bulletin

Newsletter from the EABH

1/2013

The European Association
for Banking and
Financial History (EABH) e.V.

Dear Colleagues and Friends,

time flies by quickly and it has been an eventful start of the year, not only for *EABH* but for the whole financial community everywhere in Europe and beyond. Whereas current debates are circulating around the Euro and its viability in our community, this year the historic approach of *EABH* sets its focus on *Foreign Financial Institutions and National Financial Systems* in order to investigate historic relationships and interconnection among national economies.

Whilst this year's hosting institutions from the *National Bank of Poland*, the *National Bank of Poland Foundation*, the *Kronenberg Foundation at Citi Handlowy* and *EABH* have been already busy to prepare everything for our annual conference, taking place in Warsaw from 7-8 June 2013, the theme was already elaborated on in our Young Scholar Workshop on 3 March 2013 in Jerusalem. But, as always, you find a detailed and illustrated report about the workshop in this volume.

Further, we are happy to provide you with a report of the second ALFF in Europe-Workshop, which successfully took place at the *Piraeus Bank* in Athens in April 2013, while this bulletin also offers a little excursion to the *Centre for Financial History* at *Newnham College* in Cambridge. I would also like to introduce you to one of 'our Young Scholars', Vincent Duchaussoy, along with his paper *Banque de France's Organization and Governance under War and German Occupation (1939-1945)*.

Please find also contributions from the *Archive of the Bank of Russia* and the *Baring Archive* in this volume and do not forget to check out the upcoming events in the announcement section. We are particularly proud to announce the 2013 Summer School for Archivists *Ready or Not? Enhancing Digital Resources Management*, which will take place from 23 - 27 June 2013 in cooperation with *Cassa di Risparmio di Venezia*.

For you interested in actively contributing to one of our events, the Call for Papers for our additional conference *The Challenges of International Banking Regulation and Supervision after 1945* in January as well as the 2014 Annual Conference *Risk Management* and the Archival Workshop *Banks at War. European banks confronted by WWI*, kindly hosted by *Swiss* Re are also enclosed.

In this 'eventful' spirit I look forward to meeting you soon at one of our *EABH* events!

Yours faithfully,

Manfred Pohl

Manfred Pohl

Founder & Deputy Chairman

Contents

Front page illustration: 'Where have you hidden your money?' - Creative Accounting Event Series, November 2011, UTS Gallery, Sydney

Published by the European Association for Banking and Financial History (EABH) e.V.

ISSN 2226-6046

Key title: Bulletin (European Association Banking and Financial History)

Editor: Damir Jelic

Assistant Editors: Carmen Hofmann, Tanja Röhr

Language Editor: Verity Gale

The European Association for Banking and Financial History (EABH) e.V.

Geleitsstrasse 14

D-60599 Frankfurt am Main

Mail: info@bankinghistory.de

Tel: 0049 69 97 20 33 09

Fax: 0049 69 97 20 33 08

www.eabh.info

The Centre for Financial History
Newnham College, Cambridge

In the last four years, the Centre for Financial History at Newnham College (www.centrefor-financialhistory.org), directed by Dr. D'Maris Coffman, has established itself as a leader in the promotion of financial history, banking history and business history in the UK. Founded in July 2009 with seed money from Winton Capital Management, the centre now has a range of commercial, charitable and academic sponsors. The Centre's core mission is to facilitate cutting-edge research in financial history, to encourage its application to political economy and to public policy (especially in emerging markets), and to explore rigorous and lasting platforms for the dissemination of the fruits of research in financial history.

CFH took over the maintenance of the European State Finance Database (www.esfdb.org) from Leicester in 2009 and have launched the Corn Returns Online (www.cornreturnsonline.org). Dr. Louise Pryor (www.louisepryor.com), a recent Associate Fellow of Newnham and past Director of the Actuarial Standards Board at the Financial Reporting Council, has provided invaluable assistance with the design and implementation of the second resource.

The Centre for Financial History is very proud of its commitment to showing the applications of research in financial history to pressing matters of public policy. A recent postdoctoral research associate, Dr. Yuning Gao, has just completed work for Schroders on the internationalisation of the Renminbi. RMB internationalisation was greatly accelerated after the 2008 financial crisis with the 'Triffin Dilemma' and the growing 'global imbalance' in trade. The Chinese government was forced, in turn, to consider internationalising its currency, allowing it to float freely, to be accumulated as a unit of reserve, thereby reaping or suffering the fortunes of international speculation. To realise this target, Dr. Gao shares the consensus that China must

The Centre for Financial History, Newnham College, Cambridge encourage the widespread use of the RMB in the settlement of trade and direct investment; allow RMB financial products to become important investment tools for main institutions; and to permit the growth of an offshore RMB market that is large enough for RMB to be one of the reserve currencies.

Dr. Gao was originally trained as a trade economist and employed a combination of novel gravity models and close attention to the Japanese and Korean experiences of capital account liberalisation in his forecasts. He concluded that use of the RMB in invoicing and settlement will continue apace, but that it will be some time before the RMB sees wide use as a reserve currency. The resulting report will be available from Searching Finance in the summer of 2013. Dr. Gao has gone on an assistant professorship in international finance at Tsinghua University's Centre for China Studies at their School of Public Policy and Management.

Many of the Centre's researchers have either direct markets experience or significance experience in related financial services. They are part of a New Financial History that is increasingly being done by retired practitioners. Dr. David Chambers, Associate Director of the Centre, formerly Managing Director with Merrill Lynch and Vice-President with Hotchkis & Wiley, is a leading authority on historical equities markets and on Keynes' track record as an investor. His predecessor, Dr. Anne Murphy of the University of Hertfordshire, was an options trader with Midlands Bank and then HSBC, before turning her hand to eighteenth-century stock markets and the early history of the Bank of England. Four profiles of the Centre's senior doctoral students should illustrate this.

Stuart Barton, MBA, CFA (formerly a Senior Index Trader with HSBC and Barclays), is completing doctoral work on foreign direct investment in Zambia. His study investigates responses by foreign direct investors (FDI) to institutional change brought about by abrupt shifts in Zambian government policy, and the economic constraints these responses have had on the economy. New Institutional Economics has found favour in explaining slow economic growth in Africa, but few empirical studies have demonstrated a mechanism by which institutional change has actually manifested itself in slow growth. This study shows how discontinuous shifts in Zambian government policy after independence raised sovereign risk perception and hampered economic diversification by constraining foreign capital investment. More specifically, the study investigates the investment reaction of the two largest foreign investors in Zambia to the government's 1968 and 1969 nationalisations of major industry, and its 1973 unilateral curtailment of international management contracts.

Barton's work expands on more politically focused accounts of post-independence Zambian policy-making and presents an historical context through which to better understand the eventual re-emergence of FDI in Zambia after 2000. It exposes the distrust held by private investors of the newly independent Zambian government, their aversion to Zambian investment, and the resulting concessions and entrenched stability clauses eventually accepted by the government to attract new investment. While effective at raising FDI, particularly from new partners including China, many of these

Stuart Barton

contracts have proven unprofitable to the Zambian economy, hampered growth, and ultimately brought popular pressure to re-nationalise. This further degrading of property rights may through the same mechanism catalyse a disinvestment spiral.

Duncan Needham, MSc, MPhil (formerly of JP Morgan and Cairn) works on fiscal and monetary policy in the 1970s and early 1980s; his research has clear ramifications for today's debates about 'Austerity Britain'.

Needham's study brings a fresh perspective to UK monetary policy, from the Keynesian consensus of the 1960s to the 'sado-monetarism' of the first Thatcher administration. He shows how events such as the 1967 devaluation, the collapse of Bretton Woods, the stagflation of the 1970s, and the 1976 IMF loan all impacted policy in Britain. In contrast to the 'monetary policy neglect' thesis that dominates the current historiography it shows, for the first time, that the unprecedented inflation of the 1970s happened in spite of the UK authorities setting unpublished money supply targets from 1971. This is five years earlier than is currently acknowledged.

This failure to heed the monetary lessons of the 1970s had profound consequences for the British economy. The recession of 1980-1 was the worst in the UK since the 1920s. With nominal interest rates at seventeen percent, the soaring pound priced exports out of global markets, making Britain a net importer of manufactured goods for the first time since before the Industrial Revolution, and pushing unemployment above three million for the first time since the 1930s. In October 1980, Thatcher declared "the lady's not for turning". Five months later she did precisely that, loosening monetary policy while raising taxes in the most controversial Budget in post-war British history.

Duncan Needham

Needham has organized a number of events on behalf of the Centre. The debate on *Expansionary Fiscal Contraction at the Cambridge Union* is the basis for a book he is co-editing with Dr. Anthony Hotson (Winton Institute for Monetary History at Oxford) on the 1981 Budget, which will be available in early 2014 from Cambridge University Press.

A third doctoral student, Paul Kosmetatos, MSc, MA (formerly in structured products with Credit Agricole and Mizuho), works on the Panic of 1772, who no less than Adam Smith explored in Book II of his *Wealth of Nations.* With the benefit of markets experience, Kosmetatos has made sense of the banking archives where others have failed and has reconstructed the complex web of counter-parties, stretching as far as Amsterdam, North America, and India. In fact, the East India Company lost its independence as a result of a government bailout.

Kosmetatos believes that this largely forgotten episode has several claims to

Significance in the history of financial crises, not least because it broke out amidst a period of peace and relative prosperity. He suggests in his thesis that unlike episodes driven by obvious exogenous shocks, the Panic of 1772 gives insight into how capital markets can become unstable without war, harvest failure or deleterious government policy.

In a related vein, Adrian Leonard, MPhil (formerly a financial writer and journalist who covered the insurance sector for the *Financial Times*) is doing doctoral work on the history of British marine insurance. For three centuries until the present day, a tiny bit of real estate in the heart of the City of London has been the unquestioned leader of the world's international marine insurance market. Not only do London's underwriters set the terms of the business and deploy capital on behalf of investors from every continent, but they also invented the rules of the game. His research explores the ingredients of London's unparalleled success in this low-profile but critical and highly profitable financial sector.

The centre holds annual plenary conferences and others on special themes. The first annual conference in March 2010 on "Questioning Credible Commitment" has inspired what they hope will be an influential new interpretation, *Questioning Credible Commitment: New Perspectives on the Rise of Financial Capitalism*, which the director, Dr. Coffman, is co-editing with Leonard and Professor Larry Neal of the University of Illinois at Urbana-Champaign. This volume is due out in October 2013 with Cambridge University Press (ISBN: 9781107039018).

This study asks makes a sovereign debtor a good risk? How do institutions affect national credit profiles? This project looks back to 1688, the so-called Glorious Revolution in England, and to the theory of 'credible commitment' advanced twenty years ago by Douglass North and Barry Weingast. Did Parliamentary backing of British sovereign debt give investors sufficient comfort to allow the state to raise and service loans equivalent several multiples of its GDP, and thus to prevail during a century of war with the French, as North & Weingast contended? Or was it much more complicated than that? This project brought together academics from around the world to offer new insights into the mechanics of sovereign creditworthiness in the 'early modern era', and to amend and revise the North & Weingast thesis.

The second and third annual conferences, "Ottoman-European Exchanges in Commerce, Finance and Culture, c.1450-c.1914" in March 2011 and "Anglo-French Perspectives on the Commerce of Literature and the Literature of Commerce in the Long Eighteenth Century" in July 2012 followed in turn. The proceedings of these will be published with Palgrave and Routledge.

At the Centre, they believe that societies face challenges that require understanding the entrenchment of the economic and political spheres. However, both political economy and the public debate often use categories of analysis developed for different historical contexts. As a result, they are often stuck in dichotomies and disputes no longer relevant. Thus, they are also pleased to welcome Ivano Cardinale, MSc, MPhil and Professor Roberto Scazzieri as research associates for a project, *A Structural Heuristics of Economic Systems*. The *Structural Heuristics* project aims to develop new categories of analysis that make it possible to explore the interface between the economic and political spheres of modern societies. It aims to do so by combining structural analysis of political-economic systems and historical analysis, drawing on the conceptual tools of political economy classical and modern, the institutional and structural analysis of economic systems, and economic history.

By investigating the internal configuration of systems, understanding how causal mechanisms work differently in different socio-his-

Ivano Cardinale

torical conditions, and making relevant comparisons, the structural and historical approach makes it possible to explain the status quo, but also to identify alternative courses of action that are possible in a given context, although not realised. For example, policymakers need to move beyond macro or micro approaches and to deal with the Eurozone as a complex structure of medium and long-term interdependencies that shape current policy discussion and policy effectiveness.

In February 2012, the Centre held a symposium entitled "Towards a Structural Analysis of the Eurozone Crisis" in which they discussed these themes, which they explored in a follow-up private conference in September 2012. This event, co-sponsored by the Cambridge Endowment for Research in Finance, was written up in *Il Sole 24 Ore*, the leading Italian business daily. An edited collection based on these conferences entitled, *The Political Economy of the Eurozone*, will be available from Cambridge University Press in 2014.

Together with the director, Dr. Coffman, Scazzieri and Cardinale are also preparing the first English Translation of "Les crises périodiques de surproduction" by Albert Aftalion (1913). Bulgarian by origin, Aftalion was a prominent French economist and founder of the *Revue économique*. In "Les crises périodiques de surproduction" he produced the first structural theory of credit, which argues that business cycles depend upon the need to use capital goods in order to produce consumption goods, and in the time required to meet an increased demand for consumption and capital goods with an increased production of those goods. In that sense, Aftalion anticipated both Kitchin cycles and Keynesian notions of the mutual influence between consumer and investor confidence. His investigation rests on a rigorous examination of available empirical data. Unfortunately, absent an English translation of his most important work, his contribution to the history of economic thought has been overlooked, as has his singular achievements in empirical economics. *The Periodic Crises of Overproduction* is forthcoming from Anthem Book's *Economic Ideas that Built Europe* series.


David Chambers

In her personal research, the director primarily works on state formation, public finance, fiscal sociology and the political economy of taxation and market regulation in early modern and early late modern Britain and continental Europe (1648-1848). Recently, however, she has become increasingly interested in agricultural commodities markets. Two further Centre projects, one on the "English Corn Returns and the State, 1685-1864", and a second, entitled "North American Grain Markets in the Interwar Period, 1920-1940", reflect the Centre's approach to quantitative economic history.

The Centre's interest in agricultural commodities markets stems from my conviction that the path dependencies created by the historical regulation of British and North American grain markets are central to modern debates about the social costs of speculation in agricultural products, the role of agricultural subsidies in food security, and the appropriateness of particular tariff regimes to developing economies and also from my awareness that debates about the grain trade were central to the politics of commodity taxation in both the eighteenth-century French and British contexts.

Remember, before the internet, when everyone would rush to check stock market quotations in printed newspapers? Routine stock market quotations first appeared in the Netherlands and in England, where they were quoted along side the average prices of major 'corns' (wheat, barley, rye, oats, beans, peas, etc) in key outports and market towns. The landowning gentry of England, Scotland and Wales followed these 'Corn Returns' as eagerly as people follow stock markets today.

As early as 1685, the crown appointed independent inspectors to report quarterly the market prices of major agricultural commodities in the English maritime districts with an eye to adjusting and enforcing the custom duties and bounties on imported foreign grains. After 1770, inspectors were required to supply weekly quantities and prices for specified coastal and inland market towns. The prices were, in turn, published in the London Gazette. After 1820, quantities were included as well. This material formed the basis for debates about the Corn Laws in the early nineteenth-century and furnished important empirical support for the competing claims of eighteenth-century moral philosophers and nineteenth-century political economists like Adam Smith, Thomas Malthus, and David Ricardo.

With the support of the Institute for New Economic Thinking, the Centre for Financial History at Newnham College has digitized these Corn Returns for use by academic researchers. Please use this site to explore this unique data set, which will soon be available for download after registration. Please bear in mind that this is a free and open access resource which was paid for by a charitable organisation. The data sets available here are neither for resale nor for commercial use. Thank you for observing this proviso, but otherwise feel free to make use of this unprecedented window into British agricultural markets during the First Industrial Age.

Using models developed by Hashem Pesaran and Adrian Pagan for housing markets and equity assets respectively, in collaboration with my RA and also Professor Mardi Dungey of Cambridge Finance and one of her PhD students, the Centre's researchers have begun an investigation of the temporal and spatial dispersion of price shocks emanating from London and Liverpool. Using factor models in conjunction with historical maps, the researchers will reconstruct the operation of local and regional agricultural markets within a national framework. Failure to do so has been one of the critiques levelled at Bob Allen's group in Oxford by the Cambridge Population Group.

