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ABSTRACT of a REPORT published by the ITALIAN GOVERNMENT on
the INTERNATIONAL STATISTICS of SAVINGS BANKS. *Communi-*
cated by EDWARD W. BRAEBROOK, F.S.A., F.S.S.

[Read before the Statistical Society, 15th May, 1877.]

THE Statistical Department of the Kingdom of Italy has compiled and presented to the recent International Statistical Congress at Buda-Pesth, a volume of International Statistics of Savings Banks, which contains a larger body of information on the growth and development of saving in the several countries of Europe, and in the United States of America, than had ever before been collected. Indeed, with the exception of the interesting details given by my learned friend Mr. Scratchley, in the introduction to his treatise on savings banks, I am not aware of any attempt in England to collect international statistics on this subject. I venture to think, therefore, that a brief statement of the results arrived at by the Italian statistical department may not be without interest to the Statistical Society. So far as I can, I have brought down the figures to the present time, and for all countries, I have translated the francs of the Italian report into pounds sterling by the convenient equation, 25 frs. = 1*l.*, and my figures must therefore be taken as subject to any slight inaccuracy arising therefrom. I have also adopted the excellent plan, usual in your *Journal*, of indicating the three final 000's by a mere comma.

It will be right to commence, as the report does, with particulars relating to savings banks in Italy itself. Of these, 282 existed at the end of 1872, of which 142 are principal banks, and the rest branches. Of the 142, 75 originated in the efforts of private persons, and the rest are associated with institutions of a more or less public nature. With two exceptions, all are managed without profit to the promoters or guarantors. The minimum deposit accepted is usually one franc, the maximum from 1*l.* to 200*l.* In a few cases no maximum limit is fixed, and in one the minimum limit is one penny. Notice before withdrawal is usually required, in Venetia as long as four months for sums exceeding 12*l.* The number of savings banks existing in 1825 was only 11; in 1855, 100. Eleven provinces of Italy do not possess a single savings bank; while 280 communes, with a population of 6 millions, are provided with savings banks, 8,102 communes, with a population of

21 millions, are unprovided. On the average, Italy possesses one savings bank for every 1,051 square kilometres of area, or for every 95,000 of population. 112 banks, having deposits exceeding 15 millions sterling, are established in urban communes, and 170 banks having only a little more than two millions sterling, in rural communes; the urban population of Italy being to the rural as $8\frac{1}{2}$ to $18\frac{1}{2}$ millions. The amount due to depositors in 1825 was 108,000*l.*; in 1850, 1,600,000*l.*; in 1872, 17,860,000*l.*; the number of deposit books in the latter year being 676,237, giving an average of about 26*l.* per depositor, and nearly 14*s.* per head of the population. The funds are invested as follows:—

	£	Per cent.
On mortgage	3,960,	or 21
In the public debt	1,882,	„ 10
„ obligations of local authorities	2,088,	„ 11
„ shares and bonds of companies	2,196,	„ 12
„ bills of exchange	3,026,	„ 16
„ loans on public funds and commercial securities	2,768,	„ 15
„ current accounts.....	1,997,	„ 11
On other securities	979,	„ 4
	<hr/> 18,896,	<hr/> 100

The number of new accounts opened in 1872 was 160,795; the deposits of the year were 7,911,000*l.*; the repayments 6,514,000*l.* Of the number of deposit accounts, 16 per cent. are under 1*l.*; 18 per cent. from 1*l.* to 4*l.*; 16 per cent. from 4*l.* to 10*l.*; 15 per cent. from 10*l.* to 20*l.*; 16 per cent. from 20*l.* to 40*l.*; 12 per cent. from 40*l.* to 80*l.*; and the remaining 7 per cent. exceeds that amount. The total expenses of the banks for the year amounted to 188,554*l.*, or very nearly 1 per cent. of the capital. The profits amounted to 144,000*l.* or three-quarters per cent. The average rate of interest allowed to depositors is $4\frac{1}{2}$ per cent. The system of school savings banks has been adopted in sixty-six communes.

Inquiry was made as to the deposits of savings in popular banks and other establishments of credit. A circular addressed to these institutions produced evidence of a remarkable increase in operations of this kind. In 113 of them, the number of accounts had increased between 1869 and 1873 from 7,457 to 40,836, and the amount invested from 96,000*l.* to 1,038,000*l.* The popular bank of Milan commenced the receipt of deposits in September, 1873, and in December, 1874, its deposits amounted to 593,000*l.* It is fair to note, however, that it offered 4 per cent. interest, while the savings bank of Lombardy only grants $3\frac{1}{2}$.

