switzerland

AUTOMATIC RECORDING SAFE CO.

Exclusively Manufacturers of Home Safes of all Types.



Specimens and information will be sent without obligation to you.

THRIFT PUBLICITY

The cover of this number shows a thrift poster issued by the *Caja de Ahorros y Monte de Piedad Municipal*, Bilbao, Spain (Municipal Savings Bank and Pawn Institute), an institution occupying a foremost place among Spanish Savings Banks, which are just now gaining new merit through the work of reconstruction they have undertaken in their own country.

This remarkably fine poster, embodying good publicity as well as decorative features, symbolizes thrift as a protection in motherhood. Printed in offset in four colours: backgrounds in dark orange and yellow, principal foreground figures in blue and brown. Size 48" x 36".

* *

On the inside back cover we have reproduced some parts of an original little folder recently distributed by the *Bowery Savings Bank*, New York. The motive used is one that has so far been scantily considered by the Savings Banks in their publicity: contribution of the different classes and professions to the Bank's deposits. How many housekeepers, how many workmen, how many employees, how many professional men and women, etc., make up the number of the Bank's depositors? What is the total amount of deposits belonging to each class? What is the average account for each saver in each class?

The folder answers these questions. But that is not all, — and here is the publicity trick — the average account per depositor in each classification is figuratively represented as a mark or "target" to be aimed at by all depositors belonging to it. In this way the spirit of professional emulation is aroused in depositors to the advantage of thrift. On every page of the folder, each one of which illustrates the figures for a different class of depositors, there is a target with concentric white and red rings, the place of the bull's-eye being occupied by a moneybag labelled with the amount of the average account per depositor. This is the mark the saver should aim at through his regular deposits at the Bank to reach the average considered normal for the social or professional class to which he belongs.

The cover of the folder, printed in red and black on glossy paper, size $4\frac{1}{2} \times 3\frac{1}{2}$, is likewise

illustrated by a target with arrows and the title "Try your Hand!" The text inside reads: "Here are the average records of other Bowery Savings Bank savers, Good Marks to shoot at! How does your account in the Bowery Savings Bank measure up with accounts of other savers at the Bowery? This folder will show you at a glance — may give you a mark to shoot at. Thousands of other savers have aimed well and have reached their marks by regular persistent saving. So can you."

On every page of the folder there is a target with a moneybag in the centre labelled with the average deposit of a certain class of savers: professional, mechanical worker, white collar, etc. Below is the text of these pages, which also shows us the composition of the deposits and depositors of the Bowery Savings Bank, the greatest in point of deposits not only in the United States but in the whole world.

Professional: 46,980 professional men and women have \$63,369,000 on deposit in the Bowery Savings Bank. The average account for each professional man and woman is \$1,348.

Mechanical worker: \$1,393 is something for the mechanical worker to shoot at. 57,054 mechanical workers have \$79,497,700 on deposit in the Bowery Savings Bank. An average account of \$1,393 for each mechanical worker.

White collar: 103,537 white-collar workers have \$104,585,900 in the Bowery Savings Bank. The average account for each white-collar worker is \$1,010.

Housewife: 99,865 housewives have \$140,916,600 on deposit in the Bowery Savings Bank. The average account for each housewife totals \$1,411. If you are a housewife \$1,411 is your target.

Business man: 41,611 business men have \$59,929,800 on deposit in the Bowery Savings Bank. The average account for each business man is \$1,440.

All others: 64,705 men, women and children not listed under other classifications in this folder have \$64,107,900 on deposit in the Bowery Savings Bank. The average account for each of these depositors is \$990.

The seal and the name of the Bowery Savings Bank appear on the last page of the folder.

A film entitled « The Queen of the Stars » prepared by an Association for thrift and providence, was shown in various towns and excited

keen interest. This was a notable experiment, as the film was 2000 meters long and took 1. 1/2 hours in showing.



Fig. 1 - Inscription: Save!

SWITZERLAND.

On the initiative of the Geneva Savings Bank, the Day proved an imposing manifestation, especially for the pupils. Those entered for their first scholastic year and not yet in possession of a savings book, received same as a present with a deposit of 3 Francs. They then had to go to the Savings Bank to receive the gift together with a moneybox and postcards. To welcome the young savers and to give them the best lasting impression, the Savings Bank was decorated as

for festive occasions. The pupils were prepared for this ceremony by their teachers with appropriate lessons. A prize competition was also opened among the pupils for a theme on the film « First steps towards Thrift » shown the year before. A competition was also opened for drawings on thrift: this competition was successful, the drawings were shown, and the best efforts rewarded with a savings book.

GERMANY.

The preparation of the Day was organised in good time and with good method.

The Association of Savings Banks published in September a collection of material suitable for the celebration of the 31st October, with the various prices for the supply of same. This was a real price list and a very accurate sample

and putting together the portions cut and arranged in a bizarre manner.

This list met with good success, and the various Savings Banks effectively followed the indications and the suggestions contained in the same.

We note among the manifestations held: car

Inscription: International Thrift day - Put your savings in the Municipal Savings Bank.

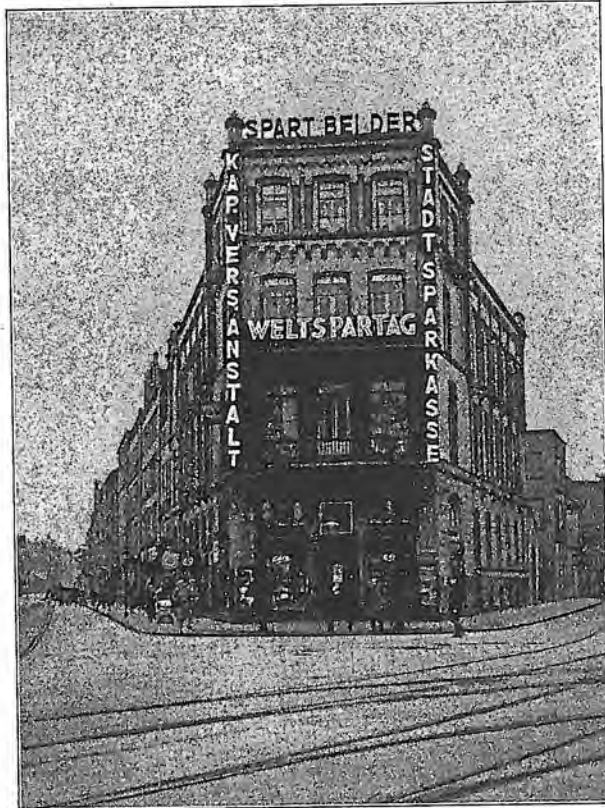


Fig. 2 - In the day

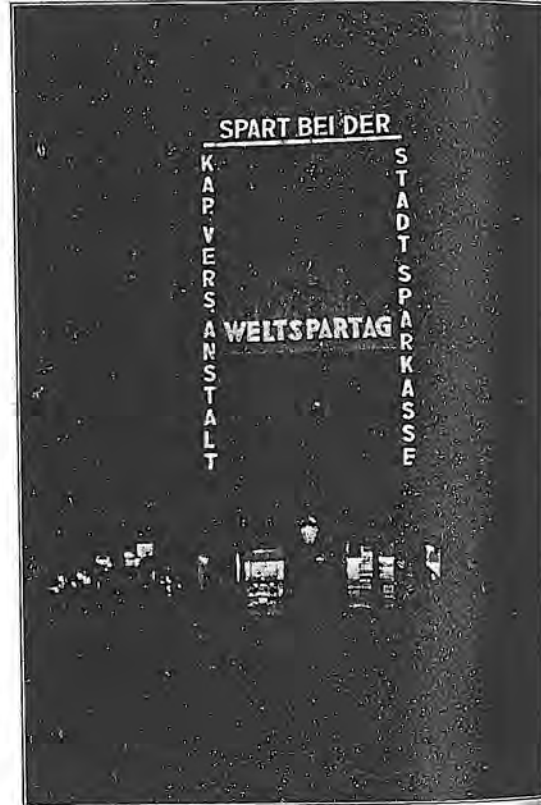


Fig. 3 - At night

display, and an examination of same is very interesting. We find therein colored sheets for composite picture puzzles, reproduction of lantern slides for showing in Cinemas, designs and propaganda phrases, circulars for sending to parents and children (the latter illustrated to render them more interesting), manifests, pamphlets (one for housewives is worthy of note), coloured postcards and postcards for colouring, school diaries illustrated in black and in colours, games of thrift and games for making designs by cutting out

showing the head office of the Savings Bank coin is put in at the top and this comes out the bottom changed into gold), circulars to pupils, games on thrift (tombolas of 100 numbers with colored illustrations), pamphlets for young and old (these publications were interesting for their various contents such as poems, drawings, tales, maxims, sentences, articles on thrift and on the history of the Savings Bank), blotters, cards with colored designs so arranged that they can be cut out and together to form



Fig. 4 - In the day



Fig. 5 - At night



Fig. 6 - In the day



Fig. 7 - At night

a moneybox. We reproduce some specimens. We also hear of experiments with luminous publicity, and we reproduce some views of same (see figures 2 to 7 and pages 294 and 295). Some Saving Banks organised propaganda displays, and from

the photograph reproduced of same one may see how even a propaganda display on thrift can prove interesting (see fig. 8 below).