In a related vein, the contribution of the agricultural sector to the Great Depression remains a subject of heated debate. Traditionally the proponents of direct causation fell into two camps: those who argue for persistent overproduction amidst falling prices and declining international demand, and those who see linkages between a crisis in the rural banking sector and the general banking crisis of 1930. Although recent work by Giovanni Federico rejects both hypotheses in their strong forms, he remains convinced that low 'elasticity of supply' persisted in the agricultural sector (in contrast with manufacturing where output fell), especially as the opportunity costs of farmers' labour remained low. Such behaviour was presumably encouraged by what James Hamilton characterised as the persistent inability of grain futures markets to anticipate deflation, thereby signalling to producers the viability of their strategy.

By the 1920s, North American commodities markets were highly developed. Although most proponents of futures trading relied upon Alfred Marshall's defence of futures markets as a form of 'price insurance', sophisticated contemporary commentators also argued that speculators provided the liquidity and 'heterogeneity of belief' needed for a continuous market. The operation of a continuous market, in turn, supplied middlemen with access to easy credit, as pyramids of commercial loans could be secured by 'grain paper'. At the same time, public disapprobation of 'speculators' remained at a fever pitch, and recycled Progressive arguments of an early era. Yet despite the demand for action, legislative experiments to curb speculation and stabilise prices enjoyed limited success.

Almost all econometric studies of agricultural markets in the 1920s are confined to the Chicago Board of Trade. Despite its robust futures markets, the volume of cash transactions was very low. The Kansas and Minneapolis Exchanges remained the primary markets for the most important wheat and corn crops; the preliminary econometric results suggest that these spot transactions were better predictors of Chicago futures prices than spot transactions in the Chicago market. Using daily data from the three exchanges from 1925-1940, my co-authors and I employ an array of econometric techniques to describe the operation of the three-market model (Chicago, Kansas and Minneapolis) and to assess the validity of different hypotheses about the relationship of these markets to the wider economy. They suspect that their findings will, in the end, conform to the familiar observation about the 2007/8 crisis, namely that in the absence of heterogeneous beliefs, integrated markets may create efficiencies for participants while nevertheless magnifying systemic risks and amplifying sectoral interdependencies.

A final project, co-sponsored by the *Cambridge Centre for Risk Studies,* offers a four-volume, *The History of Financial Crises (*Critical Concepts in Finance), which was commissioned by Routledge in response to the global financial crisis and the success of Reinhart and Rogoff's *This Time is Different.*

D'Maris Coffman

The Centre not only serves the Cambridge community as one of the seven constituent centres of *Cambridge Finance*, but also participates in the History Faculty's *Economic and Social History* sub-group, where the director offers an MPhil paper on financial history. The *Financial History Seminar Series* (which meets fortnightly in term) is open to the public, but does not run in the Michaelmas term. From Michaelmas 2011, the Centre has participated in the *Core Seminar* in the History Faculty. The Centre also hosts the *Cambridge Finance Weekly Workshop Series* which meets fortnightly in term on Tuesdays at 5pm.

The director, Dr. Coffman, serves on the Council of the Economic History Society. The Centre always welcomes enquiries from postgraduate research students and postdoctoral researchers about affiliating with the centre. Established scholars are welcome to visit the Centre and should enquire about the process for doing so. The Centre has a formal sponsorship scheme with scope for targeted and unrestricted funds and thus welcomes enquiries from financial services firms, central banks and international governance organisations, among others.

To ensure the best possible governance, the Centre for Financial History has both a Management Committee and a scientific Advisory Board. The board consists of Professor Larry Neal, Professor Jonathan Steinberg (University of Pennsylvania), Professor Alberto Quadrio Curzio (of the *Università Cattolica* and *Accademia dei Lincei* in Rome), Dr. William H. Janeway, CBE (Warburg Pincus and the Cambridge Endowment for Research in Finance), Rosalind Gilmore, CB (formerly of HM Treasury), and Dr. Catherine Seville (Vice-Principal, Newnham College).

Europe, 1846: The disastrous grain crop failure that hit France and a number of its neighboring countries, along with the disease commonly known as the potato blight that devastated fields of root vegetables, brought famine to millions of people. Under these circumstances, Russia, that had once again proved its reputation as the 'bread basket' of Europe, was the only source of grain available for West European countries. Therefore, foreign currency, specifically bills denominated in pounds sterling, French francs, Hamburg marks and some in guilders, started to flow heavily into Russia as payments for wheat. Exchanges at the major bread export ports - St. Petersburg and Odessa - were thriving.

However, as early as 1847, crop failures began to affect Russia itself. Grain prices in the domestic market skyrocketed so that Emperor Nicholas I gave an order to the finance minister "to confer with prominent Petersburg grain merchants and see if they could allocate some part of their grain stocks for selling at reasonable prices to the people of the city"[1].

The merchants made a promise to the minister but failed to keep it, as is often the case. The tsar received the report, though, that the population was well-supplied with cheap bread.

Due to the shallow water in the Volga and Sheksna rivers, transportation of grain from the country's interior was discontinued. Thus, capital invested in grain trade was frozen. Eventually, merchants started to demand cash prepayments. Russia's grain exports plummeted. The Saint Petersburg Stock Exchange was facing an acute shortage of foreign bills of exchange. The discount rate on bills began to skyrocket.

In the meantime, the Russian government needed substantial amounts of money to discharge its obligations to foreign countries, primarily to Great Britain.

F. P. Vronchenko[2], the Russian finance minister, highlighted in his 'top secret note' addressed to the tsar on 10 January 1847, that the estimated annual cost of the rail track only, purchased for the construction of the Saint Petersburg-Moscow railroad, totaled about 2.1m silver rubles (around 340 thousand pounds sterling at the up-to-date exchange rate). On top of that, over 500 thousand pounds sterling were payable in London and Amsterdam for the purchase of machinery and equipment, and to the Rothschild banking house for coupon payments on the second 5 per cent interest loan (the loan amount totaling 43m silver rubles, i.e. 7m pounds sterling)[3].

The extraordinary expenses were represented by annual principal and interest payments on the so-called first and second 'Dutch loans' (100.6 m and 42m guilders respectively), averaging 6m guilders (or 3.2m silver rubles)[4].

Under the circumstances, the Russian government was forced to initiate urgent overseas shipments of additional amounts of gold. It should be noted that from 1823 to 1843, there

Franz Kruger - Portrait of Emperor Nicholas I had been an enormous increase in gold mining activities in Russia, generating annually about 16.5 m rubles compared to 1.4 m rubles, i.e. nearly a 12-fold increase over 20 years[5]. Therefore, gold mining in Russia officially generated about 20 tons of gold bars per year.

Though, gold was exported from Russia to England even prior to that (4,640 kg in 1845 and 2,336 kg in 1846)[6], in 1847, the situation - so desperate - required urgent shipments. The situation in the London market made it even more necessary. The Russian government had a reliable business partner abroad - Bank of England - with which it had signed a business cooperation agreement.

On 13 October 1847, Finance minister Vronchenko sent a secret letter, written in his own hand, to Nicholas I: "I have the honour to present to Your Imperial Majesty a report from your obedient servant about the shipment of gold to England, since this matter requires immediate consideration in view of late navigation of the Baltic Sea".[7]

Having read the report, the monarch received

Vroncenko Feodor (1779-1852)

the count as early as the following day. What exactly attracted the emperor's interest?

> "According to the information received here (in Saint Petersburg - *the author's note*) from London, the current critical trade situation in England has caused such an acute shortage of funds on the London Stock Exchange that it is hard to obtain the money at 8 per cent from discounting bills of major banking houses, while one had to pay the annual interest rate of up to 13 per cent to obtain a loan against commodities.
>
> The desperate circumstances make it necessary to receive gold from France, Hamburg and from here as well. However, the amount of gold that can be sent by private persons is insignificant as compared to the considerable needs of monetary circulation in England which is currently highly restrained."[8]

On 14 October 1847, Vronchenko, while delivering his personal report to Nicholas I in Tsarskoye selo (Imperial summer residence - the author's note), proposed:

> "The Bank of England exercises a decisive influence on the cash circulation in England, and its notes are considered as legal tender in the country. However, the Bank, in line with its charter, has the right to issue notes only in quantities commensurate with the amount of gold that secure the given quantity of notes issued. Therefore, an increase in the stocks of gold at the Bank of England would enable the latter to expand the issuance of notes into circulation by means of loans against securities and reliable bills of exchange. Thus, expectedly, interest, which is currently incredibly high in England, will go down, which will contribute to the monetary equilibrium and avert the damage threatening our trade.
>
> There is no danger whatsoever for the funds received after selling the gold since they will be given to the Bank of England for safekeeping, in line with the agreement with the bank to keep the funds until they are used for the purpose intended".[9]

Here are the calculations proving the advantage of the deal for the Russian treasury:

1) Bank of England buys: gold bullions at the fixed price of 3 pounds sterling 17 shillings 9 pence per ounce of gold, while the expenses for gold melting and assaying will be borne by the seller, and gold half-imperials[10] - at the price of 3 pounds sterling 17 shillings 8 pence per ounce of gold of a specified fineness … Freight and insurance costs (which is higher now in autumn than in summer) and banking costs of 1¼ to 1¾ per cent should be excluded from the amount. Eventually, the net proceeds will account for about $37^{31}/_{64}$ pence for a silver ruble.

In line with the agreement reached with the Bank of England, the latter was entrusted with monetary matters pertaining to the activities of the Russian Treasury in England and committed itself to the following: if the price of imperials on the London Exchange is higher than the aforecited price, the imperials should be sold at the exchange price…

2) The cash office of the Credit department (Kreditnaya ekspeditsiya)[11] keeps gold half-imperials totaling up to 5.700,000 gold rubles[12]. And further:

> "Having contemplated the aforecited circumstances, the Finance minister would consider:
>
> Setting aside from the so-called silver reserves fund (that guarantee exchange of credit bank notes for silver) up to 4m gold half-imperial rubles to be delivered by steamboats to the Bank of England in three to four shipments.
>
> The Banking house of Baron Stieglitz should be secretly vested with the assignment to handle the shipping and insurance of this gold."[13]

The emperor was laconic. "To be executed", - he wrote.

Simple computations show a rough estimate of the total weight of the coins as 5235 kg. According to the available documents, as early as 14 November 1847, "…pursuant to the aforecited, the above-mentioned gold was shipped by three steamboats".[14]

However, regardless of all the precautionary measures taken, even before Russian Ambassador Baron F. I. Brunnow received instructions as regards the use of the money gained from selling the gold, the rumour of the expected shipping of gold from Saint Petersburg had already gone round in London".[15] As Russian diplomats had assumed, "… since insurance of the gold shipped by the banking house Stieglitz & Co was entrusted to Mollet[16], the London agent of this banking house, this measure could not be left out by merchants".[17]

Eventually, having shown the essential self-possession and a strong sense of business acumen, Baron Brunnow managed not only to effect the necessary payments in 1847 through the Bank of England but to purchase highly liquid Exchequer bills on favourable terms, on the money gained from selling "… half-imperials worth 4.000,000 gold rubles or 4.120,000 silver rubles."[18] As early as 21 November 1847, Nicholas I received a report about the successful completion of the transaction with the Bank of England.

A.L. Stieglitz

However, the revolution breaking out at that moment in Western European countries, primarily in France, dramatically exacerbated the situation on financial markets, thus disrupting regular trade processes. In Russia, there appeared an immediate lack of payment instruments denominated in foreign currency, which caused a decline in the ruble exchange rate. "... The lack of funds was so severe that no banking house in Paris was reliable enough, even to effect a minor payment". "On the local Exchange (Saint Petersburg Exchange - *the author's note*) the value of bill transfers does not exceed several thousand pounds sterling per week and credit has completely ceased to exist", - as specified in one of the reports of the Special Chancellery of the Ministry of Finance on credit issues.[19]

The situation in Russia had dramatically deteriorated due to the epidemic of cholera which resulted once again in the decline of export proceeds, primarily wheat export proceeds. Russian exports in 1848 hardly exceeded 100m silver rubles, i.e. a decline of 61.5m silver rubles (about 10 m pounds sterling) compared to 1847.[20]

F. Brunnow

As early as 12 March 1848, Vronchenko was compelled to report to the emperor:

> "The banking house Steiglitz & Co. informs the Finance Minister that with the growing intricacy of the situation in Europe, foreign bills of exchange are rather rare on the local Exchange. Along with that, the exchange rates have gone so low that as soon as the navigation opens the first ships will dispatch large amounts of gold from here since it will generate profits of 3 to 4 per cent at the current exchange rates, even in view of the insurance premium, which will most probably be rather high in these uncertain times; gold should be shipped primarily to London since the price for gold is fixed there, and the London exchange ensures more security. In these difficult circumstances, which could have particularly serious consequences, the banking house Stieglitz & Co. strongly urge you to transfer here the available cash kept by the Finance Ministry in the Bank of England, which would greatly contribute to merchants' trade by transferring bills of exchange to London. Moreover, the transfer of cash could be made at a very good rate. However, the major benefit from the measure taken would be the prevention of withdrawal of large amounts of coins from the country, otherwise inevitable, which no other means could suppress without restraining the trade".[21]

In the circumstances, primarily to prevent the uncontrolled transfer of gold, the Finance Minister proposed that, "…the amount of up to 200,000 pounds sterling, or up to 1.300,000 silver rubles, at the current exchange rates, from the available cash kept by the Finance Ministry in the Bank of England"[22] should be transferred to Russia.

According to the secret note dated 11 March 1848, "The Bank of England currently holds the available cash in the Exchequer bills with the total value of about 268,000 pounds sterling, which is roughly 1 738,000 silver rubles".[23]

And, although commercially, this transaction was hardly profitable (the losses accounted for about 1.75 per cent), the Russian authorities were compelled to enter into the transaction "to maintain the exchange rates and prevent significant transfer of gold"[24]. In the end, only 600,000 silver rubles (more precisely, 90,857 pounds sterling 14 shillings 11 pence), out of the previously proposed 1.3 m silver rubles, were transferred from London, which was sufficient to temporarily stabilise the situation.[25]

However, payments were due to start soon under the contracts (as of 11 April 1848, their total value estimated as 4.5 m silver rubles)[26]. Therefore, a total of 750,000 gold rubles was transferred to the Bank of England by a British steamship to replenish foreign funds".[27]

The situation grew so tense that on 27 April 1848 transfer of gold or silver coins from Russia was declared officially banned (the ban was lifted only on 1 December 1849).

In order to maintain the exchange rates on the Stock Exchange, the government was compelled to transfer once again a total of 150,000 pounds sterling (about 975,000 silver rubles)[28] from the Bank of England to Saint Petersburg, with a view to preventing further depreciation of the ruble.

Apparently, in order to replenish the account with the Bank of England and due to the sharp increase in the expenses abroad (currently estimated as 8m silver rubles per year)[29] the decision was taken about the shipment of gold bullions, with the total weight of 150 poods (2400 kg. 1 Russian pood is a unit of mass equal to 16 kilograms - *the author's note*) and value of about 2m silver rubles, to London. Gold transfer had an advantage of 8.5 per cent over bills transfer.[30] Freight and insurance costs of private ships were covered by the Treasury.

However, extraordinary expenses abroad[31] were growing so rapidly that as early as July 1848, it became clear that a total of 2.111,600 silver rubles derived from the sale of 150 poods (2,400 kg) of gold proved hardly sufficient. The most conservative estimates showed a shortage of 4.6 m silver rubles,[32] even provided that the French government, despite the revolutionary disturbances, would discharge its obligations in full to pay back interest on the rent worth 50m francs purchased by Russia.

> "Since the profit derived from the transfer of gold to England for sale, at the current London exchange rate, is 4½ per cent higher as compared to the transfer of funds by means of bills of exchange, we suggest shipping gold bullions, with the total weight of about 350 poods (5,600 kg) and value of 4,900.000 silver rubles, to the Bank of England by private steamboats while instructing the banking house of Baron Stieglitz, in line with the accepted practice, to arrange the shipment and insurance of gold, with freight, insurance and other types of costs pertaining to this transaction covered by the State Treasury", - said the secret report from the Finance Ministry to the emperor.[33]

On 2 July 1848, Nicholas I authorised the transaction with the Bank of England.

There was more to that than meets the eye, however. Therefore, certain changes had to be introduced during the implementation of the project. The fact is that a total of about 2.5 m guilders (1.35 m silver rubles) were payable in Holland by 1 September 1848, to discharge the obligations on the previously made loans.[34] These funds could be derived only by drawing bills of exchange in London and making them payable in Amsterdam.