Postal savings banks were established in Italy by a law of 27th May, 1875. Sums over 80*l.* are not to have interest. Up to

the 15th June, 1876, 904 post offices had been opened for deposits, of which 627 had actually commenced business, 44,000 transactions had taken place, and the amount at the credit of depositors was 43,000*l.*

The other countries as to which the Italian Government obtained information were France, Belgium, Holland, Austria and Hungary, Germany, Switzerland, Great Britain, Denmark, Sweden, Norway, Russia, Finland, and the United States of America. The average deposit per head of population in the European States is 24*s.*, the highest being Denmark with nearly 6*l.* per head, and the lowest Alsace-Lorraine with 4*s.* Great Britain stands eighth, with 2*l.* per head. In the United States of America the deposits exceed 13*l.* per head of the population.

On the authority of Alphonse de Candolle, "The Savings Banks " of Switzerland considered in themselves and compared with those " of other countries " (Geneva, 1838), the savings bank of Hamburg, founded in 1778 by a philanthropic society, is credited with being the oldest institution of the kind in Europe. That of Berne was established in 1787; that of Bâle in 1792; that of Geneva (which, it seems, had but a short existence), in 1794; and in 1798 the Friendly Society for the benefit of women and children, at Tottenham, was founded by Miss Priscilla Wakefield.*

According to more recent researches of M. E. Ehrenberger, in his work on Austrian savings banks, it would seem that one was opened at Brunswick so early as 1765, and one at Oldenburg in 1786. M. Ehrenberger and Dr. Lebrecht have supplied also the names of the following savings banks established before the commencement of this century: Loire, 1790; Kiel in Holstein, 1796.

In 1799 the Rev. Joseph Smith, of Wendover, circulated in his parish proposals for the institution of a savings bank similar to the modern penny banks.†

By 1817, savings banks in England had attained sufficient numbers and importance to justify special legislation in their interest, and accordingly the Act 57 Geo. III, cap. 30, was passed. The impetus it gave to the establishment of savings banks was felt in other countries. In 1818, savings banks were founded in Paris, Berlin, and Stuttgart; in 1819, those of Vienna, Bordeaux, &c.; in 1820, those of Laybach, Copenhagen, &c. In 1822 and 1823 the movement extended itself to Italy, and savings banks were established in Venetia and Lombardy.

The history of savings banks is conveniently divided in the report before us into three periods: first, from 1815 to 1848, the earlier savings banks forming a sort of prologue; second, from 1848

* "Scratchley on Savings Banks," p. 4.

† Ibid., pp. 5 and 6.

to 1861, when the English post office savings banks were established ; third, from 1861 to the present time.

Year.	Population.	Number of Banks.	Number of Deposit Accounts on 1st January.	Amount of Deposits on 1st January.
<i>France—</i>				£
1835.....	33,061,	148	79,	1,426,
'47.....	35,521,	343	728,	15,245,
'60.....	36,484,	421	1,125,	13,543,
'72.....	36,102,	521	2,021,	23,544,
<i>Belgium—</i>				
1870.....	5,087,	10	87,	1,669,
'74.....	5,336,	10	132,	2,510,
<i>Austria (cis-Leithian Pro- vinces)—</i>				
1870.....	20,385,	192	923,	28,571,
'74.....	21,366,	275	1,269,	53,931,
<i>Hungary—</i>				
1870.....	} 15,417, {	146	—	11,716,
'73.....		282	—	15,209,
<i>Prussia—</i>				
1835.....	13,708,	80	99,	818,
'49.....	16,331,	220	261,	2,484,
'60.....	18,491,	471	613,	7,569,
'74.....	24,639,	979	2,059,	49,315,
<i>Kingdom of Saxony—</i>				
1845.....	1,836,	31	—	764,
'60.....	2,225,	115	—	2,549,
'71.....	} 2,556, {	144	517,	6,556,
'72.....		156	—	11,445,
<i>Thuringia—</i>				
1873.....	899,	7	33,	1,897,

Year.	Population.	Number of Banks.	Number of Deposit Accounts.	Amount of Deposits on 31st December.
<i>Mecklenburg—</i>				
1825.....	417,	2	—	£ 11,
'45.....	516,	21	—	411,
'60.....	546,	30	—	1,037,
'72.....	557,	31	91,	1,072,
<i>Hamburg—</i>				
1870.....	325,	8	60,	971,
'74.....	370,	8	81,	1,616,
<i>Bremen—</i>				
1830.....	60,	1	3,	55,
'45.....	76,	1	11,	216,
'60.....	96,	3	36,	875,
'73.....	135,	4	48,	1,404,
<i>Lubeck—</i>				
1830.....	42, {	1	—	48,
'45.....		1	—	75,
'60.....		1	—	75,
'73.....		2	14,	138,
<i>Bavaria—</i>				
1839.....	4,370,	104	98,	982,
'48.....	4,520,	170	125,	1,503,
'58.....	4,689,	223	185,	2,004,
'69.....	4,824,	260	279,	2,490,
<i>Wurtemberg—</i>				
1819.....	1,395,	—	—	7,*
'40.....	1,646,	—	—	186,*
'60.....	1,720,	—	—	534,*
'74.....	1,818,	121	—	2,766,
<i>Baden—</i>				
1852.....	1,357,	44	27,	448,
'63.....	1,428,	79	81,	1,620,
'74.....	1,461,	99	141,	4,142,
<i>Alsace and Lorraine—</i>				
1872.....	1,549,	—	41,	283,
<i>Holland—</i>				
1872.....	3,579,	240	99,	1,127,
<i>Great Britain and Ireland—</i>				
1817.....	19,899,	—	—	328,
'45.....	27,901,	—	1,062,	30,749,
'60.....	28,921,	638	1,585,	41,258,
'74.....	32,412, {	Private 474	1,463,	41,467,
		Postal 5,068	1,668,	23,157,
To which I may add to 5th May, 1877				{ Private 43,296, Postal 28,642, }
	—	—	—	71,938,