Special savings books were issued for the 31st October.



Fig. 8 - Propaganda Exhibition of the Savings Bank of Hannover.

AUSTRIA.

The participation of the Austrian Savings Banks was intense. Propaganda was effected with articles in the newspapers, the fixing of 10.000 manifests (we reproduce the subject of same), see (see fig. 9 on page 297) the distribution of 150.000 copies of a small pamphlets, the showing in Cinemas of a lantern slide reproducing the manifest mentioned, the distribution of 50.000 loose sheets and of 70.000 stamps reproducing the symbol of the Day. The propaganda was specially directed towards the young people. Lessons on thrift were held in the schools, likewise theses

on thrift. Thirty thousand thrift games were distributed to young people.

Amongst the games on thrift, the one given below deserves to be specially recalled for its originality. (see fig. 12 on page 300).

The game is formed of 24 cards each carrying a drawing and a maxim of propaganda. The cards are dealt to the players who can be 6, 4 or 3 in number. The player starting the game reads the sentence written on one of the cards, and places the card on the table. The other



Fig. 9 - Poster of the German Savings Banks Association in Austria. - Editor: Atelier Prof. Emanuel Fischer, Vienna.
On top: World Thrift Day. - At the bottom: Put your savings in your Savings Bank.

players seek among their own cards the one that has the phrase completing the meaning of the first sentence pronounced. The player having this card places same on the top of the one that started the game. The game continues in this manner, and each player reads in turn the query on his cards. The first player remaining without cards wins the game. In this way a method has been found to help thrift propaganda with games.

Literal translation of the fig. 11 on page 299

*Who despises the penny
Will never reach the shilling
Start early to save
As this habit formed in youth persists in old age
Young people save your nickels
As poverty ruins old age
Saving sheds lustre
And brings happiness and well-being*