In this situation, the Russian Finance Ministry reckoned that "the costs of shipping the gold to Amsterdam either through London, Lubeck, or Hamburg are higher than those of shipping the gold to London by about 3/4 per cent, given that there was no direct shipping between Saint Petersburg and Amsterdam".[35]

Moreover, it appeared that "…there was no other way to deliver the previously proposed 1.350,000 silver rubles from London to Amsterdam but to draw those on the Bank of

England by means of selling, on the Amsterdam Exchange, bills of exchange drawn on the above-mentioned bank, which does not effect transfers to cities outside England, and that the transfer of such a significant amount of money in a short time could run into difficulties on the Amsterdam Exchange".[36]

Under the existing circumstances, the decision was taken to arrange the shipment of gold bullions with the total weight of 100 poods/1600 kg (out of the previously proposed 350 poods) directly to Amsterdam and authorise the banking house Hope & Co. to sell the gold (its value roughly estimated as 1.4 m silver rubles). The gold was shipped by private steamboats, while the firm owned by A. L. Stieglitz was to insure the cargo.[37]

As far as is known, the Bank of England had shown itself at its best and fulfilled in full its obligations to sell gold at a profit, in the best interests of Russia. Thus, along with the reputation of the so-called 'bread basket', Russia was gradually acquiring the status of a major gold market player in Europe. To date, the gold reserves held by the Bank of Russia have been quite substantial.

Sergey V. Tatarinov
Bank of Russia
Director of International and
Public Relations Department

Author at the Archive of the Bank of England

Endnotes

1. I.S. Bliokh. Russia's Finances: 19th century. History - statistics. In 4 volumes. Saint Petersburg. Printing works of M.M. Stasyulevich, Vasilyevskiy Island, line 2, 7. 1882. Vol. 1. P. 261.
2. F. P. *Vronchenko* (1779-1852) - count, Actual privy counselor, Secretary of State of His Imperial Majesty, Finance Minister of Russia in 1844-1852.
3. I.S. Bliokh. Russia's Finances: 19th century. Vol. 1. P. 150.
4. Russian State Historical Archives (RSHA), F. 583. Op. 4. D. 242. L. 17-50.
5. I.S. Bliokh. Russia's Finances: 19th century. Vol. 1. P. 238.
6. RSHA. P. 267.
7. RSHA. F. 583. Op. 4. D. 242. L. 431.
8. RSHA. L. 432-433.
9. RSHA. L. 434-435.
10. Half Imperial - Russian 5-ruble gold coin minted in 1755 -1897. From 1817 to 1885 г. - 917 gold fineness, fine gold content - 6 g (total weight - 6,54 g).
11. Government credit bills Department (Kreditnaya Ekspeditsiya) - an institution within the Finance ministry intended for issuing and discounting government bills of credit, and exchange of banknotes. Established on 1 June 1843, closed (officially integrated into The State Bank and re-established as Credit Bills Office of the State bank) by the decree of 31 May 1860.
12. RSHA. F. 583. Op. 4. D. 242. L. 439-440.
13. RSHA. L. 484.
14. RSHA. L. 484.
15. RSHA. L. 485-486.
16. G. Mollet - trading agent of the Banking house of A.L. Stieglitz.
17. RSHA. F. 583. Op. 4. D. 242. L. 486-486.
18. RSHA. L. 516.
19. RSHA. F. 583. Op. 4. D. 243. L. 247-248.
20. I.S. Bliokh. Russia's Finances: 19th century. Vol. 1. P. 268.
21. RSHA. F. 583. Op. 4. D. 243. L. 180-181.
22. RSHA. L. 182-182.
23. RSHA. L. 183.
24. RSHA. L. 249-249.
25. RSHA. L. 280-280.
26. RSHA. L. 257.
27. RSHA. L. 258.
28. RSHA. L. 281.
29. RSHA. L. 269.
30. RSHA. L. 270-270.
31. Specifically, the 1848 revolution in Hungary and the preparation of Russian military forces to be sent there in 1849, proved quite costly. A total of about 42 m silver rubles (i.e. about 7 m pounds sterling) was spent on the military operation in Hungary alone. - I.S. Bliokh. Russia's Finances: 19th century. Vol. 1. P. 271.
32. RSHA. F. 583. Op. 4. D. 243. L. 344.
33. RSHA. L. 345-345.
34. RSHA. L. 357-357.
35. RSHA. L. 357-358.
36. RSHA. L. 358-358.
37. RSHA. L. 359.

The *Banque de France*'s Organisation and Governance under War and German Occupation (1939-1945)

The Banque de France was founded in 1800 by Napoleon Bonaparte, First Consul since the 1799's *coup d'état* and who later became Emperor in 1804. The institution, whose activity was essentially located in Paris, was charged with the issue of banknotes on the counterpart of bills of exchange (Leclerc, 2010). Progressively, its privilege of issuing was extended to the whole national territory, following regular reviews over the years. On these occasions of negotiations with the Bank on the matter of privilege extension, the State tried to reinforce its influence on the institution in two main ways: First, the Bank had to accept new and sometimes complex loan mechanisms that exacerbated its position of Treasury financer and bank of the State. Second, the State ordered the Bank to establish numerous branches in cities of different sizes, in order to increase the proportion of Treasury charges assumed by the Bank. A turning point in the history of the issuing French bank occurred in 1936 when the government of the Popular Front decided to aggressively reform the functioning of the institution. The capital of the Bank remained with private shareholders, but these were largely eliminated from the General Council, substituted by members designated by the government or representing public institutions. This reform was coherent with the institution's evolution, particularly since the First World War. Indeed, the Bank had indubitably become the bank of the State, allowing the State some advances and providing services for the Treasury (holding of the bank account, cashier operations, investment of Treasury bonds, etc.). Besides these activities, the *Banque de France* also retained its commercial activity, practising direct accounting, even if this activity was in decline.

From 1940 to 1944, France was occupied by Germany, which also controlled administratively a part of the French territory until 1942 and then the whole country from 1942 with the end of the non-occupied zone. During this time, the German authorities were often seconded by the French government of Vichy. Many research works have analysed the economic consequences of occupation and the design of the French financial system - including the role of the *Banque de France* (Andrieu, 1990), during this period. Our aim is however a bit different: In the framework of our global research[1], we propose to analyse the impact of that period on the organisation and governance of the central bank.

As a financial institution strongly placed, as we have seen, in the State's hands by the Popular Front's reform of its status in 1936, the central bank was confronted with many a problem regarding its organisation and governance during the war and occupation period, from 1939 to 1945. Before the Armistice between Hitler and Marshall Pétain (Head of State under Vichy regime), the Bank had been concerned with the evacuation process, both from its Parisian departments and from its numerous branches in provinces. For instance, there was the challenge of maintaining branches opened and active during the war, arguably important for local economic activity. But the highest stake for the institution was its dealings with the authorities in power after the summer 1940. Indeed, during the occupation, the Bank received instructions both from the German authorities and from the French Vichy government, regarding its organisation and internal affairs. The racist legislation decided by the French government impacted the central bank's staff, as well as the requisitions of workforce to Germany and the detention of some of its employees. How did the *Banque de France* manage to maintain an efficient organisation within a war and occupation context? What was its attitude toward the German and French legal measures and how did these measures impact its employees - especially the presumed Jewish ones? What were the Bank's relations with the French government of Vichy and the German authorities, which had nominated a legal representative for each of the Parisian offices of the institution? The answers to all these questions could allow us a better understanding of the central bank's role and interactions in these so-called 'dark years' (Azéma, 1993), analysed through the triple prism of its structures, staff and governance.

Thus, the aim of this paper is to show how the *Banque de France* tried, in that delicate period, to protect and preserve itself (its structures, its employees, its governance) against both German and French governments determined to increase their power inside the institution. In its attempt to keep its autonomy, the Bank tried to resist the movement of State intervention in the Bank's affairs active since 1936. At the same time, the Bank tried to preserve the national character of the institution, refusing German interferences in its internal affairs.

Structures: the Great Relocation

When the war was officially declared on 3 September 1939, a part of the Bank's workforce was called to duty in the military forces. Thus, the institution was deprived of a part of its human resources at a time of increasing complexity with regards its role and activities. For this reason, the Bank adopted some emergency measures concerning its staff, calling back some of its retired employees to handle the increase in activity due to the war, both in the Parisians departments and in the more than 250 branches across its national territory. These had become strategic for the preservation of the central bank's activity. They had a key role in preserving the circulation of banknotes and the economic liquidity. That is why the Bank undertook a system of surveys in the border zones, in order to be devise an efficient emergency plan. As a result, twelve geographic sectors were created and each placed under the direction of a Bank's inspector - the most prestigious administrative body of the institution, placed directly under the governor's authority. Their role was to coordinate the activities of these branches and if necessary, to activate and organise a coordinated evacuation plan. During the war, the evacuation process was employed for many branches as the German troops advanced. The directors' task was to continue activity until the last possible moment, while ensuring security. Where there were no other alternative than evacuation, they must secure cash reserves and organise the evacuation, or even destroy it to prevent its capture by the enemy. The war also brought about new tasks for the central bank, which required further reorganisation.

The Exchange Office

The declaration of war immediately activated the creation of an Exchange Office, of which the Bank must take charge. This had been prepared a few years previously, as the Bank of England had already created such an entity (Hennessy, 1992). This Exchange Office handled the currency monopoly instituted by the government and had to control the interdiction of capital exportation. The *Banque de France* had to ensure very close control of capital flows from September 1939 through to the end of the war. Gold movements were particularly well-monitored because they were subject to a prior authorisation by the *Banque de France*. The Office was installed in the premises of the Bank's Parisian office - a kind of Parisian branch - on boulevard *Malesherbes* and its direction was given to Louis Sébilleau, general inspector of the *Banque de France* since 1932. But its organisation represented significant extra work for the Bank, which had to call back some of its retired staff, to redeploy some employees from its other departments and make a large appeal to the feminine workforce to execute many ma-

terial works and hold the registers.
In a few days, the Office was operational, and instructions had been given to the Bank's branches in order that they could implement the new measures on a local scale. The workforce requirements to run the administrative machine were great indeed; clearly, the Exchange Office had to implement an important recruitment drive, which was complicated by the necessity to find experienced and top-quality staff, considering the sensitivity of the Office's activities. Indeed, the sensitive nature of its activity made "the establishment of a work relationship based on confidence essential" (Feiertag, 2007) for central banks. This particular situation caused the institution to recruit in a derogative way; new employees were recruited directly and on a temporary basis by the Exchange Office and not by the *Banque de France*, thus allowing the Bank to by-pass the usual constraints of Bank staff status (age, required diplomas, etc.) and dispositions (lifetime employment, social benefits, etc.) Other public or semi-public institutions, such as the *Caisse des Dépôts et Consignations* (Grelard, 2001), had recourse to the same arrangements. However, there arose the problem - underlined by the trade-unions - of the coexistence, in the same department, of employees of different status who had to assume the same tasks at the same level of responsibility without the same benefits. That was unprecedented in the recent history of the *Banque de France* and accepted by trade-unions only with strong reserves sweetened by the war preoccupation. The preoccupation led the Bank to begin preparations for a large-scale relocation of numerous services for security reasons, and would also help protect the Bank's organisation and internal administration from the German influence, once they established themselves in Paris.

Services	Employees	Destination
Governor's office	6	Châtelguyon
General Secretary: administrative service	8	Châtelguyon
General Secretary's office	6	Paris branch
Social service	7	Bordeaux
Health insurance service	9	Bordeaux
Foods Commission (Without Paris)	56	Bordeaux
Real estate provident society	4	Bordeaux
Banknotes accounting	28	Chamalières
Real estate service	55	Bordeaux
Direction of Securities	827	Poitiers, Angoulême, Châtelguyon, Vichy.
Direction of Portfolio (without Paris)	144	Limoges
Current accounts	47	Bordeaux & Châtelguyon (account of the Treasury)
Banks accounts	49	Châtelguyon
General cashier	594	Succursale Paris
Direction of Discount	83	Châtelguyon
Direction of Foreign banking service	71	Châtelguyon
Direction of Staff	65	Bordeaux (directeur & cabinet in Châtelguyon - 6)
Banknotes manufacturing –Paris studios	74	Chamalières

Table 1: Withdrawal plan defined of the Banque de France in November 1938

The Withdrawal in Chamalières

The other departments of the Bank had been prepared for several months for the eventuality of an evacuation, in the case of a quick and decisive German military advance threatening security for premises, employees and the pursuit of its missions. A large part of the reserves had therefore already been evacuated. At the beginning of the war, many executive departments and services that did not have to be based in Paris had been evacuated to more southern locations. Sometimes several branches were grouped together, as was the case with the Securities department, one of the more traditional departments of the central bank, created in 1902 mainly to conserve securities and manage deposits and Stock Exchange orders. As of 1 April 1939, 827 of the 920 employees of this department had been affected by this withdrawal.
With regards to the Parisian departments of the Bank, the evacuation plan elaborated by the General Secretary department distinguished three different levels of services to evacuate. The first one included all the executive services, easily movable and for which there was no necessity to stay in Paris in wartime. These services were designated to be moved to branches

of the Bank, in particular in Bordeaux, which was a potential location for withdrawal for many other administrative and government services.
The second level included all the services and departments that needed to stay close to the governor. It was important, indeed, to ensure that the governor retained a high-level of information, both in term of speed and quality. These departments were designated to be located in an area near the city of Chamalières (urban area of Clermont-Ferrand), where the *Banque de France*'s Printing office had been established since the end of the First World War and where the *Banque de France* decided to transfer its Head office at the beginning of the war, in order to ensure the Banque remain administratively dependent of German authorities - at least until the end of the non-occupied zone in 1942. Especially, the Exchange Office and its affiliated services were destined to be located in the city of Chatelguyon (also in the urban area of Clermont-Ferrand), presumed to be the financial centre of occupied France and where many commercial banks had decided to transfer their own Head offices, including the Crédit Lyonnais (Desjardins & al, 2005) or Société générale (Verheyde, 2011).
Finally, the third level constituted all the departments and services to stay in Paris, in the new 'Paris branch', renamed so because of the transfer of the Head office to Chamalières. The government of the Bank and the General Secretary - responsible for the internal administration of the institution - were supposed to follow the Head Office in Chamalières. The representation of the Bank in the new Paris branch was entrusted to the General Controller, Henri de Bletterie. The tactics adopted by the *Banque de France* did not much differ from other central banks in a similar situation. The *Banque Nationale de Belgique,* for example, evacuated many of its departments - and an important part of its gold reserves - with some *Banque de France*'s branches in southern France, before the Head Office was transferred to London to join the Belgian government after the French-German armistice (Van der Wee & Verbreyt, 2009). In addition to relocating departments and services, the institution had to ensure decent working and living conditions for relocated employees in these new areas.

Organising Life and Work in Delocalised Services

The new decentralised organisation caused many problems with regards providing evacuated employees of the Bank and their families with everything they needed. Chatelguyon, which was the city welcoming the largest number of departments and employees, had been chosen on account of it being a spa city. Thus, it provided a high number of hotels and accommodation options, though the Bank still experienced numerous problems, particularly in negotiating fees with the owners. Yet it remained a small town unprepared for playing host to the national financial centre. Jacques Rueff, vice-governor of the *Banque de France*, revealed in his memoirs that he spent a great deal of time in solving the numerous problems associated with the withdrawal to Chatelguyon (Rueff, 1977). For instance, from November 1939 onwards, some inspectors of the Banque de France were specifically charged with the task of finding and providing premises for the withdrawal of several departments that also provided employees and their families decent conditions of living. To facilitate this with decent, the Bank differentiated between the statutory staff and the staff newly recruited for the Exchange Office, the latter of which were not supported in the relocation of their family. This represented a second poignant difference between employees with staff status and those without.
Thus, the *Banque de France* quickly reacted to the 'Collapse', helped by the plans that had been prepared upstream. Institution life was recreated around the urban area of Clermont-Ferrand, where the Bank had built its fiduciary printing department in 1919. Facing competition

from many other companies and administrative bodies, the Bank put energy into requisitioning premises for its offices and to accommodate its employees. At the same time, the Bank had to organise and decide hour by hour, based on the progression of the German troops, whether to evacuate any one of its 250 branches or not. Indeed, the Bank tried to maintain local activities as long as possible in order to provide facilities to provincial economies. After the armistice, the German authorities insisted that the Bank should reopen as quickly as possible its closed and evacuated branches. They needed the central bank to maintain the functioning of the financial system, as a relay to the *Reichskreditkassen* system installed by the occupant. The Bank accepted to do so, but always took the specific security conditions of the location into account before doing so. Simultaneously, noting the new political context introduced by the armistice, the Bank progressively reduced its decentralised organisation, returning some departments to Paris and gradually closing the Chatelguyon's centre, which cost a lot to maintain. In the summer of 1941, a large part of the services located in Chatelguyon were reintegrated in Paris or were transferred again and grouped together in Chamalières. Most of the administrative services and commercial banks, which had also been transferred to Chatelguyon, had already done the same a year before, at the end of the summer 1940 (Desjardin & al., 2005). However, the Bank decided to keep its Head Office in Chamalières and the non-occupied zone, to signify the exceptional character of this war situation. Relations between German and French authorities would enter more problems, however, with the new racist legislation of 1941 that impacted the *Banque de France*'s employees and tested the management of the institution.