* Government banks only.

Year.	Population.	Number of Banks.	Number of Deposit Accounts.	Amount of Deposits on 31st December.
<i>Denmark—</i>				£
1860.....	2,605,	—	—	3,221,
'73.....	1,824,	314	316,	10,062,
<i>Sweden—</i>				
1861.....	3,917,	156	198,	1,691,
'73.....	4,297,	271	563,	6,035,
<i>Norway—</i>				
1873.....	1,750,	262*	220,	5,201,
<i>Switzerland—</i>				
1852.....	2,392,	163	181,	2,415,
'62.....	2,539,	235	355,	5,276,
'72.....	2,669,	312	542,	11,581,
<i>Russia—</i>				
1863.....	—	—	100,	1,052,
'72.....	56,408,†	—	71,	735,
<i>Finland—</i>				
1872.....	1,838,	36	18,	346,
<i>Italy—</i>				
1825.....	19,726,	11	—	108,
'45.....	22,936,	74	—	1,544,
'60.....	25,016,	125	—	13,925,
'75.....	27,482,	965	—	21,494,
<i>United States (1875)—</i>				
New York	4,382,	158	872,	64,556,
„ Jersey	906,	36	93,	6,575,
California	552,	25	91,	15,414,
New England.....	3,486,	441	1,223,	64,203,

* The urban savings banks in Norway form only one-fifth of the whole number, but have two-thirds of the deposits.

† Of Governments in which there are savings banks.

With regard to one of the States of New England, that of Massachusetts, the following particulars are obtained from the last report of the commissioners of savings banks. (\$5 = 1*l*.)

Year.	Population.	Number of Banks.	Number of Deposit Accounts.	Amount of Deposits on 31st December.
1834	—	22	24,	\$ 682,
'48	—	41	69,	2,394,
'61	—	93	225,	8,957,
'75	1,651,	180	720,	47,570,

And with regard to Victoria, Australia, the following from our colleague, Mr. Hayter's, "Victorian Year Book :"—

Year.	Population.	Number of Banks.	Number of Deposit Accounts.	Amount of Deposits on 31st December.
1861	541,	10	12,	£ 582,
'74	808,	157	64,	1,617,

Note.—Post office savings banks were established in Victoria in 1865.

Proceeding to consider the special characteristics of the savings banks in the several countries, the report deals first with their relation to the Government. In France, investments are limited to the public debt, and interest at the rate of 4 per cent. is guaranteed, but the savings banks are private institutions. By a presidential decree of 23rd August, 1875, the post offices are allowed to receive deposits on behalf of savings banks.

In our own country, the savings banks, which date from 1799 are private institutions, but are required to deposit their funds with the Government, and interest at $3\frac{1}{4}$ per cent. is guaranteed to them. The post office banks are purely Governmental; and by their means the number of depositors has doubled, and the amount deposited has increased more than 50 per cent. They grant to depositors interest at the rate of $2\frac{1}{2}$ per cent., and the interest made by the Government on their investments is sufficient to pay expenses and provide a surplus. We have also penny banks, but they are wholly private institutions.

In Belgium, a Government savings bank was established in 1865, and the private savings banks are only nine in number, the government bank surpassing all the rest taken together. The National Bank and the post offices act as agencies for it. Besides the ordinary operations of a savings bank, it deals in life annuities, but, as in England, with comparatively little success.

In Austria, a private savings bank was established at Vienna in 1819. Savings banks are regulated by a decree made in 1844, which places them wholly under the supervision of the Government. They are founded on sound principles, prudently managed, and possess public confidence.

In Prussia, the first savings bank was founded by the municipality of Berlin in 1828. In 1838, they were taken under the supervision of the Government. Their formation has been much aided by an association called the "Central Union for the good of "the Industrious Classes." A great variety of investments is per-

mitted. Besides savings banks, there are, of course, the credit banks of Herr Schultz Delitzsch, which perform a similar function.

