

THE FOREIGN SITUATION

While much is currently said of the Polish outlook and of the military developments in the warfare with Russia, the underlying fact which is of largest significance to the situation is that there has been little if any improvement in the elimination of inflation abroad. The report on currency conditions recently rendered by the League of Nations, although now several months old (i. e., since its material was compiled, there having been delay in publication) shows a bad state of things throughout the European nations, and it would seem from the latest available figures that currency conditions are not very materially improving. There has been an upward swing of notes in almost all of the countries during the past few months, and especially during the past few weeks. German exchange conditions ought not to be too harshly judged, in view of the imminence of the Polish conflict on her borders, yet it is true that the decline in the value of the mark is due in no small degree to internal financing which has involved continuous large issues of notes on the part of the Reichsbank. This growth of note issues has been very general and in most places indicates not simply private inflation but continued dependence on the part of the Government upon the banks for its needs.

BANK PRESIDENT LIABLE Responsible for Thefts

An interesting decision has been rendered in the United States Circuit Court of Appeals in the case of Bates vs. Dresser. According to this decision the president of a bank is held responsible for any thefts of employees resulting in loss to the bank. It will be remembered that this action was brought by John L. Bates, receiver of the National City Bank of Cambridge, Mass., against Edwin Dresser, president, to recover \$300,000, the amount lost by the fraudulent operations of one of the bank clerks during a number years. Mr. Dresser died after suit was brought and the suit was revived against the administrator of his estate, resulting in a judgment of \$264,088 against his estate.

The clerk whose thefts were responsible for the loss to the bank was employed at a salary of \$12 a week. He was in charge of depositors' ledger and so ingeniously manipulated his figures that he escaped detection of even the bank examiners.

The suit was brought against the directors, also, but the Circuit Court of Appeals held that the directors had not been guilty of negligence in the performance of their duties. But the finding was different with respect to Mr. Dresser, who was held guilty of negligence in not detecting the fraud of the clerk. It was held that he should have suspected a \$12 a week clerk who was in the habit of coming to work in an automobile which he owned.

This fact with other circumstances should have caused a thorough investigation of his work in the bank and his life outside the bank.

The United States Circuit Court rules that among the duties of a bank president, who is active in the management of the bank is the duty "not only to know the character and habits of the bank's employees and exercise reasonable supervision over them, but to use diligence in respect to all matters bearing upon the question whether they should be retained in positions of trust."

CANADIAN SAVINGS

The approximate amount of savings deposits in Canadian banks, loan associations, Credit unions, etc., as compiled by L. D. Woodworth, Secretary of the Savings Bank section of the American Bankers Association, from unofficial sources, is as follows:—

Post Office Savings Banks...	\$43,000,000
Government Savings Banks...	13,600,000
Québec Savings Banks...	50,000,000
Loan and Savings Companies...	65,000,000
Provincial Rural Credit Associations	1,700,000
Trust deposits with trust companies.	30,000,000
Chartered banks...	1,300,000,000

\$1,503,300,000

Aims of "Thrift"

"We must change the terms by which we talk thrift," said Mr. George E. Brock, President of the Home Savings Bank of Boston, when addressing the Vermont State Bankers Association.

"We have overworked that 'rainy day' argument, he continued. "For instance, talk to a husky young man about a rainy day. He is young and vigorous, and always expects to be, he is not looking for a rainy day. We will not get far with him with that argument, but connect his savings with his pay envelope, teach him that his savings will create a job, and the more he saves the more steady will be his job, and we may cause him to think. Let our slogan therefore be *"Save Your Money to Create Your Job, and Save More Money to Perpetuate Your Job."* * * *

"A home budget system which starts with the question 'how much of my earnings ought I to save?' and from that point distributes the remainder over the necessities of life, has in it much of the science of wise spending. We bankers who have been brought up to keep other people's cash right to a penny are apt to get careless with our own, but I believe the time will come, in these days when we are expected to give to the government the most intimate details of our personal resources and liabilities, when a systematic budget will be of great assistance to us in making up our returns.