Staff: to Hand Over or to Protect?

If the economic attitude of the *Banque de France* under the Occupation period has been well studied (Margairaz, 2002), no work exists on internal life of the institution during this period. Our aim is thus original. We intend to focus on the consequences of the new order on the internal human management of the central bank. The institution, as with the whole administration, followed the legal government policy of Vichy. However, it indubitably adopted a "minimal kind of collaboration […] compulsory for the French administrative authorities" (Baruch, 1997).

But at the same time, the Bank also tried to preserve its autonomy from the German authorities. Thus, our aim is to observe how the racist and anti-Semite Vichy legislation were applied at the *Banque de France*. How could the institution protect itself and its employees from the administrative measures that treated them, especially on a racial level?

Facing Vichy and German Racist Orders

The first anti-Semite measure adopted by the Vichy government was the first *Statut des Juifs* on 3 October 1940. This new act had only a few consequences for the *Banque de France*, contrarily to the second *Statut des Juifs* voted in in June 1941. Nevertheless, it provoked the dismissal of its vice-governor, Jacques Rueff[2], (who covered this event only extremely briefly in his later memoirs), was a close friend of Marshall Pétain (Pétain was his daughter's godfather and have been a witness at his marriage). Whether or not the case of Rueff is relevant, the *Banque de France*'s staff was certainly more impacted by the next anti-Semite measure.

A few weeks before the second *Statut des Juifs* in June 1941, the German authorities published an order forbidding presumed Jewish people to exercise some professional activities. All senior and supervisory functions were included, as well as all functions inferring relations with public or clientele. Thus, the General Secretary department, which was the department of internal affairs of the central bank, asked all services and departments to find other functions for those employees who could be affected by this order. But the *Banque de France* refused to dismiss its presumed Jewish employees and affirmed its willingness to apply the law, but nothing more than the law. "We don't want to increase the rigor of laws and, in particular, we want to avoid dismissing Jews when the law does not impose it", wrote Vice-governor René Villard in a note on 10 October 1941.[3]

Nevertheless, the limitations inferred by the second *Statut des Juifs* were stricter being applicable to all those who occupied a job with public relations or supervisory functions, and therefore affecting a much larger number of employees. In order to limit the consequences of this measure, the government of the *Banque de France* decided to interpret the text in a restrictive way, pretending to be unqualified to determine which category of functions were 'superiors', the term used by the legislator. The goal was to absolutely avoid having to dismiss some presumed Jewish employees, as described in the vice-governor instructions: "For the Jewish agents actually in service, we shall continue to make individual decisions which, while pushing aside their dismissal, will put us in conformity with the French law and - for the occupied zone - with the German prescriptions".[4] Following its own interpretation of the legislative texts, only 10 of its employees could be considered as Jewish, only three of which were in supervisory functions. This was few compared to the 9788 people employed by the Bank in 1939. The percentage was also minor in comparison to comparable institutions, such as the *Caisse des Dépôts*, which declared 23 Jewish employees out of a total of 2800 (Algan, Margairaz & Verheyde, 2003). Those employees who exercised functions in public relations were not to be dismissed, rather they were moved to another service, without relations with either the public or clientele.[5] For the three senior executives who were considered as Jewish, they were dismissed by the *Banque de France.* Though all three had considered resigning by themselves, two of them qualified for a retirement plan and thus could quit the Bank with a legal procedure and indemnity, and for the third executive, Serge Kogan, though he should have left without any financial compensation because he had not been long enough in the Bank to qualify for the retirement plan, to facilitate his departure, the General Council of the *Banque de France* awarded him an exceptional allocation - traditionally devoted for those who leave the Bank for involuntary reasons. That was, indeed, the case of Serge Kogan who left the institution because of the evolution of the legislation. Respecting the racial law promoted by the government, and facing the impossibility to avoid Kogan's dismiss, the Bank nevertheless chose to sweeten its employee's forced departure with financial compensation.

In a similar strategy, the central bank refused to dismiss its employees considered as Jewish who would be prisoners, considering that, because of their condition, they could not exercise any functions, so the law did not impose their dismissal. Thus, the *Banque de France* respected the Vichy and German prescriptions but tried to limit their effects on its employees. Indeed, the Bank refused to complete and send any nominative listing of its employees required by the French or German administration, and asked all its branches to declare itself unable to do so. Indeed, some branches, such as Toulouse or Limoges, were approached by the French administrative Work Inspection.[6] Ultimately though the time came, in September 1942, that the Banque de France was confronted with a far greater problem, potentially concerning a wider range of its staff; the Compulsory Work Service (*Service du Travail Obligatoire, STO*), which requisitioned workers to be sent to work in German industries.

Requisitioned Workforce and Prisoners

As it did for its presumed Jewish employees, the *Banque de France* and its branches decided to refuse to establish nominative and numeral listings of its personnel. The central bank also tried to obtain, through the French government, a derogation on account of the sensitivity of its tasks and the assimilation of the central bank to the administration. This derogation was accepted[7], but the workforce requisition progressively surpassed it. Thus, approximately 450 employees were requisitioned between September 1942 and February 1943. When the *Banque de France* could not prevent the requisition of its staff, it instead tried to limit the effect of these measures. For instance, it repeatedly intervened with the public authorities or 'red tape'. When this strategy was not effective, the Bank organised the monthly sending of food parcels for its prisoners and requisitioned employees, or refused to dismiss those employees who deserted.

The members of the Bank's staff who had been taken as prisoners, most of which had been captured between winter 1939 and spring 1940, still remained in Germany in 1942. Their positions therefore remained unfilled at the Bank office. Facing the difficulty of recruiting a temporary staff for the Exchange Office as we have already said, the *Banque de France* wrote to the French Embassy in Germany to request the return of its employees, arguing the specificity of the tasks assumed by the institution (credit distribution, fiduciary circulation, etc.).[8]

Despite this initiative, the *Banque de France'*s employees remained in prison until the end of the war. Even more serious was a series of arrests of high-ranking official in August 1943, among whom were three members of the Bank's General Council: Adéodat Boissart, Jacques Brunet and Wilfrid Baumgartner (Feiertag, 2006). Though Brunet - director of the Treasury department - was immediately released, Boissart and Baumgartner remained prisoners until 1945. These events thus complicated the governance of the institution, already manhandled since the beginning of the war, by reducing the number of members of the General Council from 11 to nine.

Banque de France's staff prisoner in Germany	Officers	Non-officers	Total
Staff from offices, including 2 Inspectors and 26 supervising staff.	71	140	211
Staff from Cash-desks	3	112	115
Service staff	0	65	65
Workers from Banknotes manufacturing	0	85	85
TOTAL	74	402	476

Table 2: Banque de France's Staff Prisoner in Germany

<u>*Governance: Which Autonomy?*</u>

Immediately after having conquered Paris, the German authorities decided to nominate a representative commissioner at the Banque de France (*Deutsche Kommissar bei der Bank von Frankreich*). Carl Schaeffer, an executive of the *Reichsbank* (the German central bank leaded by Hjalmar Schacht), who was previously employed at the Bank of Danzig (Aly, 2005), was thus nominated and arrived at the Banque de France in July 1940. Helmuth Jobst, also director at the Reichsbank, assisted him.

Carl Schaeffer, the German inside the Banque de France

Carl Schaeffer represented the German occupation inside the institution in its Parisian offices. But, following the armistice convention, his power could only be exercised within the occupied zone, at least until 1942 and the end of the two-zones schema. Thus, the transfer of the Head Office of the central bank to Chamalières and the non-occupied zone severely restricted his influence. This was the reason why the responsibilities of Carl Schaeffer gave rise to long negotiations between the German authorities, the *Banque de France* and the government of Vichy. A compromise was found in October 1940, which allowed Schaeffer to supervise all the *Banque de France*'s operations - in both occupied and non-occupied zone - but without being able to stop them. He was particularly interested, in fact, in the monetary and economic exchanges between France and other countries, especially with regards to the gold question (Manas, 2013). For any foreign operations of the central bank, he could use his veto. On the other hand, though he could give advice to the General Council, it was not forced to follow them, thanks to an approximate translation of the German text fixing Schaeffer's responsibilities. During this period, his salary was paid by the Reichbank, but the *Banque de France* had to pay his expenses, assimilated to the occupation fees due by France. Thus, different types of documents were provided to Schaeffer for information, but he intervened little in the organisation of the *Banque de France*. For instance, he could not attend the meetings of the General Council and never directly met the governor, if we trust the records of the bank, written after the War. Indeed, the Bank took advantage of a translation divergence to restrict Schaeffer's influence:

The translation is based on the French version of the 17 May letter, from the President of the French delegation for economic affairs to the President of the German delegation. This French text stipulates that "certain measures and operations of the Bank to be determined could be realised only if the German representative has been present", whereas the German text says "*in benehmen*", which means "in cooperation with". The Governor told Schaeffer that the French text must prevail, that the German commission had been advised of it and it cannot be contested.

Consequently, the German representative was to be heard and his observations, as far as possible, were taken into consideration, but it was the Bank who had the final say.[9]

This is the main reason why it seems Carl Schaeffer did not have a high level of influence on the Bank during the occupation, and particularly in the internal affairs. He simply asked the government of the Bank to modify certain terms in some public documents, such as the annual report, which he considered to be critical about the consequences of the German occupation, and he asked the Bank to limit its comments to a strictly economic context. But the German representative was not the only influence exercised on the institution during the war and occupation. The Vichy government also tried to extend its power over the central bank's administration.

Vichy's Hand on the Banque de France

If the German authorities tried, in the summer of 1940, to control the Banque de France, the French government of Vichy did the same. By a decree taken on 31 August 1940, the Minister of Finance, Yves Bouthillier, discharged the governor Pierre Fournier and decided to name Yves Bréart de Boisanger as his replacement. Boisanger, who came from the Finances Inspection body, had been, a little earlier, named president of the French armistice commission of Wiesbaden for economic matters. At the same time, René Villard, after a brief experience in Pétain's cabinet, was named first vice-governor, with Jacques Rueff remaining second vice-governor in negation of the traditional use and formal order following which the first nominated became first vice-governor and the last nominated became the second vice-governor. The government might thus prepare Rueff's departure. Indeed, as we seen, Rueff was then dismissed, so we must interpret these events in this way.

The nomination of Boisanger instead of Fournier caused, during the following meeting of the General Council, the resignation of the three Censors of the Bank, elected by the shareholders to represent them in this assembly and who intended to protest against Fournier's eviction. In a declaration read by one of them, they supported Fournier and explicitly criticised the Minister of Finance:

> "In the current tragic period, it is a duty for a government to keep at the head of what should have been the most important of its institutions, one of his biggest servants. […] There is, in such period as the one we cross, hostilities which honour those who are the

> object. […] In these conditions, we are determined to mark our deep disapproval against the decision which deprives the *Banque de France* of his governor."[10]

On the insistence of Fournier himself, who said he wanted to protect the institution from political influences, two of them would finally announce their intention to continue to sit in the General Council.

This episode could, in a way, sum up the Banque de France's attitude during the occupation. Dismissed by the government, the governor Fournier himself legitimated obedience and neutrality of the Bank to the new power, refusing any resistance of its orders and defining, implicitly, the policy that would be adopted by the Bank during the occupation period. Within the intimacy of the General Council, the expression of some disagreement on the delicate question of the State's advances, which faced the exaggerated payments of the occupation fees (Margairaz, 2002), were not suppressed. Despite these occasional tensions, the *Banque de France* led the only policy it seemed possible to lead: to accompany the government's economic policy and try to encourage economic activity. During this period, the Bank observed absolute neutrality on political matters, as is revealed by the technical reports emitted by the Bank and the records of its General Council. Such an attitude is not so strange: it was adopted by similar institutions whose role, even before the war began, was not to intervene in political matters (Baruch, 2003). However, the General Council, the deliberation body of the Bank, was remodeled by Vichy in 1940.

Managing the General Council

In an act passed in November 1940, the Vichy government reorganised the composition of the

Seat	Name	Function
1st seat of Councillor	Jacques LEMAIGRE-DUBREUIL	Elected by the Shareholders Assembly
2nd seat of Councillor	Édouard DUHEM	Elected by the Shareholders Assembly
3rd seat of Councillor	Jules GAUTIER	Appointed by the National Economic Council
4th seat of Councillor	André JOIN-LAMBERT	Appointed by Commission of Savings banks
5th seat of Councillor	René LUCHE	Elected by the Staff
6th seat of Councillor	Georges GAUSSEL	Representing the National Federation of consumers' cooperatives.
7th seat of Councillor	Georges GRANDADAM	Repres. the National Confederation of Craft industry
8th seat of Councillor	Pierre-Ernest DALBOUZE	Repres. Presidents' Assembly of Chambers of Commerce.
9th seat of Councillor	Léon JOUHAUX	Repres. the CGT (trade-union)
10th seat of Councillor	Henri DECAULT	Repres. the Presidents Assembly of Chambers of Agriculture.
11th seat of Councillor	Georges MAUS	Repres. the commercial sections of the CNE.
12th seat of Councillor	André FOURGEAUD	Repres. the Minister of Finances
13th seat of Councillor	Francis MILLION	Repres. Minister of National economy
14th seat of Councillor	Louis MÉRAT	Repres. Minister of Colonies
15th seat of Councillor Ex-officio member	Henri CHARDON	Président of the financial section of the Conseil d'État
16ème seat of Councillor Ex-officio member	Wilfrid BAUMGARTNER	Director of Treasury
17ème seat of Councillor Ex-officio member	Henri DEROY	Director of the Caisse des dépôts et consignations
18ème seat of Councillor Ex-officio member	Roger GUÉRIN	Governor of the Crédit foncier de France
19th seat of Councillor Ex-officio member	Louis MARTIN	Président of Crédit national
20th seat of Councillor Ex-officio member	Louis TARDY	Director of the Caisse Nationale de Crédit agricole
1st seat of Censor	Gaston BASSOT	Elected by the Shareholders Assembly
2nd seat of Censor	Georges BAUGNIES	Elected by the Shareholders Assembly
3rd seat de Censor	Louis de MARCHÉVILLE	Elected by the Shareholders Assembly

Table 3: The General Council's Composition after the 1936 Reform

Seat	Name	Functions
1st seat of Councillor	Jacques CHARLES-LAURENT	Elected by the Shareholders Assembly
2nd seat of Councillor	Pierre CAILLAUX	Elected by the Shareholders Assembly
3rd seat of Councillor	Jacques GUERLAIN	Elected by the Shareholders Assembly
4th seat of Councillor	Georges GAUSSEL	Representing business
5th seat of Councillor	Henry MOREL-JOURNEL	Representing industry
6th seat of Councillor	Georges GUILLEMOT	Representing agriculture
7th seat of Councillor	Paul GARNIER	Representing agriculture
8th seat of Councillor Ex-officio member	Henri DEROY	Director of the Caisse des Dépôts et consignations
9th seat of Councillor Ex-officio member	Roger GUÉRIN	Governor of the Crédit foncier de France
10th seat of Councillor Ex-officio member	Wilfrid BAUMGARTNER	Président of Crédit national.
11th seat of Councillor	Pierre BARAT	Representing Staff
1st seat of Censor	Gaston BASSOT	Elected by the Shareholders Assembly
2nd seat of Censor	Louis de MARCHÉVILLE	Elected by the Shareholders Assembly
3rd seat of Censor	Jacques BRUNET	Nominated by Minister of Finance
4th seat of Censor	Olivier MOREAU-NERET	Nominated by Minister of Finance

Table 4: The General Council's Composition after the Vichy Reform

General Council of the *Banque de France*, restricting the number of its members from 20 to 11 and reinforcing the government's power of nomination. For instance, the reform eliminated the presence of a national trade-union representative, previously devoted to the C.G.T. If the reform's aim was to restrict the General Council and thus ensure a better control on the nominations inside the institutions, Vichy nevertheless paradoxically pursued the reforms established in 1936 by the Popular Front of Léon Blum, reinforcing State power inside the institution.