The principal savings bank in Wurtemberg is a Government institution; the district savings banks are under municipal management.

In Denmark, savings banks are private institutions, but must not be managed for profit, nor invest in foreign securities, and are required to make an annual return to Government.

The *limit of deposits* is an important matter. In France, it is now 40*l.*; among ourselves, 30*l.* a-year or 150*l.* in the whole; in Belgium, 120*l.*; in Holland, 17*l.*; in the German States, the limit varies according to the rules of the banks. We enforce our limit by the severe penalty of forfeiture of the whole amount for any attempt to evade it. In some other countries it is enforced by a forfeiture of the interest only.

The following is a classification of deposits according to amount:—

Number of Deposit Books per 100.	Under 15 <i>l.</i>	Under 20 <i>l.</i>	20 <i>l.</i> and over.	15 <i>l.</i> to 30 <i>l.</i>	30 <i>l.</i> and over.	20 <i>l.</i> to 40 <i>l.</i>	40 <i>l.</i> and over.
Italy	—	65	35	—	—	16	19
France	—	79	21	—	—	15	6
Paris only	—	90	10	—	—	9	1
Alsace-Lorraine	—	82	18	—	—	13	5
Belgium	—	87	13	—	—	5	8
Mecklenburg	—	83	17	—	—	13	4
Finland	—	85	15	—	—	8	7
Great Britain.....	—	63	37	—	—	16	21
Prussia	64	—	—	17	19	—	—
Kingdom of Saxony....	74	—	—	14	12	—	—
Anhalt.....	70	—	—	21	9	—	—
Lubeck	—	94	6	—	—	—	—

	Amount.	Number.	Amount.	Number.	Amount.	Number.
		Per cent.		Per cent.		Per cent.
Baden	under 17 <i>l.</i>	70	17 <i>l.</i> and under 43 <i>l.</i>	19	over 43 <i>l.</i>	17
Alsace and Lorraine	20 <i>l.</i> and under	82	20 <i>l.</i> „ 40 <i>l.</i>	13	„ 40 <i>l.</i>	5
Denmark.....	under 23 <i>l.</i>	74	23 <i>l.</i> „ 43 <i>l.</i>	15	„ 43 <i>l.</i>	11
Sweden (excluding Stockholm).....	„ 28 <i>l.</i>	90	28 <i>l.</i> „ 57 <i>l.</i>	7	„ 57 <i>l.</i>	3
Stockholm	„ 28 <i>l.</i>	87	28 <i>l.</i> „ 57 <i>l.</i>	7	„ 57 <i>l.</i>	6
Russia	„ 16 <i>l.</i>	84	16 <i>l.</i> „ 48 <i>l.</i>	12	„ 48 <i>l.</i>	4
Finland	„ 20 <i>l.</i>	85	20 <i>l.</i> „ 40 <i>l.</i>	8	„ 40 <i>l.</i>	7

The methods of investment vary greatly. In the savings banks of France, 79 per cent. of the deposits are invested on government securities, 19 per cent. on mortgage, and 2 per cent. on municipal bonds. In Belgium two-thirds of the deposits are invested upon commercial securities. The most usual investment is in the public

funds. In Austria, however, 60 per cent. is invested on mortgage ; in Prussia, 50 per cent. ; in Thuringia, 70 per cent. ; in Hamburg, 90 per cent. ; in Denmark, 50 per cent. ; in Switzerland, 70 per cent.

Proceeding to further details, the report gives particulars as to savings banks in France, from which I extract the following :—

The first savings bank was established in Paris in 1818, and since then 521 savings banks in all have been sanctioned. These have 620 branches. The amount due to depositors on 31st December, 1872, was 20,609,000*l.*, in 2,016,000 accounts, distributed as follows :—

	Per cent.
20 <i>l.</i> and under	79
20 <i>l.</i> to 32 <i>l.</i>	10
32 <i>l.</i> „ 40 <i>l.</i>	5
Over 40 <i>l.</i>	6

The number of transactions in the year 1872 was 2,558,000.

The interest allowed by the Government is 4 per cent. ; that paid to depositors in Paris $3\frac{1}{4}$; on the average of all the banks $3\frac{2}{3}$ per cent.

The general and municipal councils assist the banks by donations of about 3,000,000*l.* a-year. The bank of Paris alone has 241,000 depositors. The average of deposit accounts to population is 56 per 1,000, which rises in the department of Seine-et-Marne to 161, and sinks in that of Corsica to 5 per 1,000. The average of investments is a little over 5*l.*, which rises in the Basses-Alps to nearly 9*l.*, and sinks in the department of the Seine to under 3*l.*

The average repayment was nearly 10*l.*, rising in the Charente to nearly 12*l.*, and sinking in the Vosges to a little over 6*l.* The deposits in the Paris savings bank amount to 1,418,000*l.* The savings banks were greatly affected by the events of 1870 and 1871, which caused very large withdrawals. Savings bank deposits contributed 2,503,000*l.*, to the loan of 2 milliards. The majority both of deposits and withdrawals take place in January.