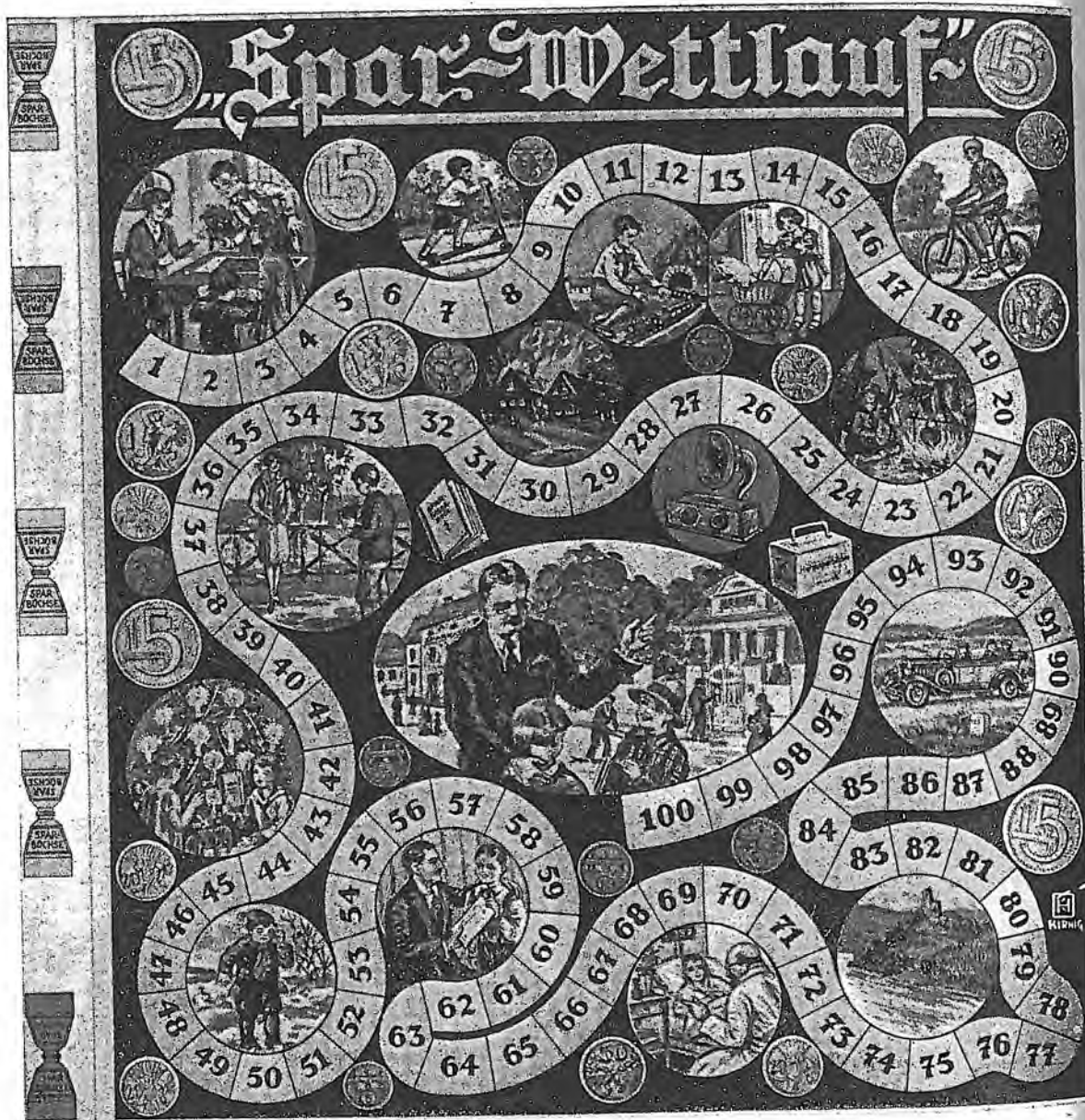


Fig. 10 - Savings race

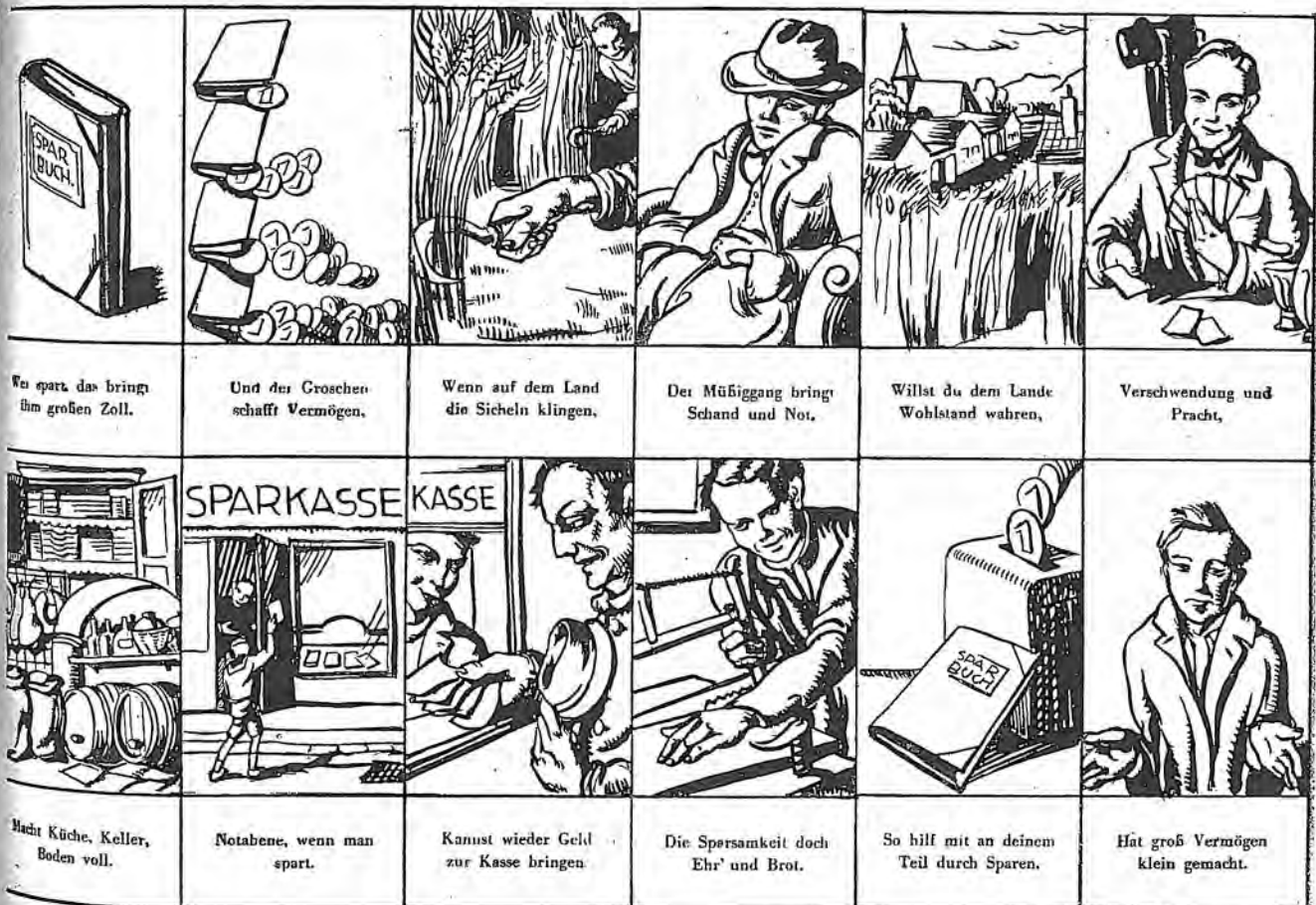
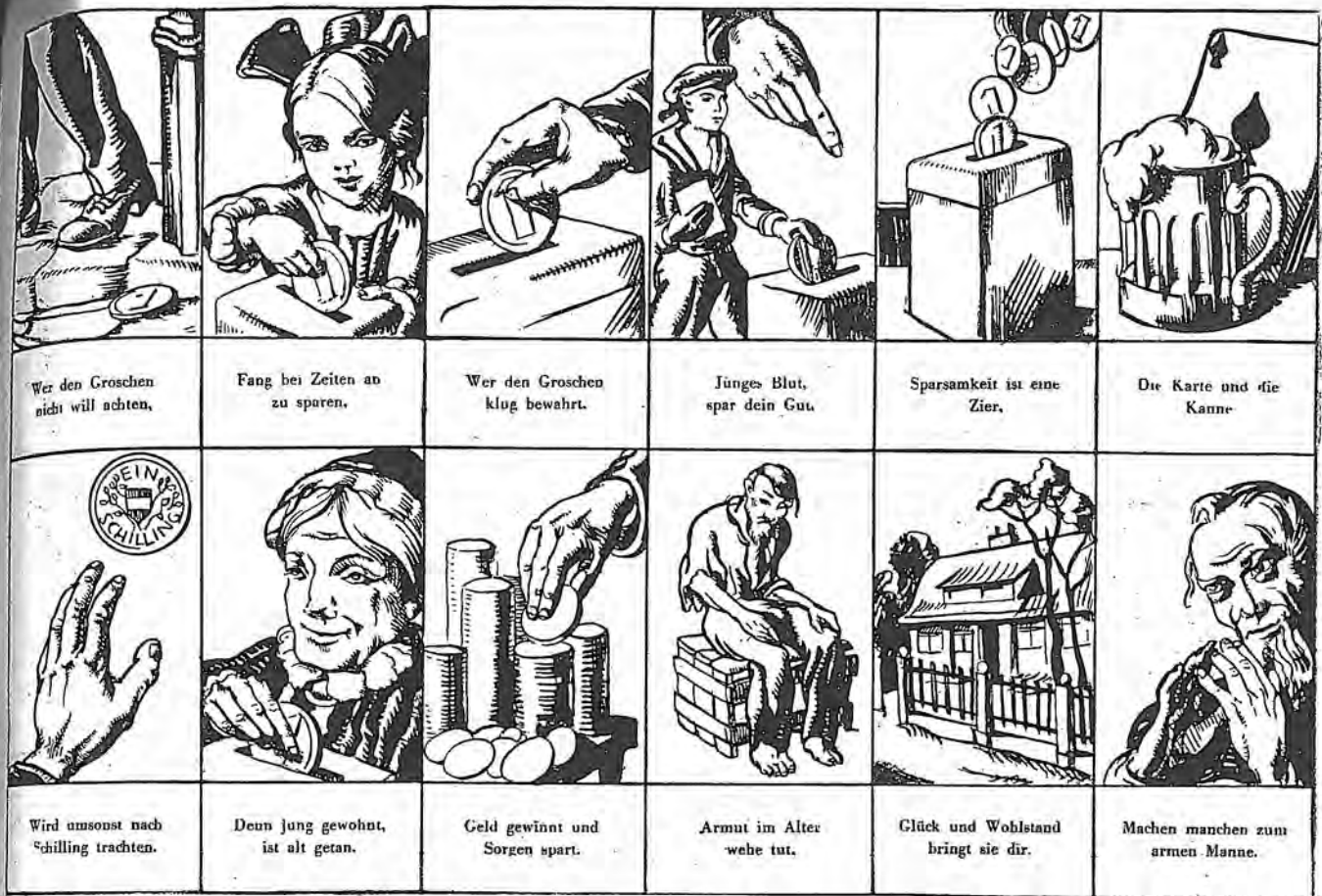
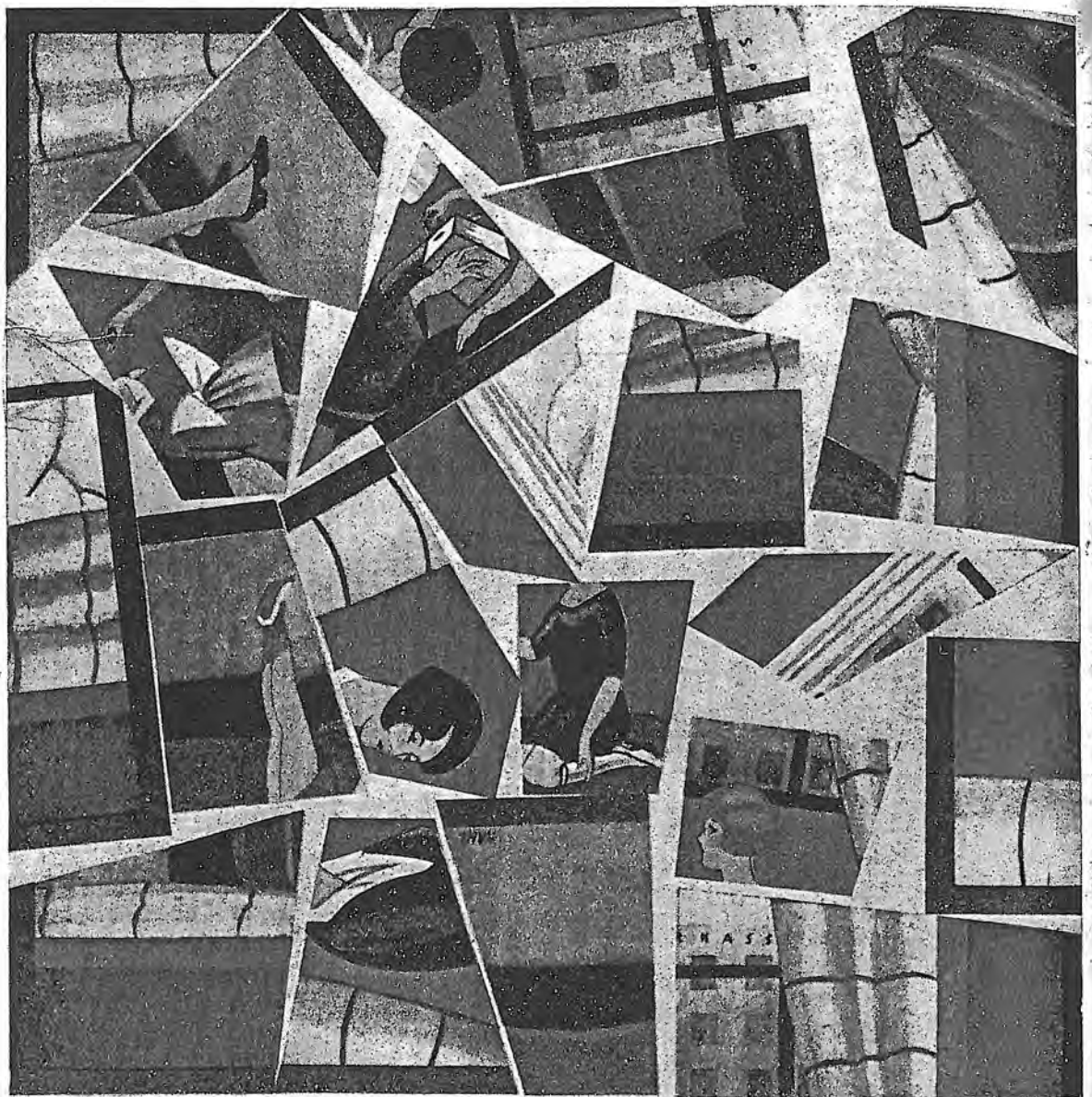


Fig. 11 - (see translation on pages 298 and 301)



Ahrens & Co. Liebenau i.B.