One of the most important changes concerned the staff representation in the General Council. Before the Vichy reform, this seat was represented by a councillor elected by the whole staff of the Bank - both those in Paris and the branches - generally stemming from the principal trade union of the Bank, the S.N.A. The Vichy reform modified the system of representation in suppressing the election, substituted by a nomination by the Minister of Finance from a list proposed by the governor. It reveals again the increased desire for control by the government.

Beyond this legislative reorganisation, the General Council of the *Banque de France* was also confronted by war hazards in the organisation of its meetings. Indeed, the new organisation of the Bank and the transfer of the Head Office in Chamalières caused the General Council some problems: it must both stay in contact with the Bank's government - which remained in Paris until the summer of 1940 and the government's departure to Vichy - but also had to remain close to some of the transferred services, and thus had to split itself in two. In light of this particular situation, the General Council took some exceptional dispositions. For instance, on the proposal of Wilfrid Baumgartner, the mandates of the members of different committees issued by the General Council - as the Discount committee - were extended for the duration of the war. This permitted the General Council to avoid spending time in discussing the renewal of the committees' members and thus to concentrate its action on more important matters.

But the split of the General Council also presented a risk for its meetings. Following the Bank's internal rules, decisions of the General Council were taken for granted only if a sufficient number of its members (the *quorum*) were present in session. Without the *quorum*, decisions stayed formally in stand-by until the *quorum* was present. To prevent such difficulties, the governor - Fournier at this time - decided to transfer the General Council responsibilities and powers to the Permanent Committee, more restricted in number and in which the quorum rule was not applied. The Bank tried to form the General Council in its entirety as often as possible, despite the attendance problems it caused. Indeed, the records of the relationships between the General Secretary department in Chamalières and its delegation in Paris illustrate the difficulty faced by the Bank in gathering together the members of the General Council. Thus, the General Secretary's office had to organise convoys and to ask the governor to bring other members with him in his car when he journeyed from Chamalières to Paris. This could be seen as a simple anecdote but it illustrates well the transport difficulties between the occupied and non-occupied zones of the French territory and also brings to the foreground the importance of the governor's physical presence, as a representation of power inside the institution.

<u>*Conclusion*</u>

The Second World War and the German occupation of France during four years challenged the *Banque de France* to reorganise itself on many levels to face the challenges this particular situation presented. Firstly, the administrative restructuring of the Bank led to the split of the Parisian departments. All departments and services which were not required to remain in Paris were transferred to the non-occupied zone, near the Printing service in Chamalières, where the General Secretary's department -

which was the head of the internal organisation -accompanied the Head Office to Chamalières and left a delegation in the new Parisian branch. The Bank also faced in this period the challenge of finding premises to house its delocalised departments but also to accommodate displaced staff and their families. This last point reveals the management policy of the *Banque de France*, which was the consideration of its staff as the human resource of the institution, and so a form of paternalism seemed to characterise the Bank's governance. In the name of a pre-existing corporate culture revealed by these 'dark years' of occupation, the *Banque de France* acted in favour of its employees in assimilating them as a part of the institution's heritage it had to protect. That was also why, although the Bank must respect the racist and anti-Semite legislations promoted by Vichy and the German authorities, it always tried to limit their effects on the Bank's staff. When it was possible, the *Banque de France* thus accumulated obstructions - exploiting the slowness of its bureaucracy - to the German and French demands concerning its staff. When the application of the law could not be prevented, the Bank supported its employees with financial and material measures. However, this attitude should not mask some collaborationist individual behaviours and a participation in the political collaboration by the government of the Bank, for which the governor Boisanger and vice-governor Villard were discharged after the Liberation. Then, if the German desire to ensure their power inside the institution - institutionally by the nomination of a representative agent - could be understood by the constraints of war and therefore did not differ from similar cases in Europe at that time, Vichy's actions to increase its influence inside the *Banque de France* seemed to prorogate, in a certain way, the 1936 deep reform of the institution led by the Popular Front government. Thus, from an institutional point of view, the 1936 to 1945 period could be seen as a continuum of government increased influence inside the central bank.

Vincent Duchaussoy
Normandy University

Endnotes

[1] The author is completing a PhD in History on "History of the Banque de France's organisation and governance (1936-1993): the building of a market institution", under Pr. Olivier Feiertag's supervision, at the department of History of Normandy University (Rouen, France) and with the support of the *Banque de France*'s Historical Mission.

[2] ABF (Archives of the *Banque de France*) - General Council - tome 132 - 30 January 1941, p.119-120.

[3] ABF - 1500200301-573 - Note from Vice-governor Villard, 10 October 1941.

[4] ABF - 1500200301-573 - Instructions from Vice-governor Villard, 21 November 1941.

[5] ABF - 1500200301-573 - Letter from the General Control to the General Secretary, 24 May 1941.

[6] ABF - 1500200301-573 - Note from the Personnel general direction in Paris to its delegation in Chamalières, 19 May 1943.

[7] ABF - General Council - tome 134 - 18 February 1943, p.98. Letter from Pierre Cathala, Work Minister, to the Governor.

[8] ABF - 1060200101-70 - Letter from the Governor to Scapini, French Ambassador in Germany, 21 April 1942.

[9] ABF - General Council - tome 132 - 29 May 1941, p.358.

[10] ABF - General Council - tome 131 - 6 September 1940, p. 293-294.

Selected Bibliography

AGLAN (Alya), MARGAIRAZ (Michel) & VERHEYDE (Philippe), *La Caisse des dépôts et consignations, la Seconde Guerre mondiale et le XXe siècle*, Paris, Albin Michel, 2003.

ALY (Götz), *Hitlers Volksstaat: Raub, Rassenkrieg und nationaler Sozialismus*, Frankfurt-am-Main, S. Fischer, 2005.

ANDRIEU (Claire), *La Banque sous l'Occupation. Paradoxes de l'histoire d'une profession, 1936-1946*, Paris, Presses de Sciences po., 1990.

AZÉMA (Jean-Pierre) & BÉDARIDA (François), *La France des années noires*, Paris, Seuil, 1993.

BARUCH (Marc-Olivier), *Servir l'État français : l'administration en France de 1940 à 1944*, Paris, Fayard, 1997.

BARUCH (Marc-Olivier), "Le quotidien et l'exceptionnel. Une institution dans la guerre et la Révolution nationale", in Alya AGLAN, Michel MARGAIRAZ & Philippe VERHEYDE (dir.), *La Caisse des Dépôts et consignations, la Seconde Guerre mondiale et le XXe siècle*, Paris, Albin Michel, 2003, p.217-228.

FEIERTAG (Olivier), *Wilfrid Baumgartner, un grand commis de l'État à la croisée des pouvoirs (1902-1978)*, Paris, CHEFF, 2006.

FEIERTAG (Olivier), "Administrer la monnaie : pour une histoire des banques centrales comme organisations", *Entreprises et histoire*, n°48, septembre 2007.

GRELARD (Frédérik), *L'accommodation sociale de la Caisse des dépôts et consignations sous l'Occupation et ses effets sur le moyen terme (1932-1953)*, mémoire de DEA sous la direction de Jean-Pierre Azéma, Sciences Po, 2001.

HENNESSY (Elizabeth), *A Domestic History of the Bank of England, 1930-1960*, Cambridge, Cambridge University press, 1992.

MANAS (Arnaud), *L'Or de Vichy, Stratégie monétaire et politique de l'État français face à l'Axe et aux Alliés (1940-1944)*, PhD under Robert Frank's direction, université Paris-1, 2013

MARGAIRAZ (Michel) (dir.), *Banques, Banque de France et Seconde Guerre mondiale*, Paris, Albin Michel, 2002.

RUEFF (Jacques), *De l'aube au crépuscule*, Paris, Plon, 1977.

VAN DER WEE (Herman) & VERBREYT (Monique), *A small nation in the turmoil of the Second World War: Money, Finance and Occupation (Belgium, its enemies, its friends, 1939-1945)*, Leuwen, Leuwen University Press, 2009.

Incentives for Savings in the Turkish Banking Sector Lottery 1930-1975

Guillen and Tschcegs identified two ways in which Lottery-linked Deposit Accounts (LLDA) may contribute to savings in the banking sector. LLDA is successful among relatively low-income customers, or in markets in which many people are outside the banking system.[1]

There is a consistency between the experience of the banks in Turkey and the views put forward by Guillen and Tschcegs. This paper will examine the development of lottery practices in Turkey in line with development in the banking sector.

With the foundation of the Turkish Republic in 1923, three basic issues had to be solved: Budget deficits, monetary instabilities and external trade deficits. In 1926, balanced budget policy was implemented in order to ensure fiscal disiplin. The solution to the other problems only became possible after the 1929 Great Depression. Even though the influences of Great Depression were destructive, it opened up opportunities to periphery countries and Turkey to establish National Economies through protectionist policies. Economic measures issued to cope with the global effects of the Depression brought about certain changes in economies, such as exposing the insufficiencies of a national economy and the building of new industry. In order to ensure self-sufficiency, it was necessary to gain people's support for government policies, and as such it was important to establish certain behavioural patterns in line with the government's new regulations. The economy was weak; the material and socio-cultural conditions of the economy were inadequate. Prerequisites for such development, such as infrastructure (legal, institutional and physical), integrated markets, education, managerial and organisational skills and entrepreneurial activities, were all insufficient.

In order to build a national economy, consumer education was necessary. A great emphasis was put on consuming domestic products rather than imported ones. The Association of National Economy and Savings was established by the members of parliament with the aim of strengthening the national consciousness of the people for economic matters. The purpose was to stimulate people to consume Turkish products and to increase saving. The government emphasised the importance of the saving. The balanced budget was the main principle both in public finance and in family budgets.[2]

For developing a capitalistic economy, it was crucial to shift the saving habits of the people from traditional forms to the modern methods, perceived as 'civilisation'. This was one of the propaganda titles in the 1930s in Turkey *"Save your money! Only a Civilised Man Saves; not the Primitive One"*. In order to increase savings, and to shift the saving habits of the people, an institutional and legal base for banking was set up in in the 1930s. It encouraged people to save paper money and coins and open an account in the banks, instead of keeping the savings in traditional ways. i.e. under the pillows, by burying it or keeping it as precious metals.

The History of Banking in Turkey

Since the second half of the nineteenth century, a number of foreign banks controlled the banking sector in Turkey. In particular the financial requirements of the Ottoman State were met by banking in the Ottoman economy. Private banking started to develop at the end of the nineteenth century, when some local businessmen came together to set up local banks in order to meet their short term credit needs. This process continued through the first quarter of the twentieth century. By 1923, there were a number of small local banks (20) and several foreign banks (15) operating in Turkey. In 1924 Is Bank was founded and, in a short time, it became one of the main commercial banks of Turkey. From 1926 to 1929, although the number of local banks increased rapidly to 45,[3] more than 20 local banks went bust during the Great Depression. The initial steps in the promotion of the banking sector were undertaken by the government in 1930s when *Sümerbank, Etibank, İller Bank, Halk Bank* were set up.[4]

In 1930s, a stable money market, balanced state budgets, and protectionist policies created genial conditions for domestic investments. Because of the limited external resources and inadequate government resources, new funds must be raised in order to finance state investments in industry. The government reached its final limits in taxation: it was impossible to raise taxes in the recession. In this environment, people were encouraged to save more money and canalise the savings to the bank accounts. While stimulating saving, the government made basic regulations in the banking sector in order to protect deposits and preserve the credibility of the banks. The central bank was founded in 1930, the Saving Fund was established in 1930, and the Protection of Deposits Law and Lending Money Law were approved in 1933. In 1936, the first banking law was issued in Turkey.

First Lottery Experience

Beside the government's efforts, some banks had a variety of informative and incentive activities in order to attract savings into bank accounts. For example, *İş Bank* had a leading role in the education of saving habits. First, a savings department was formed in *İş Bank*; money boxes (coin banks) were distributed and informative activities were arranged in 1928. Money boxes had an important role in teaching people to save money regardless of the quantity of money and created mainstream propensity to save throughout society. *İş Bank* published a guide for saving and organised some gatherings in order to increase women's awareness for saving in 1930.

In 1930, *İş Bank* also started to offer some financial advantages (lottery) to the account holders. A prize of one thousand TL (two draws a year) was advertised in order to attract savings to the bank accounts; beside the prizes, a coin-bank contest was arranged to reward those who saved the most. These campaigns led to the increase in savings in *İş Bank*. There were only 24 account holders in 1924, but this number had increased to 9,788 in 1928, to 22,161 in 1929, 33,466 in 1930 and 85,670 in 1935. Not only *İş Bank*, but also other banks increased the number of savings accounts. *Ziraat Bank*, the oldest state bank, also started to attract savings through a lottery in 1936. 10 TL was enough to enter the lottery. At the end of the 1930s, the two largest banks *Ziraat Bank* and *İş Bank,* had 75 per cent of total savings deposits in the banking sector.

Banks and Lottery-linked Deposit Accounts after the Second World War: The Competition for Attracting Savings to the Banks

After World War II, with the liberalisation of Turkish economic and political life in addition to the injection of foreign aid, commercial activities expanded and exports increased, which resulted in a rising demand for short-term credit.[5] A lack of private credit institutions brought merchants and agricultural exporters together to set up banks in order to finance their activities. As a result, from 1944 to 1960, the number of private commercial banks increased; however, these took the form of national, not local banks.[6] Due to high inflation rates during the World War II, the bottom capital limits for founding a bank had depreciated by the 1950s, thus tempting new entries to the banking sector.

The official interest rates for deposits in commercial banks remained constant throughout the 1930s and 1940s. All demand deposits and time deposits up to six months carried interest rates of 4.5 per cent, whereas time deposits of six months or longer earned interest rates of 6.5 per cent. Individuals who desired comparatively safe and fairly high returns on their funds probably found such interest rates attractive.[7] At that time, time deposits interest rates were lower than government bonds. Consequently, banks chose to offer special advantages for enticing account holders. A lottery system was effectively and extensively used for attracting new customers and funds to the banks during the 1950s.

During World War II, a lack of houses and real estate in big cities coupled with insufficient wages to buy apartments, stimulated banks to offer real estate lottery draws. *Yapı Kredi Bank* launched its main branch with a lottery, through which it distributed real estate in 1944. The bank offered entry into the real estate draw to anyone with at least 100 TL in their account in *Yapı Kredi Bank*. This initiation not only attracted the deposits to the banks, but also the clients of other banks. In a very short time, *Yapı Kredi Bank* managed to increase its saving accounts and achieved sound commercial standing in the banking sector. With this prize system, *Yapı Kredi Bank* had taken third place in total deposits after the *Ziraat Bank* and *İş Bank*. By 1951, *Yapı Kredi Bank*'s 1.3 million TL savings deposits of 1944 had risen to 46 million TL. As a result of intense competition, the amount of savings deposits increased in the banking system. In the 1950s, all savings under the pillow were transferred to bank accounts through lotteries. In this way, almost every small saving was captured by the banking system. They started to capture clients of other banks by introducing numerous rewards and gifts. The quantity of rewards was increased. For example, *İş Bank* gave away four apartments and eight life insurance bills in 1947, and six apartments and six shops in 1950.

Lottery draws with real estate as prizes opened up a new era in the Turkish Banking sector. After World War II, the number of private banks increased, which created really intense competition among the banks. Lotteries were used extensively by the banks; first, banks offered real estate, apartments, houses and cash rewards to the account holders. Then, lottery practices were extended to gold liras, summer houses, boats and several household items, textiles, jewellery, bracelets, life insurance bills and other valuables. Lotteries found great support among the people.

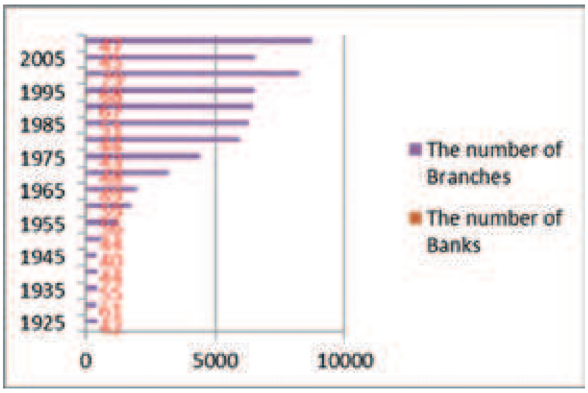
In 1950s, lotteries were criticised for not teaching saving behaviour, but fostering gambling.[8] Especially in academic circles, the benefits of lotteries were found to be very limited while the bank administrators considered these necessary for increasing savings. Nor did lottery practices teach saving behaviours or create confidence in the future. Account holders tried to maximise their benefits from lotteries in the highly intense competition among the banks.