The savings bank of Paris has thirty-two branches. Of the depositors in 1874, 63 per cent. were workmen and artisans, 18 per cent. domestic servants, 10 (wrongly stated in the report as 3) per cent. employés, 3 per cent. soldiers and sailors, 2 per cent. belonged to the liberal professions, and 4 per cent. were annuitants. By a legacy of M. Lavocat, the bank has created 1,256 deposits of 2*l.* each for children between 10 and 15 years.

A statement in the “*Journal Officiel*” for 12th December, 1876, enables me to bring the particulars of savings banks in France to the end of 1874, when there were 529 banks and 694 branches.

The number of deposit accounts had increased to 2,170,000; the new depositors for the year being 263,000, divided as follows:—

	£
82, workmen.....	646,
38, domestics	345,
12, employés	83,
7, soldiers and sailors	53,
64, other professions	637,
60, children	239,
Add for friendly societies	5,
<hr/> 263, <hr/>	<hr/> 1,908, <hr/>

The expenses of the banks were 10*d.* per deposit account, or $\frac{1}{2}$ per cent. on the transactions of the year. The dotation funds were 674,000*l.*, the reserve funds 95,000*l.*

In *Belgium*, the most important savings bank is that founded by the State in 1865. It has twenty-three branch banks, and the thirty-nine agencies of the national bank and the post offices act on its behalf. On 31st December, 1871, its deposits amounted to 880,000*l.*, a sum nearly equal to that of the other savings banks together. On 31st December, 1874, 1,593,000*l.*, or nearly half as much again as the others put together. Its deposit accounts at the latter date were 92,000*l.*; those of the other savings banks, 40,000*l.*

4 <i>l.</i> and under	64,
4 <i>l.</i> to 20 <i>l.</i>	10,
20 <i>l.</i> „ 40 <i>l.</i>	4,
40 <i>l.</i> „ 120 <i>l.</i>	5,
Over 120 <i>l.</i>	2,

The deposits in the year 1874 were 882,000*l.*, in 225,000 sums. Of the deposit account—

75 per cent. are under	4 <i>l.</i>
12 „ from 4 <i>l.</i> to 20 <i>l.</i>	
5 „ „ 20 <i>l.</i> „ 40 <i>l.</i>	
6 „ „ 40 <i>l.</i> „ 120 <i>l.</i>	
2 „ over.....	120 <i>l.</i>

When a deposit exceeds 120*l.*, the manager may, after notice, employ the excess in the purchase of stock. Much use is made by the Government of the deposits for public purposes, such as roads, education, &c. The most considerable of the local savings banks is that of Nivelles, of whose deposits, amounting to 159,000*l.*, as much as 155,000*l.* is invested in the public funds. The Government bank allows 3 per cent. interest, with power once in five years to add a proportion of the reserve fund. The bank of Nivelles allowed 4 per cent. up to 31st March, 1869, when the interest was reduced to 3 $\frac{1}{2}$.

Of the 240 savings banks established in *Holland*, 175 of which were founded by the Society of Public Utility, 216 are still in existence. Their deposits amount to 1,127,000*l.*, in addition to which they have reserves amounting to 173,000*l.* The rate of interest varies from 3 to 4 per cent.

The savings bank of *Luxemburg* was established in 1859. The deposits on 31st December, 1874, amounted to 311,000*l.*

In *Switzerland* are 312 savings banks. The depositors at the end of 1872 were 542,000, on a population of 2,669,000. The amount deposited was 11,581,000*l.* The deposits for the year were 3,505,000*l.*, and the withdrawals 2,665,000*l.* The principal investment is in mortgages, amounting to 7,424,000*l.*

Austria has 275 savings banks. The number of deposit accounts is stated to be 1,269,000, and the amount deposited 53,930,000*l.* The investments of the year, 22,195,000*l.*, and the withdrawals 18,957,000*l.* The usual rate of interest is 5 per cent., though some savings banks allow 4, and some 6. The savings bank of *Vienna* is the most important, its total capital being 9,375,000*l.*

Hungary has 283 savings banks, and 15,209,000*l.* to the credit of depositors.

[00,000's omitted.]

	First Period, ending 1848.	Second Period, ending 1861.	Last Return.
France	15,2	13,5	23,5
Prussia	2,4	7,5	49,3
Saxony	7	2,5	11,4
Mecklenburg	4	1,0	1,0
Bremen	2	8	1,4
Bavaria	1,5	2,0	2,4
Wurtemberg	1	5	2,7
Great Britain	30,7	41,2	71,9
Italy	1,5	13,9	21,4
Massachusetts	2,3	8,9	47,5
	55,0	91,8	232,5

DISCUSSION *on* MR. BRABROOK'S PAPER.