Mein liebes Kind!

Nimm dieses Blatt und trag' es nachhaus,
Greife zur Scher' und schneide es aus;
Dann versuch' Dein Glück,
Lege Stück an Stück;
So wird sich Dir als Ganzes ergeben:
Bild und Spruch für Dein künftiges Leben.

Es grüßt Dich die

Fig. 12 (see translation on page 301)

*Gambling and drinking
 Have ruined many a man
 Saving brings great fortune
 Filling the cellar and kitchen
 And the pennies produce wealth
 Always provided that one saves
 When the sickles clink in the field
 It is time to bring more money to the bank
 Laziness brings only shame and misery
 While thrift confers honour and provides bread
 If you have the welfare of your country at heart
 Contribute your share by saving
 Waste and luxury
 Have swallowed up great fortunes.*

Translation of the rhymes under the illustrations (fig. 12 on page 299)

My dear child!

(literal translation)

*Take this sheet and bring it home,
 Take hold of the scissors and cut it out;
 Then try your luck,
 Fit piece to piece;
 When the whole will give
 A picture and an example to be followed in your
 [future life.*

Greetings from.....

CZECHOSLOVAKIA.

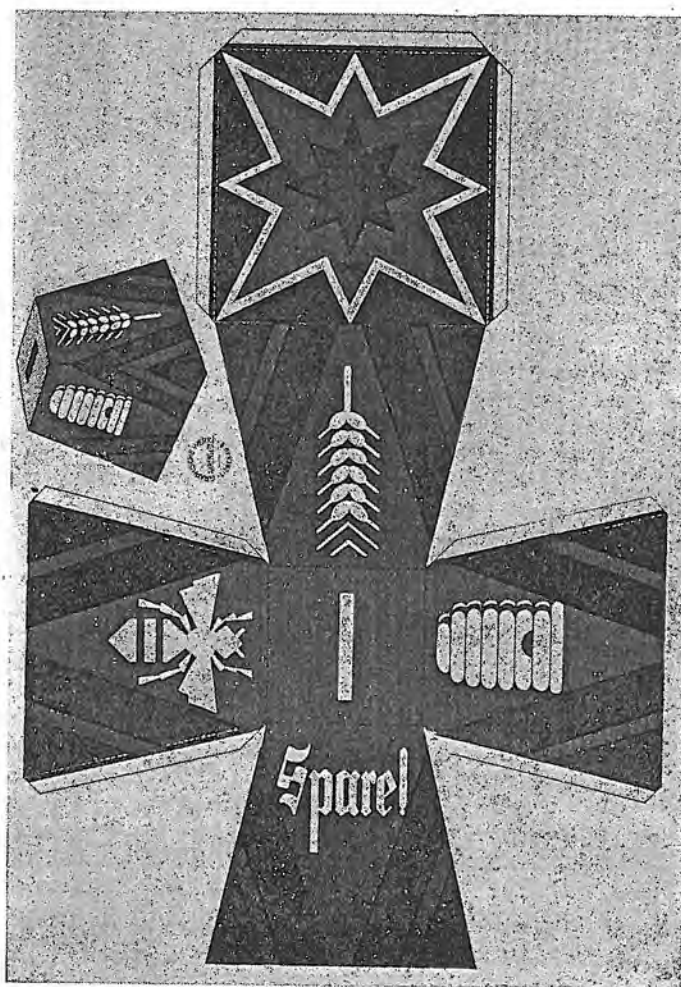


Fig. 13 - The various figures cut out and joint together form a money box

31. ŘÍJNA MEZINÁRODNÍ SVÁTEK SPOŘIVOSTI
ŠETŘÍ A UKLÁDEJ SVÉ ÚSPORY DO SPOŘITELNY!



Městská spořitelna
v Třebíči

Fig. 14 - Inscription: 31st October, International thrift holiday. - Put your savings in the Municipal Savings Bank of Třebíč.

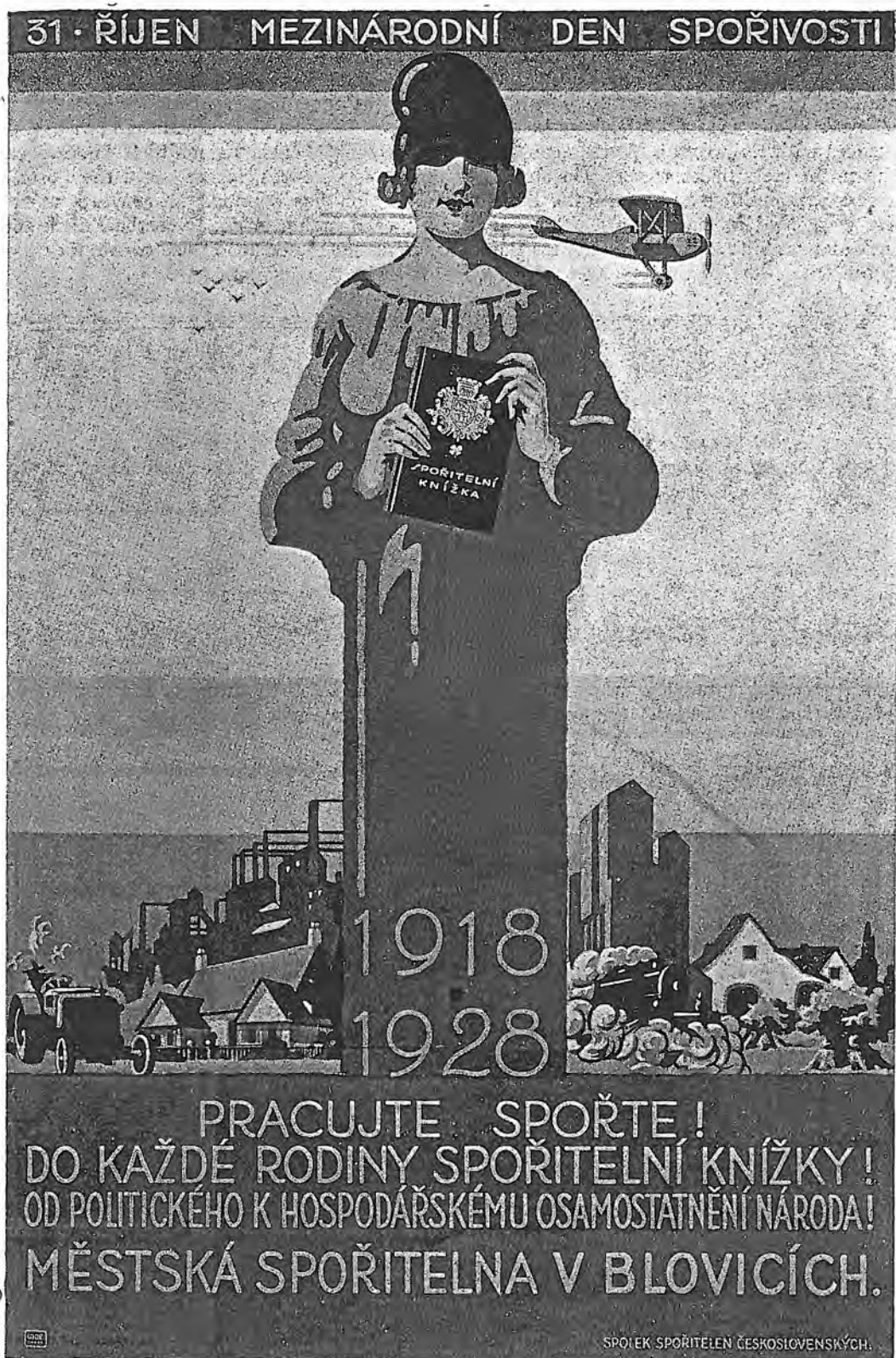


Fig. 15 - Inscription - 31st October - International Thrift day - Work-Save! A pass book in every family. - From the political to the economic independence of the Nation - Savings Bank of Blovicich

The Day was worthily recorded by decorating the offices of the Savings Banks and the distribution in the offices, factories, public concerns but above all in the schools of savings books as prizes, rulers with the words « Work, economize, save, the millimeters make meters, the drops of water rivers », pamphlets and manifests. Lessons on thrift were held in the schools. Propaganda films were shown. The staff of the Savings Banks worked the whole day of the 31st October, even

extra hours. The press contributed efficaciously to the success of the manifestation. Very interesting was the number of the publication entitled « The little Saver » illustrated with drawings, tales and poems. In addition there were held radio conferences, lectures and the Postal Administration has stamped all correspondence with a special saving mark. Even the Punch and Judy shows have been made use of for the furthering of thrift propaganda.