This poster says saving means modernisation. The most civilised nations have the highest savings.
It lists countries' savings including U.S.A., England, Japan, Italy, Greece, etç.and, asks "What did you save Dear Turk?" Iktisat ve Tasarruf, 1930

Between 1938 and 1948, the number of account holders increased from 297,559 to 670,504.

In the 1950s, competition in the banking sector intensified and banks increased the scope of the lotteries. The number of draws in a year increased. Lottery draws were arranged not only for special days (e.g. New Year day), national days and during branch launches, but also daily, weekly, monthly, quarterly, semi-year lottery draws. Beside the lotteries, new branches offered presents and special gifts to the new account holders. Due to these promotions, depositors took their money from one bank to another in order to exploit the most lucrative offerings. After the lottery draw, the account would be closed and taken to another bank. There was not any minimum time limitation in keeping the deposits in the same bank. Some of the depositors wanted to take advantage of every opportunity. They sought the opportunities closely and were called prize hunters. Especially gold lira lotteries were subject to great abuse; some banks joined together and stopped the gold lira draws in 1955.

The 1936 banking law became inadequate to control the banking activities in 1950s. Lotteries got out of control and some credibility issues were raised in the second half of the 1950s. These extreme activities disturbed the other banks. Because of the insufficient control mechanisms on the banking system, some banks financed speculative and profiteering activities that caused instabilities in the economy.[9]



The number of banks and branches in Turkey (1925-2009)

As a result, in the second half of the 1950s, the government started to set controls on the banks. The Banking Credits Regulation Committee was founded in 1955, and finally a new banking law was issued in 1958. The new Banking law (1958) rearranged the lotteries and set firm control over the banks. The Bank Credits Regulation Committee set the limit for lotteries and brought some limits on the number of draws and prizes until1971, in consultation with The Banks Association of Turkey which was set up in 1959. For example, the total amount of the lottery was determined by the paid capital of the bank and account holders had to keep their money in the bank for at least 60 days after the draw.

Banking, Lottery and Expanding Branch Networks

During the 1950s, 24 banks were founded. For economic reasons, in the early 1960s fifteen banks went into bancruptcy.[10] During the next two decades, the government favoured long term credit organisations (development banks) and set extensive control over the banking system.[11] In order to ensure stability in the banking sector, government permitted very few entries to the banking system, thus keeping the number of banks stable between 38 and 42 between 1960 and 1980.

In the 1960s, interest rates were below inflation and, in order to attract funds to the banks, lotteries became a serious incentive. Time deposits were stimulated more than demand deposits; one needed only 50 TL time deposits to enter into a draw whereas 100 TL demand deposits were required for the same purpose. In particular, big banks utilised lotteries to increase savings deposits by distributing numerous rewards to their customers. For example, in 1967 *İş Bank and Ziraat Bank* distributed 15 million TL, *Yapı Kredi Bank* 7.5 million, *Garanti Bank* 3 million and *Halk Bank* 1 million TL to their clients as lottery prizes.

In 1966, some lotteries were permitted again.

During the 1960s, the amount of real estate distributed by the banks through lottery draws increased. For example *İş Bank* distributed 100 apartments in 1966.

The bank could distribute half of the total amount of lottery prizes in real estate. This ratio was brought down to 20 per cent in 1971. In 1970, the Central Bank replaced the Banking Credits Regulation Committee. The Central Bank took responsibility for the banking system and the amount of bank rewards was decreased. In 1973, lotteries of real estate were abolished by the Central Bank. New Year gifts were limited to five items in 1975 and in 1976 bank lotteries were totally terminated.

In the second half of the 1960s, the main competitive strategy of the banking sector switched from the lottery system to extending branch networks. Most of the large banks chose this second strategy. They aimed at reaching every customer by launching new branches and trying to be closer to the account holders. Between 1961 and 1980, the total number of branches increased from 1,716 to 6,000. The competition in the banking sector caused by the expansion of branch networks and extensive utilisation of lotteries caused an increase in banking costs in the 1970s.

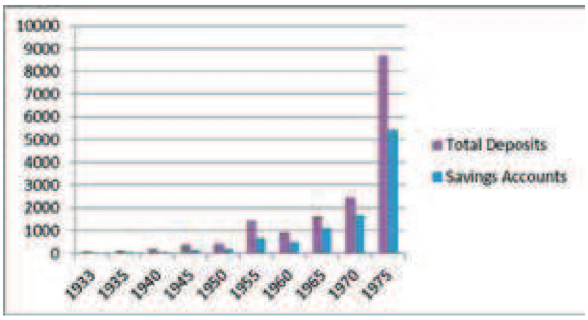
An import-oriented industrialisation strategy ensured lucrative opportunities for private enterprise. The 1958 Banking Law removed the credit ceiling on lending to companies in which banks were themselves equity holders. As a result the scarcity of capital funds and high cost of obtaining credits during the 1970s created conditions favouring the ownership of private banks by industrial conglomerates.[12] The state was supporting large banks with incentives; it also encouraged banks to participate in the industrial sector, and pressured small banks to merge with big ones. In the 1960s, one of the significant developments in business was that firms got larger and became organised into holding companies. These companies comprised a variety of diversified activities and a financial institution (usually a bank). This trend underwent a modification in the 1970s, when a scarcity of capital funds and the high cost of obtaining credits created conditions favouring the acquisition of private banks by these holdings. These holding companies became a typical feature of big business in Turkey.

By 1980, the financial system was highly repressed and concentrated. The commercial banking system was composed of 12 state banks, 24 private banks and four foreign banks. 58 per cent per cent of total deposits were concentrated in the four largest banks, three of which were privately owned and one was state owned. Each of the 11 smallest private banks held less than one per cent of the total banking assets.[13]

Did Savings Increase?

From 1930 to 1980, the national income of Turkey constantly increased around five per cent. Banking activities developed; branch network extended all around the country, and people had learned to keep their savings in the banks. The amount of savings per account holder increased from 471 TL in 1933 to 733 in 1950, and reached 1000 TL in 1970. The graph shows the development of total bank deposits and savings in Turkey from 1933 to 1975.

It is evident that the lottery system had a positive effect on savings in Turkey. In general, bank deposits increased in Turkey: the share of saving deposits in total bank deposits went up from 38 per cent to 62 per cent. Between 1950 and 1970 the growth rates of bank depos-



The Development of Deposits (Million $)
State Institute of Statistics, Statististical Indicators,1923-1992, (Ankara:1994)

its were greater than inflation rates. During the 1950s, lotteries had a positive effect on bank deposits, but in the1960s, according to the survey of lottery prizes, lotteries had a minimal effect on bank deposits, so the prizes only augmented banking costs.[14] The Bank Association of Turkey declared that 65.3 per cent of the total savings were accounts under a thousand TL in 1973.[15] Increases in the number of small accounts below a thousand lira are very important for the development of saving habits.

In conclusion, we could say that the lottery system played an impressive role in attracting small savings to the banks, but created problems due to the unregulated nature of the banking system.

Nevin Coşar
Yildiz Technical University
Department of Economics
cnevin@yildiz.edu.tr

Endnotes

1 Mauro F. Guillen and Adrian E. Tschoegl, "*Banking on Gambling:Banks and Lottery-Linked Deposit Accounts*", Journal of Financial Services Research, 21:3, p.219.
2 Nevin Coşar, Cumhuriyet Türkiyesi'nde İktisadi Terbiye: Milli İktisat ve Tasarruf Cemiyeti, *Toplum ve Ekonomi*, 8, 1995.
3 Oya Silier, "1923-1935 Döneminde Türkiye'de Bankalar ve Bankacılık", O. Okyar ed., *Türkiye İktisat Tarihi Semineri,* Ankara, 1973, 521-550
4 Yuksel Gormez,, "*Banking in Turkey: History and Evolution, Bank of Greece, Eurosystem*", Working paper, no. 83, 2008.
5 Z.Y. Hershlag, *Turkey The Challenge of Growth*, Leiden, 1968, pp.143-78.
6 Oztin Akgüç, *Türkiye'de Bankacılık* , İstanbul, 1992, p.40.
7 Morris Singer, "The Economic Performance of the Turkish Republic", *Middle Eastern Studies* 20,1984, p. 123.
8 H. A., Kuyucak,"Bankaların Mevduat Siyasetinde Piyangoların Rolü", *Banka Dergisi*, 2, 1950, p.60.
9 F. Ayverdi, "İktisadi ve Mali Kronik", *İktisat ve Maliye Dergisi*, 6,1959, p.7.
10 Akgüç, 1992, p.52
11 Tuncay Artun, *Türkiye'de Bankacılık*, İstanbul, 1980, pp.49-50.
12 Ocakçıoğlu, S.Y and A. I. Karacan, *Türk Bankacılığında İştirakler(1966-1974)*, Ankara, 1977, 5.
13 Izac Atiyas, "The Private Sector's Response to Financial Liberalization in Turkey:1980-82", T. Arıcanlı and D. Rodrik, eds., *The Political Economy of Turkey,* New York, 1990, p.134.
14 Mustafa A Aysan., Bankalarımız ve Piyangoculuk, *Banka ve Ekonomik Yorumlar Dergisi*, 12:11, 1975.
15 Turkiye Bankalar Birliği, *1973 Yılı İdare Heyeti ve Murakıpları Raporu ve 1974 yılı Bütçe Tasarısı*, İstanbul, 1974, p.31.

In our haste to explain away the 2008 crisis, we have tended to put all the blame on bankers and regulators. This simplification, while soothing, might be just as misguided as Germans' or Austrians' tendency in the 1920s and 1930s to put the blame on France and Britain for their economic difficulties, or later for World War Two. Crises are the stuff of legend, but we should find other ways to cope with them.

Each week, the popular U.S. series *Mad Men*, which has been flickering over our TV screens for several years now, begins with the shadow of the show's main character falling endlessly down the glitzy façade of a 1960s office building on New York's Madison Avenue. The memory of men in suits falling through the air against the backdrop of New York's skyscrapers is etched into our visual memories since the tragic pictures broadcast all over the world on 11 September 2001. But the makers of *Mad Men* are certainly not drawing any anachronistic connection between the advertising world of the 1960s and modern-day terrorism. Rather, the falling shadow of the show's protagonist conveys the consequences of his moral failures by drawing an analogy to the score of bankers who, having gambled away their own and other people's savings before the 1929 Wall Street crisis, committed suicide by jumping out of a window.

The Nightmare of the Weimar Hyperinflation

The truth is, however, that just one such suicide actually occurred, followed by the similar jump to death of a cleaning lady. The erroneous but widely held belief that bankers jumped to their deaths goes back to the sketch of a stand-up comedian, who joked following the crash of the New York Stock Exchange in 1929 that bankers were lining up to get to the window. Even though there was no mass suicide and no jumpy bankers, the makers of *Mad Men* show us that the joke has become a widely recognised contemporary legend. And it is by far not the only example of a financial crisis giving birth to legends that become ingrained in popular consciousness. In Germany, for example, people strongly believe that at the height of hyperinflation in 1923, workers returned home with their daily salary piled up in wheelbarrows, which were worth more than their pay-check. But apart from a staged picture of a well-dressed man presenting a pile of banknotes in a wheel-barrow, there is no proof or testimony of this ever happening.

Convenient Explanations

The reason for the longevity of such contemporary legends is their ability to explain the world we live in. Thereby they help create solidarity and social cohesion, and provide legitimacy to social institutions and practices. A famous example is the legend that sprang up following the French Revolution (amidst another financial crisis), according to which Marie-Antoinette commended the hungry masses to eat cake. No record exists of her heartless advice and historians are convinced it was never uttered, but the legend endures because it helps express and reify the antagonism that existed between the common people and French aristocracy. Marie-Antoinette's lack of empathy towards her subjects helped justify the beheading of her family and gave sense to the brutal means by which the monarchical order was overthrown in

France. Much research has gone into explaining the origins of the French Revolution, but for most people it still boils down to the understandable action of hungry masses fed-up with an indifferent aristocracy that lived in luxury. Similarly, the German hyperinflation of 1923 or the crash on Wall Street in 1929 had multiple and unrelated causes, but to many it made sense to believe that the fault simply lay with irresponsible bankers.

Because financial crises are by their very nature esoteric, but have a very real and direct impact on the life of almost everyone, they are prone to generate multiple explanatory accounts. Trying to make sense of what is happening around them, people are less interested in discovering the truth, and more interested in finding an explanation that will give legitimacy to their own personal views and choices. Good examples of this are the incoherent explanations for a series of financial crises that hit Austria in the 1920s. It was in Austria that hyperinflation struck first. This country was also the first to undergo a prolonged period of economic reconstruction through austerity, and then the first European country to experience a financial crisis in 1931. Hit hard by hyperinflation, austerity and the 1931 collapse, Austria's citizens sought explanations to make sense of what was happening. Often, the explanation that stuck was wrong, but it helped legitimise political, social and economic practices in the eyes of those experiencing the crises.

The Austrian Case

Austrian hyperinflation, which helped eliminate the country's war-debt, destroyed much of the middle class' savings. It resulted from an enormous budget deficit and the printing of new notes. What determined the rate of inflation were public expectations, which in the early 1920s were dominated by uncertainty about the future. It is commonly believed that hyperinflation ended in August 1922 when Austrian Chancellor Ignaz Seipel left for a whirlwind tour of European capitals, threatening to unite helpless Austria with the bigger Germany. Allegedly, this threat frightened the French into action and Austria was placed on the agenda at the League of Nations, changing public expectations and putting an end to the rising prices. The truth is, however, that the risk of hyperinflation lingered on until December, pending the League's introduction of a new regime of aus-

Mad Men (AMC)

terity and reforms. Still, the legend that Seipel's wily tour saved Austria from collapse stuck and he was soon called the savior of his country, because in the eyes of many Austrians, this was preferable to giving the credit to an international body dominated by their former enemies.

The Austrian reconstruction period that followed engendered its own legends, too. Initial euphoria and a massive inflow of capital fueled a bubble on the Vienna Stock Exchange, which burst in 1924. It left in its wake a series of bankruptcies and shaky financial institutions and destroyed foreign confidence in Austria's economic future. This translated into the lack of long term capital available to Austria from abroad, and Austrian banks and industries had to rely on expensive short-term funding to finance their businesses. Disagreement over monetary policy between the Austrian National Bank and the Bank of England gave rise to the claim that the British were to blame for the lack of long-term capital, by issuing a credit-embargo on Austria. This allegation was widely reported in the Viennese press and England blamed for much of the country's economic woes—a counterfactual explanation still to be found in many a history book unto this day. But the truth is that, while the Bank of England tried to minimise foreign loans in preparation of Sterling's return to gold in 1924, there never was an embargo on private lending to Austrian banks.

Similarly, the collapse of the Viennese Credit-Anstalt bank in May 1931, probably the most infamous of Austrian financial crises during the interwar, created another legend—this one of global proportions. Since no foreign help was available, the bank had to be bailed out, which emptied the public coffers. When in July banks began failing in Germany and then Britain faced a run on Sterling in August, the Austrian authorities had no funds to prop up the Austrian currency to preserve gold convertibility, leaving them no choice but to introduce capital controls. The chronological sequence of events, from the Credit-Anstalt collapse in May to the end of the gold-exchange standard in September, gave rise to the legend that the Austrian crisis had triggered the Great Depression in Europe. Although the truth of the matter is that the Credit-Anstalt crisis was successfully contained and far too small to cause a global crisis, the collapse of Austria's largest bank is still widely believed to have set off the economic calamity of the 1930s.

Creditanstalt note

The spillover from popular lore into historiography is only possible because these legends were considered true by contemporaries, who noted them down all over diaries, memoirs, diplomatic correspondence and the press. Rigorous historical research may prove them wrong, but the legends will live on because they are not merely historiographical mishaps, but in fact support a narrative everyone wanted and continues to want to believe in. The modern-day misconception of the Austrian interwar reiterates contemporaries' fixation on France and Britain as the powerful victors. Thus hyperinflation was only terminated by provoking France into action, the Bank of England suffocated the Austrian economy through its credit-embargo, and the Credit-Anstalt collapse triggered the Great Depression because France and Britain would offer no help. At the same time, the narrative conserves Austria's position of importance on the stage of world-affairs, despite having been reduced to a tiny republic. Dissected to its core, the narrative blames the victors for ignoring Austria's global importance and provoking not only the Great Depression but also World War Two.

Bankers: Still the Focus of Public Attention

Of course, it is still too early to predict what contemporary legends our current crisis will stir up, but it might help to look at the most common explanations being put forward today. A recent academic paper by Andrew W. Lo reviewed more than twenty books published on the crisis, giving us an idea of how economists and journalists are making sense of it. There seems to be very little consensus, but three major strands of explanation can be identified. First, that investors placed too much trust in the efficiency or honesty of financial markets. Second, that the annual bonuses earned by professionals on Wall Street created short-term incentives to choose quick profits over prudent investing, a problem that was exacerbated by a lack of regulation, regulatory capture and greed. Third, that global imbalances, lax regulations and massive international capital flows caused large banks to increase their leverage to a level at which they could no longer cope with financial crises, often under the belief that they would be bailed out should crisis strike.