MR. FREDERICK HENDRIKS said the Society would, he had no doubt, consider themselves much indebted to Mr. Brabrook for the care and pains he had taken in bringing before them the figures of the Report of the Italian Ministry of Agriculture and Commerce on this interesting subject of savings banks. At the same time there was reason for disappointment at finding that Mr. Brabrook's paper contained no adequate grouping and analysis of the facts. For example, there were no totals given of the savings banks deposits at any period, nor of the number of all the banks and of their depositors for the whole of Europe. All such details should be given in their calculated ratios to each other, and to the total population of every separate country at a given date, as points of primary importance if the question were treated from a comparative and international point of view. In the absence of these, the title of the paper was somewhat of a misnomer; and, instead of being called "International Statistics," it only deserved the name of a collection of savings bank statistics of various countries. Nor could the present attempt be, with justice, termed the first that had been made to collect together such statistics. In addition to the older essays in that direction, by M. de Candolle, of Geneva, and by Baron Grando, in his work "*Sur la Bienfaisance Publique*," they had the very recent statistics of savings banks collected by the Belgian Government, and the reports presented to the French Government within the last two or three years by M. de Malarce, who had been commissioned to visit England and Austria to study their savings bank systems. M. de Malarce had quite lately estimated the aggregate amount of the sums at credit of all the depositors in the savings banks of Europe at about 7 milliards of francs, or say 280 million pounds sterling. This, as he (Mr. Hendriks) would presently explain, might be considered as rather an underestimate, if the figures scattered in Mr. Brabrook's paper were collected and added together. Before, however, referring further to this, he would venture to suggest that there must be a mistake in Mr. Brabrook's statement that the amount of savings bank deposits per head of the population was 13*l.* in the United States. The present population of the United States was about 43 millions, so that the total savings bank deposits at 13*l.* per head would give a total of 559 million pounds sterling. This must be immensely over-estimated. At all events the total deposits from customers of 6,598 United States national, State, private, and savings banks, which gave returns as at October last to the American commissioners of internal revenue, amounted *together* only to 402½ million pounds sterling. After all, the statement in the Italian report, as it was presented in Mr. Brabrook's *rsum*, might only be found to mean that in certain States of the American Union the savings banks deposits were 13*l.* per head of the population of those States. If

so, the allegation that 13*l.* per head was the average deposit of the United States people generally, was without any statistical foundation. There was an American gentleman (Mr. Washburne) now present who might probably be able to clear up any doubt on this subject. He (Mr. Hendriks) had himself taken the trouble to add up the figures given by Mr. Brabrook, and, if not mistaken in a somewhat hurried addition of the figures of the total deposits for all the European countries, it seemed to him that the total amount of the deposits for Europe were within a fraction 293 million pounds sterling, the number of savings banks nearly 12,000, the number of depositors 13 millions. In some instances the figures came down only to 1872 or 1873. Allowing, therefore, for an increase since then, he would estimate the total of the deposits of the European savings banks at about 300 million pounds sterling in 1877. This would give an average for each depositor of about 23*l.*, and an average per head of 1*l.* 4*s.* for each person of the population of Europe, 250 millions in number, comprised in these returns. These results were not very encouraging, having regard to the large area over which the operations of savings banks were spread, and considering that in some of the leading countries of Europe such institutions were now more than two generations old. At the same time, as they constituted only one of several forms of saving, there was a difficulty in drawing conclusions from them as showing in any absolute unqualified manner, 'the comparative thrift of various countries. They were rather more to be relied upon as an interesting branch of banking statistics, showing the extent to which the floating capital of the lower classes of Europe is distributed in a particularly well available and moderately productive form. It was an observable fact, also, that a really remarkable progress in this form of saving had very recently been observed in France. His attention had been called to some statements made within the last few weeks in the "*Journal des Debats*." It would appear that in the normal period of eighteen years preceding the war with Germany, the French savings banks deposits increased annually by about 26 million francs. Thus, starting from 275 million francs of deposits in 1852 (when the savings banks law was changed), a total of 720 million francs was reached in June, 1870. After the war, the deposits, which had fallen to 515 millions francs in 1872, attained a total of 535 millions in 1873, and of 573 millions in 1874. But, starting from that time, the annual increments have gone on by hundred millions, and bring up the total deposits to 667 million francs in 1875, to 775 million francs in 1876, and to 790 million francs on 28th February, 1877. At the present moment the deposits are said to exceed 800 million francs. M. de Malarce attributes this astonishing increase in the deposits in a very marked degree to the introduction, throughout France, of the penny savings bank system, established long ago in our own country, but which would appear to have found an even more congenial soil for growth amongst our neighbours. More than 4,000 schools in France have established penny banks since 1874. The number of scholars thus already made familiar with the system amounts to 260,000. Not

only are they educated through these banks into practical notions and habits of thrift, but experience has shown that they act by example upon their elder brothers, parents, and friends, so as in turn to stimulate the latter to saving and thus to largely widen the circle of depositors.