POLAND.

The Day was celebrated with articles in the newspapers, the fixing of manifests, the distri-

bution of notices, pamphlets and prizes to the pupils who sent in the best theses on thrift.

SWEDEN.

The Day was specially celebrated in the schools. Radio was made much use of, also the press. An interesting number of the review *The Svenska Sparbanksföreningen* (Association of

Swedish Savings Banks) dedicated to the 31st October reproduced propaganda manifests, which we show for their interest, and published special articles on thrift.



Fig. 16 - Inscription : In this way we shall have a home and also still money at the Savings Bank.



Fig. 17 - Inscription : Well founded in the security based on money saved. Get a pass book to day.

LATVIA

The Day was celebrated with conferences held during artistic entertainments, articles in the newspapers, appeals over the radio, and extra service at the Savings Banks.

DENMARK.

From the 31st October to the following 6th November was held « Thrift Week » a principal feature of which were speeches over the radio.

When this article is published, 5 months will still separate us from October 31st, this year.

It is time that the Savings Banks and their Associations should put themselves the following questions:

I. What have we still time to do in order that we may be satisfied with our work and the results obtained, when, in 5 months' time, we proceed to take stock of our positions?

II. What useful schemes already in preparation shall we be able to crown solemnly on that day, so that we may unite in making felt, according to our capacities and surroundings, the world-wide collaboration of a whole complex of powerful and concordant organism, for the civil elevation of individuals and peoples?

III. Of all the manifestations carried through by us and by others last year, which shall we repeat or put into practice this year in order to reach the aim of drawing to us and winning to thrift also the most distant and hesitating, those whom propaganda and our every day's work do not succeed in touching the feelings of or in convincing?

IV. What agreements between each Savings Bank and between them and their Associations or between various Associations are opportune for the least costly and the most efficacious success of the celebration, which, through the opportune national unification of means must draw greater importance and vigour?

And do not let these be rhetorical questions. They await answers in terms of practical action.

H Y M N T O T H R I F T

Tanks to the good offices of Monsieur Emile Deroover, General Manager of the Permanent Committee of the International Thrift Institute, the authors of the words and music of the Hymn to Thrift of the current year (see page 216 of our Bulletin n. 4 of 1929) have given up any claim to author's rights in favour of the International Thrift Institute. The latter in its turn relinquishes any claim to the rights of execution so that Savings Banks and kindred Institutions are perfectly free, as was the case last year, (see page 41 of our Bulletin n. 6 of 1928) to perform same and to thus promote the successful issue of next International Thrift day.

FINLAND

Changes in the Savings Bank Organization - The Palojärvi Fund - Savings Banks and War Loan - Danish Savings Bank's Gift - Obituary.

The gap caused by the untimely death of Mr M. R. Palojärvi in the Finnish S. Bk organization has been filled by the appointment, on November 22, of Dr K. J. Kalliala (member of the Permanent Committee of the International Thrift Institute) to the office of president of the League of Finnish S. Bks. Another seat left vacant by Mr Palojärvi's departure was filled, on November 10, when the board of directors of the S. Bks' Central Joint-Stock Bank elected Mr Yrjö Saari as first director of that institution. The International Thrift Institute congratulates both gentlemen on their appointment.

— The establishment of the Palojärvi Memorial Fund which was proposed recently by the executive committee of the League of Finnish S. Bks (see *World Thrift* No 10/1939, p. 261) has now been approved by the council of that body. According to the regulations which have been drawn up, the aim of the Fund is to promote efficiency in Finnish savings banking by means of subsidies and scholarships. It is proposed to apply the interest from the Fund wholly or in part in the following manner: (1) in the form of subsidies to enable promising S. Bk employees to attend training courses; (2) as scholarships and contributions to travelling expenses for employees of S. Bks or of the S. Bks' central organizations; (3) in any other way the League may deem fit. The Fund will be administered by the executive council of the League, which will also judge the applications received for subsidies or scholarships.

— The defence loan which was recently floated in Finland was oversubscribed by fifty per cent. within a very short time. Considering the tightness of money and the fact that the Finns are not accustomed to investing in fixed-interest securities, this is a remarkable achievement. S. Bks everywhere participated actively in the drive for subscriptions. As far as their liquidity reserves would allow them they made considerable sums available to depositors for investment in the loan without

requiring the usual notice. The total amount subscribed by S. Bk depositors and by S. Bks and their central organizations for their own account was nearly Fmk. 213 million.

— The District Savings Bank of Frederiksborg (Denmark) has remitted the sum of Fmk. 10,000 to the Finnish S. Bk authorities to be used for the benefit of evacuees.

— We regret to announce the death, on November 10, of Mr Einar v. Bonsdorff, general manager since 1933 of the Finnish Post Office S. Bk. Mr Bonsdorff had dedicated the best of his energies to reorganizing the postal savings system and was highly esteemed for his excellent qualities both in Finnish and foreign S. Bk circles. The International Thrift Institute, of which Mr Bonsdorff was a firm well-wisher, sympathises with Finnish savings banking in its loss.

FRANCE

Savings and War Financing - Mobilization and Savings Bank Employees - Cheap Dwellings.

While deposit gains continue to be the rule at the ordinary S. Bks — nearly 60 million francs during the second fortnight of October and 123 millions during the first fortnight of November — Government financial experts are busy discussing means for financing the war and the effort to be demanded of French savings. According to official statements it seems that inflation is to be ruled out, to the great relief of French savers, and that efforts will be made to balance the ordinary budget by means of taxation and the war budget by means of loans. The conditions of issue of these loans, it may be presumed, will take into consideration the preferences of savers and the necessity of maintaining Government credit intact.

— Mobilization has thinned down staffs of French S. Bks, many of which have accordingly been trying to obtain leave of absence for serving employees to enable them to get out the yearly accounts. Although no general order has been issued on this point, each individual S. Bk has the right to apply to the military authorities for the temporary release of mobilized employees.

— Among recent war measures affecting S. Bks, mention may be made of a decree of November 4 which contains provisions for the application of the decree on rents dated September 26, 1939 to owners of cheap dwellings, allotment gardens and small holdings as far as the repayment of mortgages is concerned. The chief points of the decree are as follows:

Borrowers, even though mobilized, must maintain their payments;

if, however, a borrower is unable to meet his obligations in full, the mortgage contract may be extended, but he will be required to repay the amount in default later;

a sufficient extension of time will be allowed to borrowers without any subsequent increase in the rate of amortization;

borrowers will also be able to obtain a corresponding extension of life insurance policies taken out under the mortgage contract but will be required to pay the supplementary premium for the alteration of the policy;

the adjustment in respect of delays of payment occasioned by war conditions between borrowers and public housing associations and between these associations and the Government will be made at the termination of hostilities.

GERMANY

Saving in Wartime - Simplified Savings Bank Returns - Decree on Commercial and Savings Banking Organization - Contracts and the War.

Public statements on the increased importance of saving in wartime are the order of the day in Germany. On December 20th, for example, a conversation was broadcast between Mr Floss, chief of the Publicity Bureau of the German S. Bks Federation, Dr Gugelmeier, vice-president of the Federation and member of the Permanent Committee of the International Thrift Institute, and a Radio Commentator. Two seasonable forms of saving were discussed, namely military savings (see page 337 d) and Christmas savings coupons. The system of gift coupons was introduced some years ago and has achieved a fair measure of popularity. The recipient of a coupon may use it into an existing account or use it for opening a new account.

— The Minister of Economics issued a circular on December 16 designed to simplify the

auditing and balancing of S. Bk accounts. Yearly auditing of the balance sheet, surprise audits, and the safe deposit check will be continued, and S. Bks will still be required to have their books ready for audit within three months after the end of the financial year and get their balance sheets out within nine months. Audit unions are required to report to the S. Bks Federation during the first half of the year on the progress of their work and to indicate what part of the year's audit programme remains to be done. Surprise audits must be conducted, as hitherto, at least once every two years. On the other hand, the audit reports and the report of the S. Bk manager are to be considerably condensed, and it will now be sufficient for the manager to present his report together with the balance sheet and the auditor's report to the board of trustees. Moreover, these documents will only require his signature and that of the president of the board before being submitted to the supervisory authorities.

— The Council of Ministers for National Defence issued the following order on December 5: "The Minister of Economics is empowered to take all the necessary measures for organizing the banking system as required. He may order the formation, winding-up, amalgamation or conversion of credit institutes, modify their by-laws or add new ones, and take the requisite measures for liquidating and redistributing the business of the institutes affected, in derogation of existing law, if necessary." In reality, this decree extends to the whole of the Reich the plenary powers already conferred on the Minister of Economics with respect to Austrian and Sudeten banking, and automatically abrogates analogous powers given to constituent state authorities in 1931. It accordingly marks the establishment of uniform control of banking and savings banking throughout Germany.