What all three strands have in common is that they place the blame on bankers for acting erroneously, be it due to ignorance, greed or simply because they needed to survive. Through their focus on bankers, the various explanations match the more popular accounts about the crisis, such as Matt Taibbi's reports published by *Rolling Stone*, which particularly blamed Goldman-Sachs. According to Taibbi, Goldman-Sachs generated the housing crisis for its own profit, ripping off customers and tax-payers alike. In the process, Goldman shortened the very products it sold to hedge-funds, a fact Taibbi equates with financial fraud. Finally, the vast network of Goldmanites in government and regulatory bodies helps the bank escape punishment and manipulate regulation. As Megan McArdle argues in *The Atlantic*, such simplifications are not necessarily wrong, they are just not complex enough to capture the complicated nature of the truth. Taibbi's accounts create the stuff of future legends because they are easy enough to understand and because they convey the sorts of truths people want to believe in, even if they remain incoherent and conspiratorial.

Taibbi and others are putting the blame on bankers much the way Austrians blamed the British and the French—exporting the crux of the problem outside their own domain. Of course, blaming foreigners is not the same as blaming bankers, but the difference here is instructive. Austrians put the blame on the French and British, because the latter had won the war and gained from it in territory and power. Similarly, we blame bankers, who appear to be the only ones to profit from the crisis and come out of it unscathed. In both cases, there is more than just a bit of jealousy. In Europe, it is quite common to simply put the entire blame on the U.S. and its unrestrained form of capitalism, but given the effect of the crisis on society at large, should we not be questioning the system instead of looking for scapegoats? Our focus on bankers and regulators is just as misguided as the enduring legend of jumpy bankers, which allowed Americans to cope with the harsh consequences of the Great Depression. Reducing the problem to the actions of greedy bankers helps preserve social cohesion and allows the capitalist system we live in to endure. It exonerates us from our own responsibility to act and allows us to continue living in peace within our present economic framework. But perhaps we ought to ask how come financial markets, banks and regulators possess such destructive power over each and every one of us in the first place. Instead, our failure to do so guarantees that incoherent explanations will continue to find their way into the future historiography of our current crisis, much akin to the joke about a banker, who paid with his life for the crisis of 1929 by jumping out of a window on Wall Street.

Nathan Marcus
Hebrew University of Jerusalem

How the ATM Revolutionised the Banking Business

Most adults living in urban areas around the world have come in contact with an automated teller machine. For many, it represents their 'bank' far more than rows of tellers standing behind tall counters.

The story of the ATM's rapid rise to ubiquity is also one of a revolution in retail banking.

It begins with the embrace of automation that characterised the mid-century economy and gave rise to vending machines, self-service gas stations and other innovations. In the case of the ATM, much of the initial impetus began with European bankers concerned about increasing unionisation and rising labour costs. To economise, they solicited engineers to develop a solution for after-hours cash distribution.

In 1967, two British banks installed prototypes of today's ATM. The same year, Swedish savings banks unveiled a similar invention called the Bankomat. By 1971, manufacturers were mushrooming and building ATMs around the world, including in the U.S. and Japan.

These early devices were all stand-alone, clunky, unfriendly and inflexible. They could do one thing only: dispense cash when activated by a token. Some banks would keep the token in the machine and return it to the customer (by post) once the account was debited. Many machines proved unreliable: Rarely had electronic equipment been put to the test by weather in such a way. Security was also a problem, as there was no easy way to make sure that whoever deposited a token was indeed the owner of the bank account.

Author of photograph, F.F. Fedja, www.arhitekti.hr

Moving Online

Chubb, the British lock maker, pioneered the use of a personal identification number. Chubb (along with several other companies) also introduced card-like plastic tokens with a magnetic strip. Yet this wasn't enough to reassure bankers.

For these reasons, the development of online communication with a central computer became an overriding concern. International Business Machines Corp. (IBM) was a pioneer in this regard. IBM started the first online trials in Sweden and followed up with an online device in the U.K. for Lloyds Bank in 1972. For most of the 1970s, IBM engineers worked to develop the rails, pipes and standards on which other elements of the payments ecosystem - such as credit cards and point-of-sale terminals - would eventually depend.

By the early 1980s, however, ATM manufacturers such as Chubb, De La Rue Plc and Docutel Corp. had failed to keep up with developments in computing and electronics. Others hadn't yet achieved a critical market share. Citibank had effectively abandoned a plan to commercialise devices of its own patented design. Even IBM, which had the marketing muscle, engineering expertise and business contacts to take over the market, decided against further investment in payment technology.

Around this time, two Ohio-based companies, NCR Corp. (NCR) and Diebold Inc. (DBD), were working on technology that would enable them to effectively dominate the world's supply of ATMs for the next two decades.

Capitalising on deregulation and the banking industry's growth across retail markets, NCR and Diebold were instrumental in turning the dinosaur cash dispenser into today's sleek, multi-function ATM. The companies' innovations included new, customer-friendly video-display units; programmable buttons alongside the screen; a shift toward dispensing cash horizontally, which reduced jams; and a growing menu of options, including money transfers and balance inquiries.

Explosive Growth

These advances soon freed staff at retail-banking branches to engage customers in higher-value services, such as insurance, mortgages and stock-market trading. ATMs thus proved to banks that there were alternative distribution channels to brick and mortar branches; became the backbone of the payments system; and opened the door to telephone and Internet banking. In this sense, ATMs enabled the explosive growth of retail finance during the last decades of the twentieth century.

ATMs, however, remained expensive to operate. The need for dedicated phone lines still limited them largely to bank branches or high-traffic locations such as train stations and airports. Operating systems and microprocessors had to be custom-made. All this changed with the advent of digital telephony and personal computers, and the introduction of Microsoft Corp. (MSFT) software as the core operating system. The ATM then effectively became a terminal of banks' central computers, enabling online verification at the point of transaction.

In the mid-1990s, Triton Systems Inc. and Tidel Engineering LP introduced lighter and cheaper machines that used dial-up communications. Unlike ATMs attached to a bank, these new cash dispensers could send and receive encrypted data over regular phone lines. As a consequence, new organisations called independent ATM deployers (better known as IADs) began installing stand-alone ATMs in grocery stores, bars, universities and casinos that dispensed cash for a fee.

The IADs also introduced the practice of self-replenishment: The owner of a bar, for example, could deposit cash received from customers directly into the ATM, increasing sales while reducing the need to transport cash to and from the bank.

More recently, in what is perhaps the dawn of another new era, some banks have explored the possibility of connecting ATMs to mobile-telephone networks. This level of sophistication isn't bad for a machine that had decidedly humble beginnings almost 50 years ago.

But the ATM has always been more than a convenient way to get cash. It revolutionised the way banks think about customers, the way the financial world thinks about technology, and the way we pay for almost everything we buy.

Bernardo Batiz-Lazo

Bernardo Batiz-Lazo is a professor of business history and bank management at Bangor University in Wales and the author, with Tom Harper, of "Cash Box: The Invention and Globalization of the ATM." The opinions expressed are his own.

(Counter-) Revolution in the Museums
A View*

"We go to museums to learn about ourselves, to witness what has been identified as significant art or history or science, and come away with a stronger sense of ourselves as implicated in a vast web of tradition and knowledge. (…) The average museum-goer may well ask, 'Who decided which object I may view here? Who has established this master narrative of meaning with which I am being presented?' (…) At the end of the twentieth century, museums are very familiar public spaces. We have learned to expect that the contents of museum will educate us, stimulate reflection, give us an excuse to contemplate 'the finer things', allow us to have 'been there, done that'as tourists, allows us to go shopping as well as have a nice cup of coffee." [1]

According to ICOM (The International Council of Museums) there are more than 100,000 museums all over the world. More than two thirds of them were founded in the decades following World War II. In this mostly naive but benevolent, and in some cases profit-driven museum business, experts have even given a name to the above mentioned process: revolution in and of the museums. Tens of thousands of museums have been founded all over the world in a never before seen revolutionary way.

In the heyday of the museums' revolution and that of the museum business, a leading American museum manager gave this 'seemingly' sophisticated answer to his own question:

> "Are there enough museums and when will there finally be enough of them?: When humankind has so mastered time that it no longer takes any toll, when the young are content to accept without change the world they will inherit from their elders… (…) In that best of all possible worlds, no more museums will be needed."[2]

For the Marxist of elementary level education this rather naive concept may seem familiar from the alleged correlation with the history and Communism as the end of the history. The Smithonian expert knew very well that 'for the time being' in the 'historical' golden age of museums museum managers had had almost endless possibilities to canalise public as well corporate or private money in spectacular and lucrative ways. The keyword to unlock such opportunity was communication.[3]

The flourishing 'New Museology', new communication techniques with adequate staff, more and more spectacular exhibitions and never before seen museum education have characterised the last decades of the spectacular revolution in museums. The words 'museum' and 'prospects' seemed to have become inseparable since the mid 1990s.[4]

More often than not, if questions were raised they concerned the need for more effective PR and communication of the museums. For the celebrated museum managers more effective fundraising and communication mediums seemed to hold the key to success.[5] By the end of the golden age, museology, as such, has turned into a respectable and independent discipline with the unavoidable emergence of feminist critical museology.[6] As the editor of a representative companion to museum studies has proudly put it:

> "Museum studies have come of age. Over the past decade in particular, the number of books, journals, courses, and events dedicated to museum studies has grown enormously. It has moved from being an unusual and minority subject into the mainstream."[7]

The so called mainstream in the middle of the 2000s was universally called The New Museology (sic!). Even if critical regarding the issues of representation, the extremely mature business of museology has somehow basically lacked a social critical approach.

The Australian museologist Tony Bennett in his *The Birth of the Museum* contemplated the political - discursive space of the museum. In the mid 1990s Bennett anticipated the changing political climate around museums and said that, beside politics' changing preferences in public funds' redistribution, museums faced two challenges which he called "statist" and "populist". The first, as Bennett's argument goes, is that museums should be defined as cultural and educational "means for lifting the cultural and intellectual level of the population", while the second envisions them as part of the leisure industry.[8]

Almost two decades after Bennett's book was published, it is safe to say that it was the leisure and entertainment industry that have won out. But I would not go so far as to call it a populist approach. The winning way is everything but populist. It is rather elitist; only the contemporary elite's cultural consumption preferences have gone through certain changes.

From among the acknowledged experts of the New Museology, it is Nick Prior in my humble knowledge who refers to Guy Debord rather than to Borges or Foucault. New Museology, as it has been manifested quite often by its founders, is a discipline to deconstrutively rethink and reshape the museum in the changing postmodern globalising world. Guy Debord's *The Society of the Spectacle,* despite its age, is still the best basis to understand the working mechanisms of the vanishing Welfare State's spectacular means of production and spectacular institutions - one of which is the museum. Prior clearly sees the decisive role of multinational corporations in the life and death of the traditional museums. He warns against the universal shift towards more spectacular museums, saying:

> "museums and mega-shows make it extremely attractive to companies looking to improve their image. Corporate sponsorship yields cheap publicity and gives companies an air of responsibility and civility. (…) Multinationals and banking giants, it appears, now occupy the place once occupied by wealthy aristocrats and aspirational industrialists."[9]

Prior sees and shows only one side of a universal phenomenon that basically threatens the world of our museums and the museums of our world. Multinational globalised corporations by their very nature will never occupy aristocrats' or industrialists' places in the traditional local or communal museums. Aristocrats for centuries have had living and daily relations with their localities and communities. Just like the classic industrialists, who, though over a shorter period, positioned themselves as the 'positive heroes' of the nightmarishly didactic Ayn Rand (The Fountainheads or The Atlas Shrugged) or the negative heroes of the charmingly didactic Jack London (The Iron Heel), they all have had certain and obligate *human* relations with certain and concrete localities and communities. Globalisation incorporates the communities and localities into their museums thus homogenising them. In the homogenising inner world of museums, more and more energy and human efforts are invested to reach some kind of spectacular goal instead of the less spectacular communal and cultural aims.[10] Tony Bennett's above mentioned dilemma of the museums as a 'means for lifting the cultural and intellectual level of the population' is unimaginable in the in- and anti-human, impersonal post Welfare State global capitalism's reality. The multinational corporations will exclusively use the richest and most appropriate spectacular giga-museums for their own representation and self-promotion. Especially if the titles of the spectacular mega-shows contain such expressions as the *gold of the Incas*, the *treasures of the Egyptian Pharaohs*, *Italian Renaissance, French Impressionists, Chinese clay soldiers* etc. There is no chance to ever see the Chinese Renaissance, the Egyptian china wares, the everyday life of the Incas, etc. Thus, it seems at first sight, that even the few lucky museums among the richest museums benefiting from this seemingly generous 'sponsorship' unintentionally will lose sight of their original destinations. And the rest of the museums, the products of the Museums'

Revolution (see also: Heimatmuseum, The Local Heritage Museums and others), are finding themselves entrapped since global corporations have never the slightest interest in raising local and/or communal identities, knowledge that is beyond the information of the marketing and human resources functions. The trap is twofold: There are no more (with very rare exceptions) patrons among the remaining aristocrats or industrialists. The only patron that has contributed to the revolutionary emergence of tens of thousands of museums in the post-war decades, the Welfare State, has systematically cut back their budgets since the early 1990s, when it was publicly announced that this support would cease by the very (allegedly social-democratic) politicians who ought to care about 'lifting the cultural and intellectual level of the population'. If the Smithonian's celebrated curator Stephen Weil in 1983 may ask: 'Enough museums in two decades?' To which the politicians answer: 'Enough museums'.

From time to time, self-reflected new museologists admit that in the 'new' post-modern museums the gift wrap is getting more and more important than the very product, the very content, the very basis of the eternal museum's meaning: the collections, the real, once materialised memories.[11] In the golden decades of the museums' revolution the experts of the New Museology seem to have forgotten one single question regarding the museums' space in the Welfare State and in the *society of the spectacle.* And the same experts forgot to raise the only relevant question of 'new' or old or any kind of Museology after the world-wide announcement of the Welfare State's end.

One thing stands out in the context of the rapidly growing New Museology: Its celebrated experts and promoters do not seem to have noticed the coming of a *brave new world* for museums. For those institutions which, without exaggeration, during the Welfare State's rule, in which it was inseparable with the society of the spectacle, have gone through a revolutionary progress in every measurable means and institutions. The New Museologists were still speaking about the 'Revolution in Museums and of museology' when the first and unmasked austerity measures had become apparent. Just before the announcement of the universal Counter-revolution in museums (parallel with the end of the Welfare State) it seemed intellectually well founded to state that:

> "Today almost anything may turn out to be a museum, and museums can be found in farms, boats, coal mines, warehouses, prisons, castles, or cottages. The experience of going to a museum is often closer to that of going to a theme park or a funfair… The last years have seen a major shifting and reorganisation of museums. Change has been extreme and rapid, and, to many people who loved museums as they were, this change has seemed unprecedented, unexpected, and unacceptable."[12]

The above quoted expert and classic promoter of New Museology narrowed her criticism against the traditionalist curators, who allegedly found it a waste of time to deal with such crucial issues of New Museology as architectural, spatial or technological questions. The final chapter in Hooper-Greenhill's book, and the one most lacking in any doubts, focuses on a willy-nilly yet crucial challenge of the post-modern, post-Welfare State museum; what the author calls 'a useful past for the present'. Following the omnipresent statements of Foucault on the changing of truth and knowledge in the past 600 years, the author emphasises the commonplace according to which each society has its general politics of truth. Now, after the ending of the Welfare State's great spectacular projects (which even competed with each other) knowledge and truths could be musealised, the cut backs of the global austerity measures in public funds are less and less able to sustain the spectacular local, communal institutions of knowledge and truths: the traditional museums. This is above all true of Eastern European museums. The substantive bodies (towns, municipalities, counties, or governments) see the museums either as fiscal nuisances or possible loci for political self-representation. The useful past for the present turns into misuse of the imagined or wished past's representation. And sometimes even without the slightest hope for creating a 'new' communal truth or knowledge.

But the most hypocritical phenomenon of the New Eastern European Museology is the parallel 'creative destruction' both from outside by the neocon economical policies and politics in general and from the inside by the prophets of the New Museology on the one hand, and the emergence of de-materialised, extraordinarily expensive and of the high-tech, state of the art spectacle 'New Museums' on the other. And again the arche-examples came from 'New Museology'. The phenomena of memorial museums reflect 'the global rush to commemorate atrocities'.[13] As the phenomenon's best expert Paul Williams puts it, these museums are in fact hybrids all over the world.