Mr. CORNELIUS WALFORD said that some years since, in the course of his travels through Europe, he had made an inquiry into the question of savings banks, not so much for themselves as a means of testing the accumulating wealth of the countries; but before referring to foreign countries he wished to say a word on our own. The last part of the paper attributed to Miss (should be Mrs.) Priscilla Wakefield the founding of the first savings bank in 1804; but if his memory did not fail him this was not the first savings bank in England. De Foe in his essay on "Projects," 1697, had suggested the idea. Mr. John Barber Beaumont founded the Westminster Savings Bank in 1806, which was the first actual savings bank in London. The first savings bank in the provinces was probably that at Wendover. In reference to the statistics of foreign countries there was one noticeable omission, and that was Spain; but he did not wonder at the omission, because it was very difficult to get particulars. Some years ago, in travelling through Spain, he had made an inquiry as to the number of savings banks, and found it exceedingly difficult to get any details at all; but as far as he could then see there were then twelve savings banks and one hundred bull rings (laughter). The people of Spain had not been trained to habits of thrift. With regard to France, he found that savings banks were not made use of in anything like the degree which might be expected, having regard to the well-known thrift of the people of that country. Although it was clear that since the war 28,000,000*l.* had been deposited, that was hardly one-fiftieth of the savings of that most economic people, who invested their money in other forms, partly in securities to bearer, the law wisely giving them great facilities in that way. Everybody in France had real or personal property and coupons payable to bearer. Savings banks in Europe were usually regarded more or less as Governmental institutions, and where the Government was not a stable one there was a great difficulty in inducing the industrious classes to put their money into any banks which seemed to have, even in the remotest degree, any dependence on the Government. He thought that was one of the reasons why the banks had not thriven in Spain and France. In Germany, which was not a rich country, there was a very rapid tendency to the development of savings banks, and returns from Germany would, if they could be obtained, show greater results than in any other part of Europe, probably including Great Britain. The policy of the Government in Great Britain with regard to savings banks had been a very remarkable one, and, he thought, a very unwise one. The amount of deposit permitted to any one individual was limited; and the idea had been to put these institutions under Government guarantee, and consequently they yielded a small rate of interest. He was certain this mode of limitation had had the effect of very much lessening

the development of those banks. He thought that the scheme might easily be amended thus:—that those who desired the guarantee of the Government might have it, but then of course the amount on deposit would be limited because the guarantee involved a loss. But let persons so disposed deposit at the same bank other moneys not under that limitation, either as to amount deposited or rate of interest, and then there would be something for the trustees of these banks to do. At present the savings banks in England were managed by very respectable old gentlemen, who received the money, entered it into a book, and simply caused it to be remitted to the Commissioners of the National Debt for investment. He had had an opportunity of seeing the way in which these things were bungled, and he wondered there was so much confidence as there was in regard to savings banks in England. If they were put on a more business-like footing the amount of deposits might be increased tenfold. In the United States he had had a good opportunity also of seeing the working of savings banks, and they were to be seen there in a much greater state of perfection. Referring to Mr. Hendriks' statistics, he thought it was clear from an examination of the paper that the 13*l.* per head attributed to the depositors in America bore relation only to the four States mentioned in the paper. In California it averaged 30*l.* per head. The New England States and the south-western States were the places where the savings banks most prevailed. In every town of note in America the savings bank was one of the prominent institutions, and not only the working classes, but also the middle classes, were investors. The gentlemen who managed these banks were retired bankers, merchants and those skilled in finance, and the money was frequently lent out for the improvement of properties in the district. This certainly sometimes led to loss, but on the whole there was a direct inducement for people to deposit their money, knowing the many opportunities for profitable investment and that the borrowers were frequently those whom they knew something of, and that the money would realise a large high rate of interest. Those were the only savings banks, as far as he knew, that had free action and that were without restriction as to amount of deposit or limitation as to rate of interest; and the wealth that had been accumulated by them, and the local improvements that had been carried out, presented on the whole an example which he should like to see followed in this country.