— A decree dated December 2 empowers judges of civil courts to modify the terms of existing contracts so far as obligations to pay are affected. It is stated in the preamble that payments must be made punctually even in wartime. Exceptions to the rule, however, are warranted; for example, where a debtor, through no fault of his own, is unable to meet his obligations because war conditions prevent

him from pursuing his normal activities. The indulgence of the court may be claimed by industrialists who in consequence of the war have had to close down, convert or restrict their business and whose capacity to meet payments is correspondingly impaired; by debtors who have been obliged to evacuate, etc.; by, under special circumstances, property owners; and by debtors of all kinds with a view to relieving them of the legal obligation to pay penalty interest in respect of late payments. It is pointed out in the decree that before applying to the court debtors must have attempted to reach an amicable agreement with their creditors.

GREAT BRITAIN

Save or Spend? - Defence Savings.

With the Lord Privy Seal urging people to continue their spending and the Chancellor of the Exchequer condemning every penny of unnecessary expenditure, the British public would seem to be in a nice quandary. *The Times* suggests, however, that the discrepancy, glaring though it may seem, is more apparent than real. For one thing, the appeal to spend was made two months before the Chancellor of the Exchequer spoke his mind and the immediate anxiety then was to mitigate the disturbance to trade caused by the outbreak of hostilities. Further, neither of the Ministers intended that his advice should be taken without the necessary common-sense qualifications. However, both *The Times* and other organs of public opinion, while admitting that the stage has now been reached when saving is essential, feel that the public has a right to expect some guidance in the matter from those in authority. For the great mass of the people, it is suggested, a few practical examples related to their lives would be worth any number of admonitory speeches.

— During the first three weeks of the War Savings Campaign which began late in November, there were cash applications for £16,100,000 of the new Savings Certificates, while sales of Defence Bonds during the same period amounted to £18,178,000. (See *World Thrift* No 11/1939, p. 288.) The total amount lent to the Government by the small investor was thus £34,278,000 which is equal

to an average weekly saving of nearly 5s. per head of the population. New savings groups formed during the first week of the campaign numbered 1,226, which is not far short of the total formed during the whole of 1938. Naturally, concurrently with these special forms of saving, the Post Office Savings Bank and the Trustee Savings Banks are pursuing their activities with undiminished intensity. A doubtful point about the permitted holding of Savings Certificates was cleared up by the Chancellor of the Exchequer recently when he stated that "a person who inherited certificates which increased his total holding to over 500 units (the maximum permissible holding) could retain those in excess of the limit, though he could not purchase further certificates in addition to his existing holding."

HOLLAND

The "Investors' Front" and the Present Situation - World Thrift Day.

Readers may perhaps remember that the leading Dutch S. Bks, life insurance companies and private pension funds formed a kind of "Investors' Front" in October 1938 with the aim of checking the fall in interest rates by holding aloof from loan conversions and by eliminating competition for loans within their midst (see *World Thrift*, No 6/1939, p. 174). As a consequence of the international situation, however, the yield on public funds and other fixed-interest securities has risen to 4 1/2 per cent. and more, and coupon rates have also improved. The organizers of the Front have accordingly raised their acceptable minimum rate from 3 5/8 to 4 per cent. This rate, it should be noted, is appreciably below the rates prevailing for mortgage and other long-term credit. In explanation of its apparent change of policy, the Front professes that its aim is to correct unwarranted rate movements in either direction and that it is now opposed to an excessive raising of the rates just as it was opposed some time ago to an excessive reduction thereof, although at the same time it leaves its members perfectly free to extend credit at whatever rate they can obtain. It will be remembered that at the time the action of members of the Front in leaving their funds idle rather than invest them at the absurdly low rates offered them gave rise to considerable

comment. With the change in conditions it was expected that the Front would reverse its policy. As far as can be ascertained, however, there have been no conspicuous purchases by its members on the capital market. It is not surprising, therefore, that the discussion aroused at the time by the criticism levelled by the Front against the practice of lenders in bidding up loan prices should be equalled in intensity by the discussion of its present attitude.

— Despite the unfavourable conditions, this year's World Thrift Day was observed by the majority of Dutch S. Bks with undiminished enthusiasm. The results achieved by some of them actually exceeded expectations. There was no reduction in the quantity of publicity material placed by the Dutch S. Bks Association at the disposal of its members, and perhaps the only indication that the European situation was beginning to project its sinister shadow was to be seen in the drop in circulation of the children's thrift publication *Gelukscent* (The Lucky Penny) from 88,000 to 55,390.

ITALY

Emigrants' Savings - World Thrift Day

The *Gazzetta Ufficiale* of December 26 contains the text of a law of November 23, 1939 in virtue of which the Foreign Exchange Institute is authorised to allow, for the account of the Treasury, a premium on sums transferred from abroad to Italian territory. The premium is payable in respect of sums sent to Italian citizens resident in Italy or her colonies or to Italian undertakings of a public utility, charitable, educational or similar nature by means of an order of payment or through the medium of a bank by a person of Italian origin, even though of foreign nationality; and of sums transferred under circumstances which in the opinion of the Minister of Finance warrant the granting of a premium. The Minister of Finance has been empowered to take the necessary measures for the application of this law.

— The Minister of Agriculture and Forests paid a visit to the Savings Bank of the Lombard Provinces, Milan, on December 27. After hearing a report by Senator de' Capitani d'Arzago, president of the S. Bk and president of the International Thrift Institute, the Minister praised the S. Bks as a whole for what they

had done for agriculture and expressed the hope that their co-operation would be continued.

— The November issue of the *Rivista delle Casse di Risparmio*, official organ of the S. Bks Federation, contains a report on the observance of World Thrift Day in Italy this year. Every S. Bk, it might be said, organized a public celebration of the event, supported in all cases by the civic authorities. As usual, the propaganda was directed towards the younger end, a common feature being the presentation to deserving schoolchildren of passbooks bearing an initial deposit. In many instances teachers who had distinguished themselves as thrift propagandists were recipients of similar gifts. Among outside institutions that participated in World Thrift Day celebrations, mention may be made of the *Banco di Sicilia*, which distributed large quantities of publicity material and awarded nuptial and natality prizes to workmen and serving soldiers who married or whose wives bore them a child on October 31st.

NORWAY

Regional Savings Bank Meetings - Savings Banks' Year Book.

The S. Bks Association of Opland met at Hamar on October 19 under the chairmanship of its president, Mr Oedegaard. Reviewing the year's activities of the Association, which was founded in 1914, the chairman pointed out that the Association had always aimed at improving its technical services to member S. Bks to enable them to handle their banking transactions as efficiently as possible. It had also tried to promote co-operation between them by facilitating transfers of balances, the clearing of drafts, etc. The Opland Association had also been one of the chief instruments in the establishment of the Central Bank of S. Bks. During the further course of the meeting Mr Oedegaard gave an address on depositors and their interest in S. Bk policies (see page f333).

At the meeting of the S. Bks Association of North Oesterdal, which was held at Tynset on October 28, the president of the Association, Mr J. Nordli, spoke on the present position of member S. Bks, mentioning that up to now they had escaped the worst effects of the crisis, and on the repercussions of the new Acknow-

ledgments of Debt Act on banking (see *World Thrift* No 10/1939, p. 6275). An address which aroused keen interest was that on the economic problems of wartime by Mr T. Sinding.

— The twenty-second edition of the *Norsk Sparebank Aarbok* (Norwegian S. Bks' Year Book) for 1939 is just off the press. In addition to the statistical and other information usual to this type of publication, the Book also contains a directory of Norwegian S. Bk managers. The statistics are carried up to May 31 1939. Another publication recently received in this office is a statistical review of Norwegian private joint-stock banks and S.Bks for 1938.

SPAIN

Meeting of the Standing Committee of the Confederation of Savings Banks - Centenary of Madrid Savings Bank - World Thrift Day.

The General Director of Social Welfare at the Ministry of Labour was present at the meeting of the Standing Committee of the Spanish Confederation of S. Bks. which took place in Madrid on November 27. Mr E. Migoya y Torre, president of the Confederation since its formation and member of the Permanent Committee of the International Thrift Institute, handed in his resignation as president to take up a governmental position as General Director of the Public Debt and Pensions at the Ministry of the Interior. The International Thrift Institute is gratified to see one of its warmest supporters fill such a high position in the national administration and feels sure that judging from his career as president of the Spanish Confederation of S. Bks Mr Migoya will continue to be a keen promotor of Spanish thrift and, it is to be hoped, of international thrift.

The new president is Mr R. Diaz Oyueles, manager of the Municipal S. Bk of Burgos and chairman of the Provincial Deputation of that city, and the post of vice-president has been filled by Mr José Sinnes y Urbiola, manager of the General Savings and Pawn Institution of Saragossa and member of the Permanent Committee of the International Thrift Institute. The Institute tenders its congratulations to both these gentlemen.

Many important matters were discussed at the meeting, noteworthy among them being the study requested of the Confederation by the Minister of Labour on the density of S. Bks and their branches in Spain and on the problem of S. Bk farm loans secured by chattel mortgage. This study, which has been prepared by Mr Ruiz de Diego, assistant secretary of the Confederation, has just been published. The first part contains a list of Spanish S. Bks and their branches with information as to the number of depositors and the amount of deposits, while the second part deals with agricultural chattel mortgage loans. It will be summarized in our next number.

Another problem which came up for discussion was that concerning the co-operation of S. Bks with the National Housing Institute. Under the plan agreed upon, the S. Bks will undertake to place the bonds issued by the Housing Institute and will credit the proceeds to an account in its name on the understanding that 30 per cent. thereof remains on deposit. The Central Credit Institute of S. Bks will act as a clearing centre for these operations.

The S. Bks will also handle the funds of co-operative housing societies and so bring this particular form of saving under adequate control.

The meeting took note of the fact that 1,616 ailing workmen will enjoy a free mineral water cure in virtue of a scheme sponsored by the Minister of Labour and financed by the Confederation at a cost of 300,000 pesetas.

It was announced at the meeting that the general meeting of the Confederation, which was to have taken place from November 26 to 29, would be postponed to give speakers time to complete their reports and addresses.

— The centenary of the first S. Bk of Spain, that of Madrid, was fittingly marked at a ceremony during which tablets to commemorate the event and to honour the memory of those who had fallen during the civil war were unveiled. The General Director of Social Welfare, representing the Minister of Labour, presided over the ceremony, supported by the civic and political authorities of the Capital. Trustees of the S. Bk and a representative of the Confederation of S Bks were also present.

— The *Caja de Pensiones para la Vejez y de Ahorros* (Savings and Old Age Pensions Bank) of Barcelona celebrated this year's World

Thrift Day with the award of passbooks bearing an initial deposit in favour of children born on "Victory Day" (April 1, 1939), its oldest depositors beyond the biblical age, teachers and scholars for school savings merit, and beneficiaries of social organizations set up by the S. Bk (Institute for the Working Mother, Anti-tubercular Clinic, etc.). Public attention to the Day was also drawn by the Press. Among the many interesting articles which were published was one by Mr Ruiz de Diego of the Confederation of S. Bks in the *Nueva Economia Nacional* of November 8.

SWEDEN

Credit Committee - Prepayment of Taxes - Training Course.

Pursuant to Royal Decree of November 3, the Finance Minister has set up a committee which is designed to have a similar regulative effect on banking as the recently formed Industries and Necessaries of Life Committees have on the distribution of certain consumers' and producers' goods. The committee will promote closer co-operation between the National Bank on the one hand and the National Debt Office, the credit organizations, and those responsible for financial policy on the other hand. Under present conditions it is felt that Sweden will have to reckon with a reduced flow of savings and increased calls on the capital market in consequence of the new tasks which have devolved on the State and the raising of production. The scarcity of credit which may easily arise is capable of having far-reaching effects not only on the average rate of interest but also on the relationship between the rates for loans of varying maturities and purposes. The committee will accordingly provide opportunities for comprehensive discussion of the relevant problems. Private banking and governmental agencies will be represented on the committee and experts from other interested groups will, if necessary, be called upon to serve on the committee. The boards of supervision of banks and S. Bks will not have seats on the committee as these bodies, it is argued, will in any case be in constant touch with the committee.

— The executive committee of the National Bank submitted a plan to the Government on October 12 for the introduction of interest-

bearing postal accounts for the voluntary advance payment of State and municipal taxes. The bank authorities felt that in order to stave off rising prices it would be necessary to absorb the public's surplus purchasing power. Taxpayers, for example, might be induced, with the bait of a discount, to settle their tax bills before maturity. Interest-bearing tax coupons could be issued for this purpose, or physical and legal persons could be allowed to open blocked accounts in the Post office S. Bk in favour of the National Debt Office for the prepayment of State and municipal taxes. The National Debt Office would bear the cost of the interest on these accounts, and the rate allowed would be higher on the smaller balances than on the larger. The plan has been submitted to the National Debt Office for consideration, and various experts, among whom is the Head of the Post Office S. Bk, have been requested to give an opinion on it.

— The S. Bks Association for Central Sweden decided at its last general meeting to institute an annual training course for S. Bk employees, and in order to facilitate attendance it arranged that the courses should be held in a different district each year. The first of these courses was held at Gävle on October 14-15 and was remarkably well attended. Various problems of organization were handled and considerable time was devoted to discussion of the savings club movement. The Publicity Bureau of the Swedish S. Bks Association organized a display of domestic and foreign thrift publicity material in connection with the course, the participants in which also had an opportunity of viewing a savings club film produced recently to the order of the Association.

TURKEY

Thrift Week

The tenth annual Thrift Week was inaugurated on December 12 by the President of the Council of Ministers who delivered an appropriate address. As usual, members of the Government spoke in turn over the wireless each evening of the Week. Meetings were arranged in the schools, the People's Houses (popular social and political clubs) and the premises of the various sections of the People's Republican Party.

The schoolchildren were required to submit essays on thrift, prizes being awarded for the best efforts, and bonuses were distributed by lot to holders of savings accounts. Short plays were performed in the schools and the People's Houses boosting thrift and national products. An open-air exhibition was staged in Istanbul on the lines of the one set up in Ankara last year (see *World Thrift* No 2/1938, p. 63) and remained open for a month. In this latter city the usual window display competition was the *pièce de résistance* of the Week.

According to figures collected by the Association for Thrift and Economy, total savings deposits at banks reached the respectable figure of 105 million Turkish pounds this year. There was also a notable increase in the number of depositors, especially among schoolchildren.

UNITED STATES OF AMERICA

Annual Conference of New York State Savings Banks Association.

The S. Bks Association of the State of New York held its 46th annual conference on October 18-19. The attendance was one of the best ever recorded and the programme covered an uncommonly wide range of subjects.

Mr A. S. Embler, who was re-elected president of the Association for the forthcoming year, presented a survey of the Association's activities during the past year. Dealing with S. Bk legislation, he stated that while only 4 bills had been introduced to the

State Legislature during the year at the instance of the Association, no fewer than 353 bills directly or indirectly affecting S. Bks had been submitted from all sources. The Association had duly studied all the proposed measures and submitted its views on them for consideration by the legislators. Another activity which had engaged the attention of the Association during the year was the preparation of the S. Bks' retirement scheme mentioned in *World Thrift* No 11/1939, p. 309. Discussing the investment situation, Mr Embler pointed out that since the 1938 amendment to the law regarding legal investment, according to which a group of S. Bks may petition the Banking Board for the inclusion of particular securities in the legal list, 11 issues for a total of more than \$ 702 million had been added to the list.

The State Superintendent of Banks told the meeting that no further reduction of interest which may be paid on savings was contemplated at present by the Banking Board. The present 2 per cent. maximum will therefore be continued. Referring to the drop in gross earnings of New York S. Bks as a whole, owing chiefly to lower yields from mortgages and securities, the Superintendent urged his hearers to undertake a searching scrutiny of their items of expenditure.

A report on S. Bk Life Insurance presented to the meeting revealed that after nine months of operation of the system there were six S. Bks actually issuing life insurance policies and seven others serving as agents for them. The amount of insurance in force was \$ 5,500,000, representing 6,699 policies.



REVIEWS AND SUMMARIES

Periodicals issued by S. Bks. or their associations are marked with an asterisk (*).
References to summaries in this section are further distinguished by letters; the summary referred to will be found in the left-hand column when the letter precedes the page number and in the right-hand column when such letter follows the page number.

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Balances of Payments 1938. League of Nations. Page f 328.
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La prévention de la double imposition internationale et l'évasion fiscale, (The Prevention of Double International Taxation and Tax Evasion.) By M. B. CARROLL. League of Nations. Page 330 e.
Das Gefolgschaftssparen. (Industrial Savings.) By HEINDEL and SCHNACKENBURG. Page 331 f.

Thrift in fact and in theory; Its relations with other factors of economic life.

The Keynes Plan.

The plan recently put forward by J. M. Keynes for absorbing the extra purchasing power which war conditions inevitably bring into being has been widely criticised, to the extent, in fact, that Mr Keynes felt it necessary to reply to his critics in a further article in *The Times* of November 28).

The essential points of the scheme were set out in the *Chronicle* of our last number, but considering the world-wide interest it has aroused, it may not be out of place to explain it at greater length, without, however, any exegetic intentions on our part.