The Hon. Mr. WASHBURN, of Boston, said that the American savings banks were perhaps better seen in Massachusetts than in any other of the States of the Union. There was hardly a town in the State of 6,000 or 7,000 inhabitants, in which one was not found. They were chartered by the legislature, and were conducted usually by a board of trustees, consisting of a dozen or twenty members as the case might be. These gentlemen were usually retired capitalists, or men who could give their time gratuitously to work of this kind. They were carried on, especially in the towns and small cities, with great economy. The chief expenses

were the pay of a cashier, and perhaps of a clerk; the trustees, as before stated, received no remuneration for their services. In these institutions the earnings of all classes of people were deposited, although they had been instituted primarily for the special benefit of the poor; so favourably were they regarded the time had come when the wealthy, as well as the poor, sought them as the safest place for investment to such an extent as the law would allow. In Massachusetts he thought that \$1,000 was the most that might stand in any one name. Supposing that a father with a family of seven children, wished to deposit in these institutions sums of money on their behalf, he could place say \$7,000 in one, and as much more in another, and still in another; and in that way, in the aggregate large sums of money were deposited by the wealthier classes. Looking at the vast amount of money deposited in the United States in savings institutions, and particularly in Massachusetts, he could understand that it would appear to the stranger incredible that those were exclusively the savings of the poor. They were not: they were so to a large extent, but they included the deposits of the wealthier classes also. A question had been raised by Mr. Hendriks, as to whether the amount of 13*l.* per head of the population of the United States was not in excess of what it really was. He held in his hand a copy of the report of Massachusetts for 1875, from which it appeared that the total amount of deposits in that State at the close of the year, was \$237,848,963 21 cents, or about 47,000,000*l.* sterling. The amount per head was put down as \$144, or near 30*l.* per head of the population. The population of the State when this report was made out, was about 1,651,652. The number of banks in the State was 180; the number of towns, large and small, if he remembered rightly, was about 360 or 370. The amount of interest which the savings banks of Massachusetts had earned would, he thought, average considerably more than 6 per cent. He thought it would be safe to say that in the last two decades it would amount to 6½ per cent. Some of the older institutions in the State had limited the annual dividend to 5 per cent., and this was guaranteed to the depositors, but an extra dividend had been made, once in five years, of additional earnings which, he thought, had brought the average up to even something more than he had stated. There were institutions in the State where a speculative spirit had prevailed, with a desire to show large dividends, and which had led to injudicious investments, with corresponding loss to the banks. But these were exceptional cases. The soundest institutions regarded 6 per cent. as much as really should be counted upon, and he thought that from their experience as business men, they would agree with the trustees of these institutions in this conviction. The population of New England is about 3,500,000, and the population of the State of New York, about 4,500,000, or something like one million more than all the six New England States; but the amount of her deposits only amounted to about the same as those of the six New England States, or 64,000,000*l.* Leaving New England and the middle States and going into the western and southern States, it would be found that

the same attention had not been given to saving institutions. They were, however, on the increase everywhere in the United States. They were, in fact, benevolent organisations to which the poor man might go and deposit his savings, and feel morally sure of realising 6 per cent. interest and the principal whenever his needs might require it. As he had said before, gentlemen of established reputation were generally selected as directors of those undertakings. The investments were made in United States bonds, State bonds, city and county bonds, stock of the leading banks, and mortgages. Comparatively but little loss had been sustained. The amount invested in mortgages was at the rate of 50 per cent. of the real, or actual value of the property. As before said, the cost of working these institutions was very moderate. In a town with a population of 5,000 or 6,000 inhabitants like Plymouth, for instance, the only *employé* required would be the cashier, with a salary of about 400*l.* or 500*l.* a-year, and a clerk at a small expense. The rent of suitable buildings in country towns was small, and the services of the trustees being gratuitous, the expense of conducting such a concern was necessarily very small; and as all the profits go to the depositors, he could not conceive of any institution better adapted, not only to the poor, but to all classes, who wished to lay by something of their accumulations for a rainy day, or the evening of life. The expense of conducting the larger institutions in cities, of course was greater, but economy in management would apply to them all.

The PRESIDENT having expressed the thanks of the meeting to Mr. Brabrook for bringing forward the paper,

Mr. BRABROOK, in reply, said that the courteous criticism of Mr. Hendriks showed how very necessary the few words of explanation were with which he had prefaced the reading of the paper. It was not an original paper. It was simply an abstract of the report supplied by the Italian Government on savings banks. The very word "international," to which Mr. Hendriks took exception, was on the title page of the report. With regard to the statistics of the United States, Mr. Walford had supplied an answer to Mr. Hendriks. The statement that the United States had 13*l.* per head of the population applied to those States with regard to which he had information, and not those with regard to which he had no information. A more general collecting together of the results of the statistics, with a view to show them in a united form, would be delusive, because it would mix together the countries where 3 per cent., 4 per cent., and 6 per cent. interest was given, and it would mix the countries where there were with those where there were no other means for the investment of the spare capital of the working classes. He had already made, however (see Table A), a statement showing that in the first period ending 1848 the aggregate of the countries from which information had been obtained in order to make a comparison was 55 millions; in the second period, ending 1871, 91 millions; and according to the last return the amount was 232 millions.