Mr Keynes starts out from the premise that the purchasing power of British workers will, under full employment, increase by at least

(a) £ 500,000,000 a year, and that failing special measures to the contrary, a substantial proportion of this sum will be spent in the shops and elsewhere. Now it is the declared policy of the Government to keep prices of consumption goods as near as possible to the pre-war level. If the Government succeeds, it follows that the purchasing power of the working classes will command in the aggregate substantially more goods than before, even if a general rise of wages is avoided. And if a further rise of wages is allowed to compensate for any higher cost of living resulting from this expansion of demand, the situation will be correspondingly aggravated.

(b) Apart from his own plan, Mr Keynes discusses certain genuine remedies and pseudo-remedies which might be adopted to achieve equilibrium. We will merely enumerate them here as they are not particularly relevant to our subject and, anyhow, are discarded by Keynes for their inadequacy or undesirability. The two pseudo

remedies are rationing and anti-profiteering measures. The first genuine remedy is to allow prices to rise. Some rise in price is actually desirable because as a result of the depreciation of the exchange, the increased cost of transport and insurance, etc., goods would otherwise have to be sold at a loss. An excessive rise of prices would, however, beget the vicious spiral of rising prices and wages — the dog would be chasing its own tail — and, moreover, would be a cause of considerable social injustice. The second genuine remedy is taxation. But this remedy, like price-inflation, would deprive the working class of any benefits they might expect for the greater efforts put forth; and there is also the discouraging effect that confiscatory taxation would have on entrepreneurial activity.

There remains the third genuine remedy — compulsory savings — which is the one propounded and advocated by Keynes. Under this plan a certain deduction would be made from all income above the very smallest. From the sum thus deducted, direct taxes on the present scale would be paid, and the rest credited to the individual's account in a savings institution. The balance would bear interest, but would be blocked for the duration of hostilities and afterwards released, by instalments, when needed to stimulate recovery from the post-war depression.

The principle, of course, is the same as that underlying voluntary saving — present abstention for future enjoyment — and, in any case, there is no gainsaying the fact that if, with a given volume of production of consumers' goods, everybody spends, prices will rise until no one will be any better off. The increased earnings of the working class will not have benefited them in the least, but will have escaped through higher prices and higher profits, partly into taxation and partly into the savings of the entrepreneur class.

The scale of deductions proposed by Mr Keynes rises steeply as the level of income increases. Thus, in the case of an annual income not exceeding £ 150, the deductible percentage of the excess over a stipulated income (this might be fixed by the Government at 35s. per week for an unmarried man, 45s. for a married man, with an addition of 7s.6d. a week for each child) would be 20; for incomes not exceeding £ 1,000 the deduction would be 35 per cent. of the excess over the stipulated income; while for incomes above £ 20,000 it would be as much as 80.

As stated, a part of the sum deducted would be credited to the individual as a deposit in the Post Office S. Bk, and the remainder be used to discharge his income tax. The percentage of the levy credited as a savings deposit will fall,

③ and the percentage taken as taxes will obviously rise, as the level of income increases. For example, in the case of a married man with earned income of £ 300 a year, the whole deduction would be credited to him in the Post Office S. Bk and would remain his property; whereas at an income level just over £ 20,000, out of a levy of £ 16,000 only £ 3,000 (in round figures) would be credited as a savings deposit and £ 13,000 taken in taxes.

④ The sums credited in the S. Bk, which would carry interest at 2.5 per cent., would not be available, generally speaking, for current expenditure or as security against loans. But the holder would be allowed to use them to meet pre-war commitments of a capital nature such as hire-purchase instalments, building society payments, insurance premiums, etc., or for meeting exceptional and unavoidable expenses.

⑤ The machinery for collection would be the same as for National Insurance in the case of wage-earners, with employers stamping Post Office savings books at a rate appropriate to the week's earnings, subject to quarterly adjustment by the S. Bk should earnings have fluctuated; and the same as for income tax in the case of others, the total lump sum due under the proposed scale for both purposes being deducted at source at the standard rate of income tax (7s.6d. in the £) subject to subsequent adjustment exactly as at present for the purposes of allowances and surtax.

⑥ Such, in brief, is the plan submitted by Mr Keynes. It is essentially a long-view scheme, for it cannot be said that the three conditions he postulates — over-employment, over-consumption, under-production of consumers' goods — have as yet emerged. These assumptions, it might be mentioned, constitute the basis of some of the criticism levelled at Mr Keynes, who is charged with trying, Cassandra-like, to prevent what has not yet happened. Other criticism comes from trade-union officials, who seem to be under the impression that the working class has a choice between consuming more or saving more and contend that it is not fair to deprive the workers of this choice by a compulsory scheme. To this, Mr Keynes retorts that goods available for increased consumption will not exist, and that if the workers try to exercise their apparent freedom of choice to consume, they will be defeated, if not by taxes, by an inflationary rise of prices just as they were in the last war.

⑦ In the last analysis, Mr Keynes sees the whole question as a choice between compulsory savings and compulsory inflation, and he plumps for the former as being less prejudicial to the interests of the working and middle classes.

The Problem of "Free" Purchasing Power in Germany. *W. Tomberg.*

The far-reaching throttling of civilian demand for goods, as happens in war time, gives rise to a release of purchasing power. This may be effected in several ways, e.g.: by the introduction of rationing in the higher income groups; by suspension or restriction of production of numerous consumers' goods and the consequent reduction of opportunities for spending; by letting stocks fall below normal and by prohibiting new investment except in undertakings producing war materials.

Absorption of the surplus purchasing power thus created, with a view to annulling its potential inflationary effects, is one of the most pressing problems of the war economy (*Kriegswirtschaft*), and its solution is naturally bound up with the general problem of war financing.

Ordinarily this free purchasing power makes its appearance as hoarded cash or balances with banks and S. Bks. Hoarding is a negligible factor in Germany and can therefore be dismissed. There remain the bank balances, which although through being invested in Government-guaranteed bills, non-interest-bearing Treasury bills, etc. may be considered as applied to war-financing purposes, still largely represent latent purchasing power.

The absorption of this purchasing power can be effected by taxation or by investment in war loans. The case for taxing away the excess is based on the principle that war expenditures should be currently amortized. There are, however, certain limits to this process the overstepping of which would cripple economic efforts and, further, would carry unfavourable psychological consequences in its wake.

It would therefore seem politic to rely more on loans for financing the war. From a psychological point of view, such loans, which as far as possible should be at long term, should bear a fair rate of interest. Subscription to them should be voluntary and provision should be made for their amortization on a sinking-fund basis.

It is clear that this surplus purchasing power could also be absorbed by resort to compulsion after the manner proposed by J. M. Keynes for Great Britain (see page 6321). Voluntary saving, promoted by intelligent propaganda, is preferable, however, if only because of the effect on public opinion. Direct investment in war loans could be encouraged or a system of war savings accounts, blocked for the duration, might be introduced. (*Bank-Archiv*, Berlin, 1/XII/39).

War's Effect on Interest Rates. *P. P. Pullen.*

Wholesale destruction of goods and capital inevitably results in price inflation, and as interest rates follow prices, it would seem fairly safe to predict that the trend of interest rates during the present war will be upwards.

The writer takes care to point out, however, that the presence of a number of entirely new factors makes it rather risky to take the experience with interest rates during the last war as a criterion. The chief of these factors is undoubtedly the potential breadth of the credit basis (he is speaking of U.S.A., it should be noted) which is such that the money market could stand any demands likely to be made upon it by trade and industry, Stock Exchange operators, or Government without any undue rise in rates. However, he believes that the pressure of demand is likely to outweigh governmental influence tending to keep money cheap and that interest rates will follow their historically established course. The short-time outlook is not very clear, however, and in any case the rise will not be spectacular, he thinks. (*American Building Association News*, Cincinnati, November, 1939).

Increasing the Savings Potential. *G. Rampolla del Tindaro.*

The economic function of individual savings must be broadened and energized without prejudice to their ethical traits or to the task they discharge for the benefit of the community. Thus the writer in an interesting dissertation in which he urges larger participation of individual savings in trade, industry, crafts, and, in general, in national autarkic plans. (*L'Economia Italiana*, Rome, November 1939).

Other articles:

The Principal Purpose of a Mutual Savings Bank. *S. C. Brown.*

(This is aptly summed up in the writer's concluding sentence: "The principal purpose of a Mutual Savings Bank is, not to pay a high rate of dividend, or to build up a huge deposit account, but to provide a safe place of deposit for the surplus earnings of those in the more humble walks of life.") (*Interest Items**, Portland, Maine, October 1939).

Capital Credits Banks - A 1940 Possibility.

A. P. Woolfson.

(Examination of a proposal recently submitted to Congress for the establishment of Government-sponsored credit institutes designed to