Susan Crane, the leading expert and adversary of 'New Museology' wrote: "The modes of collecting, organising, and displaying that characterise the museum have been translated into the very way that publics (sic! KT) think about themselves and about their cultures."[14] But it is ourselves and cultures that are most recently constructed in our museums… The most usable past. The past (constructed, and/or indoctrinated quasi-history) which does not care about possibly real communities and localities. This is the total alienation. If the possible but really possible past is not usable, the alienated political class' representatives make the museums to create a virtual, but at the same time spectacular 'past'. Gaynor Kavanagh, in a totally different context, pointed out in 1986 that "history museum curators have a lengthening record of concern about documenting and representing the people who matter".[15] In a 1996 essay Anthony D. Buckley drew up alarming questions regarding the post-modern trends in historical museums:

> "In the museum world, relativism justifies the bread and circuses of commerce. (…) And (…) there is a new emphasis on providing not only the comfort and entertainment of the public, but also versions of history that 'people want to see'. Given the pressure to produce histories which serve particular causes, some hard questions arise. Should the museum curator invent soporific pasts which soothe self-regard of powerful groups in society?"[16]

> "All types of museums have responsibilities to communities. These matters are not just the special preserve of cultural-history or ethnic and minority museums. Science museums have the same obligations as the others. (…) Like any other body of knowledge, it can be used in a hegemonic fashion."[17]

Nowadays the museums that try to survive in our demanding times seem to respond to the challenges of one particular 'community': the hegemonic politicians' class in power. The 'client views', that of the indoctrinating state's interest, are clear: the nationalisation of the masses, communities, their communal, local histories, memories.[18] Everything against which Siegfried Lenz's hero, Zygmunt Rogalla tried to fight until he burnt down his *Heimatmuseum*. In the above cited study of Anthony D. Buckley the author warned against the possible dangers of inventing the past in museums. In the mid 1990s it has been the commercialism (in other words the populism) that has seemed to represent the biggest danger for the curators. He saw in 1996 how difficult the task of representing the diversity of different opinions about the past actually was. His conclusion was "that museums should continue along the now well-worn path of representing the diversity of different opinions about the past. But one should do this earnestly, not to satisfy the whims of important groups in society, such as 'consumers', but in the hope of enhancing the depth of human understanding."[19]

No doubt that it would be unfair to state that the museums' and museology's present can be painted exclusively in black. There are still good museums with interesting projects and exhibitions. But their presence is against the general trends of the global 'museal' counter-revolution's local hypocrisy. The enthusiasm and devotion of museologists, restorers and other specialists still count. But it is not the museum, the collection, or the communal and/or local heritages that matter… Time and the Zeitgeist are not on our side.

Debord in his 1967 The Society of the Spectacle's last paragraph wrote: "Emancipation from the material bases of inverted truth this is what the self-emancipation of our epoch consists of. This 'historical mission of installing truth in the world' cannot be accomplished either by the isolated individual, or by the atomised crowd subjected to manipulation…"[20] One must not necessarily be a Marxist or an uncritical follower of Guy Debord to raise system critical and system specific questions seeing the state of our museums and the fate of the 'New Museology'.

Tamás Kende

Endnotes

* This article is a shortened version of the author' essay written for the project Pedagogical Poem under the title: (Counter-) Revolution in Museums. An East European View.

1 Crane, Susan A.: Introduction: Of Museums and Memory. In. Crane, Susan A. (ed.): Museums and Memory. Stanford University Press, Stanford, Cal., 2000. 1-13. 12-13.

2 Weil, Stephen E.: Enough Museums? In. Weil, Stephen E.:Rethinking the Museum and Other Mediations. Smithonian Institution Press, Washington - London, 1990. 3-6. The essay was originally published in 1983.

3 Weil, Stephen E.: Rethinking the Museum. An Emerging Newparadigm op. cit. 57-65. First published in 1990.

4 The greatest and most succesful museum manager and businesman for two decades, the Smithonian's Stephen Weil's contemporary selection of essays' title (and its content) speaks for itself about the Zeitgeist. Weil, Stephen E.:A Cabinet of Curiosities. Inquiries into Museums and their Prospects. Smithonian Institute Press, Washington - London, 1995.

5 Weil, Stephen E.: Creampuffs and Hardball. Are you really worth what you cost or just merely worthwhile. Op. cit. 33-38.

6 see for instance Porter, Gaby: "Seeing Through Solidarity: A Feminist Perspective on Museums", in. Macdonald, Sharon - Fyfe, Gordon (eds.): Theorizing Museums: Representing Identity and Diversity in a Changing World. Special Issue of The Sociological Review. Blackwell, Oxford, 1996. 105-126.

7 Macdonald, Sharon: Expanding Museum Studies: An Introduction. In. Macdonald, Sharon (ed.) A Companion to Museum Studies. Blackwell, Malden, 2006. 1.

8 Bennett, Tony: The Birth of the Museum. Routledge, London - New York, 1995. 102-105.

9 Macdonald, Sharon: Expanding Museum Studies: An Introduction. In. Macdonald, Sharon (ed.) A Companion to Museum Studies. Blackwell, Malden, 2006. 1.

10 ectanus, Mark W.: Globalization: Incorporating the Museum. In. A Companion to Museum Studies. 381-397.

11 Smith, Charles Samuarez: The Future of the Museum. In A Companion to Museum Studies. 543-554.

12 Hooper-Greenhill, Eilean: Museums and the Shaping of Knowledge. Routledge, London - New York, 1992. 1.

13 Williams, Paul: Memorial Museums. The Global Rush to Commemorate Attrocities. Berg, Oxford - New York, 2007.

14 Crane, Susan A.: Introduction: Of Museums and Memory. In. Crane, Susan A. (ed.): Museums and Memory. Stanford University Press, Stanford, Cal., 2000. 1-13. 5.

15 Kavanagh, Gaynor: Melodrama, Pantomime or Portrayal? Representing Ourselves and the British Past through Exhibitions in History Museums. In. Carbonell, Bettina Messias (ed.): Museum Studies. An Anthology of Contexts. Blackwell, Malden, 2004. 349. (348-355.) I must admit that Kavanagh's points on the possible social and cultural functions of the historical museums are very interesting. See also: Kavanagh, Gaynor: Making Histories, Making Memories.In Kanagh, Gaynor (ed.): Making Histories in Museums. Leicester University Press, London -New York, 1996. 1-14.

16 Buckley, Anthony D.: Why Not Invent the Past We Display in Museums? In Kanagh, Gaynor (ed.): Making Histories in Museums. Leicester University Press, London - New York, 1996. 42-53. 43.

17 Karp, Ivan: Civil Society and social identity. In. Karp, Ivan - Kreamer, Mullen Christine - Lavine, Steven D. (eds.): Museums and Communities. The Politics of Public Culture. Smithonian Institution Press, Washington -London, 1992. 19-33. 27. The whole 1992 volume's central moral is the inseparable nature of civil societies and the museums. Unfortunately the post-modern globalized capitalism is about the destruction of every civil societies let they were trade unions or just local historical associations.

18 As Debord in his first chapter (3) writes smartly: "The spectacle presents itself simultaneously as all of society, as part of society, and as instrument of unification. As a part of society it is specifically the sector which concentrates all gazing and all consciousness. Due to the very fact that this sector is separate, it is the common ground of the deceived gaze and of false consciousness, and the unification it achieves is nothing but an official language of generalized separation."

19 Buckley, Anthony D. op.cit. 51

20 http://www.marxists.org/reference/archive/debord/society.htm Chapter 9. 221.

Launch of Business History Explorer
A New Resource for Researchers Tracing the History of Businesses and Industries in the UK

At the end of 2012 a new business history resource was launched called Business History Explorer (BHE). Its prime purpose is to help historians locate publications relating to the history of specific UK businesses and industries. It also covers some subject areas, including general business history although it does this in a less comprehensive way. There is much, of course, relating to financial services and in particular to banking and insurance.
The bibliography is published as an online database, but also comes in summary form as hard copy; the latter contains just a few vital fields per publication and is arranged in alphabetical sequence by name of business/industry/subject.
Some 24,000 books, chapters, theses and unpublished works are included in BHE. Selected periodical articles will be added in due course along with trade catalogues, house journal titles, trade press titles, and further monographs and theses. Substantial progress has already been made with regard to periodical articles.

BHE has useful searching facilities. It can search for publications relating to specific businesses/industries at a given geographical location (either town/county/country) or within a business sector or sub-sector. Also a short searchable historical profile is given for each business covered by the bibliography.

Origins of the Project
The BHE project was started by John Orbell about six years ago following his retirement as Archivist of ING London where he was responsible for the Baring Archive. The project's roots were in his attempts to catalogue his own extensive collection of business history books which he had been steadily accumulated for over 30 years. It was soon apparent that there was an opportunity here for producing something that had much wider interest and so he teamed up with Richard Storey - formerly Archivist of the Modern Records Centre of Warwick University Library - and began to put together an online business history bibliography.
The project was given a tremendous boost when Francis Goodall allowed the content of his *Bibliography of British Business Histories*, published in 1987, to be used as the project's starting point. This referred to some 4,000 publications and had extensive indexes to business names and industrial sectors. It was the latest in a long line of business history bibliographies published in the UK. Over the years a great deal of bibliographical work has been completed - perhaps more so than in any other country - but generally restricted to specific geographical areas or business sectors.

Searching for Content

The search for additional publications turned up titles in droves. At the outset it was reckoned that around 8,000 new titles, unrecorded by Francis Goodall, would be found. This figure turned out to be over twice as great at 20,000; it could have been very much greater but a finishing line for the project had to be drawn somewhere. It was drawn in the summer of 2012 when the compilers agreed that enough was enough and that the publication of the data so far collected should go ahead.

This means that gaps certainly exist in BHE. The most important by far is the absence of periodical articles. These are, of course, hugely important, but their absence is temporary. An upload of selected articles is scheduled to take place a couple of years from now; the opportunity will then be taken to fill other holes by adding further monographs and theses.

Where have all the new 20,000 publications come from? Well many, of course, are new titles published since Francis Goodall's bibliography appeared in 1987. It is fair to say that in recent years there has been a very substantial increase in business history publishing in the UK. Of course much of this originates from the academic world but most is the result of two other factors. One is the dramatic increase in the number (and quality) of publications written by 'enthusiast' historians - people researching and writing about history for pleasure and leisure. There is a real burgeoning of interest in the industrial and business past at grass roots level. The second is the increase in publication of purely commercial publications for collectors of ceramics, books, toys, textiles, and the like, and also for specialists interested in gardening, architecture, printing, mining, transport and a host of other business-related subjects.

Another, but quite different, reason for the identification of so many additional titles published before 1987 lies in logistical and other difficulties inherent in interrogating traditional manual catalogues. Since 1987 the vast majority of libraries have replaced their old manual catalogues with ones that are electronically based; these are easier to access - they can for example be accessed remotely - and are vastly more effective when searching for obscure titles. In this context it has to be remembered that many business history publications are hard to find. Many were published privately and/or had short print runs; very often these did not find their way to copyright deposit libraries but were distributed only to shareholders, customers, friends and staff.

The electronic catalogues of a wide range of libraries have therefore been a major information source for BHE. Libraries consulted include those of academic institutions, local authorities (especially their local history libraries), professional institutions, museums, learned societies and the like. Copac, the combined catalogue of leading UK copyright, academic and specialist libraries, has been especially useful. Published bibliographies have also been helpful and the authors are inevitably grateful to earlier generations of business bibliographers, most especially to Joyce Bellamy and David Rowe for their work on businesses in northern England.

Nature of Content

While the core content of BHE comprises publications on the history of specific businesses and industries, the overall content is more broadly based.

The compilers have sought to respond to several developing trends in historical studies. These include the history of consumerism, with its links to overseas trade, imperial expansion and aspects of slave ownership, and its implications for fashion history and the commercialisation of the decorative arts. There has therefore been a push to break the strict boundaries of 'business history' as conventionally defined; in some cases these boindaries have been decisively broken. This applies especially to the recording of aspects of management and the structure and functioning of individual firms.

The content has also been extended to capture local business and industrial histories, produced by voluntary societies and provincial museums in quantity since the Second World War; this is reckoned to be an area of real significance and of much interest. Many of these publications, especially when small pamphlets, receive hardly any publicity outside their immediate area.

Content also embraces items that give an account of a business or industry at a point in time; these may not contain history but they do provide a snapshot of a business at a moment in its history. Many of these publications were originally produced as marketing documents, employee guides and the like and provide details and illustrations of corporate structure, senior personalities, markets, products and plant. A similar group comprises publications giving descriptions of assets, such as factories, offices, waterworks, electricity generating stations, gasworks, etc, perhaps published as visitor guides or as documents to celebrate the commissioning of an investment.

Most business sectors are covered by BHE including, inter alia, manufacturing of all descriptions, financial services, retailing, other distribution, merchanting, transport, recreation, professional services, membership services, construction, property development, publishing. The main exclusion is farming, although some areas bordering on it, for example market gardening, horticulture and plantation management, are included on account of the corporate structures they tended to adopt.

In the vast majority of cases all titles relating to a business or industry have been included but from time to time a more selective approach has been necessary. One such example is transport history, including motor vehicle manufacture and bus and coach, road haulage, railway and shipping services. Here problems arise from the large number of 'enthusiast' publications, which may appear simply as 'picture books' or 'fleet lists'. Such publications have been included only when no other coverage of a particular undertaking exists or where the picture captions, perhaps with introductory or short linking text, give some detailed historical coverage. The same principles have been applied to other sectors where large numbers of publications focus on products; these include most notably the ceramics, printing and publishing industries. Failure to select in this way would result in a swamping of some sections of BHE by publications of marginal importance.

Although BHE has always been envisaged as a bibliography covering specific businesses and industries, it does include on a selected basis titles dealing with general subjects. Of these subjects business history is by far the most important, so much so that here sub-classification has been introduced. Other subject areas include economic history, accounting history and history of intellectual property.

Functionality

From the outset it was realised that in order to be really useful, any modern bibliography has to add more value than previous paper-based bibliographies. This is because researchers now have the benefit of the web and electronic library catalogues and are well able themselves to undertake extensive and intensive searches. This is reflected in the marked decline of bibliography publishing in the last decade or so.

So, following and expanding Francis Goodall's practice, much information about business sector, geographical location and historical background of a business or industry has been added. Geographical location (ie town or city, county and country) and industrial sector and sub-sectors are given for each business covered by BHE. This enables users to search for publications relating to businesses or industries 1] based at a specific location or 2] operating in a specific business sector or sub-sector or 3] combinations of these criteria. In addition a short historical profile is given for each business covered by BHE; it provides basic data such as time span, name changes, products, personalities, etc, in a text field that is searchable. BHE, therefore, has much more to offer than a conventional bibliography.

Hardcopy

From the start there was a consensus that a need existed for a hard copy publication that would act as a quick route through the mass of information in the online bibliography. So a summary has been published in book form which includes the most important fields per publication, viz: author, title, date, pages, publication type and name and sector of the business to which the publication relates; the arrangement is in alphabetical order of name of business or industry or subject. This publication is c300 pages long but contains no indexes; the searching functionality of BHE is restricted to the online resource.

Business Archives Council

In all of this the Business Archives Council (BAC) has played a generous supportive role. The BAC is a long established UK-based organisation that promotes the preservation and use of business archives; it has some 300 members drawn from the academic, archives and business worlds. It was quick to see BHE's potential, recognising that its objectives were central to several of their own - especially in the promotion of the study of business history. Quite apart from good counsel and enthusiastic support, they funded the production of the online catalogue and made available their website as the bibliography's host.

How to Subscribe

BHE is being marketed as a package which comprises three year access to the online bibliography and a copy of the paper publication. The cost of this is £200 but BAC members are offered the package at a substantial discount for 12 months following publication [ie from November 2012] - £100 for corporate and institutional members and £50 for individual members. It is hoped that this substantial discount will lead to an increase in BAC membership.

Should you wish to subscribe to BHE go to either: the BHE website (www.businesshistory-explorer.co.uk) or to the BAC website (ww.businessarchivescouncil.org.uk) where you will find an application form. Otherwise direct enquiries to John Orbell at enquiries@businesshistoryexplorer.co.uk

John Orbell
Richard Storey

Risks and Rewards Opens Up the World of Finance Past and Present

Once described by the Duc de Richelieu as the Sixth Great Power in Europe, Barings was founded on 25 December 1762. 250 years later, The Baring Archive launched a unique online educational resource to share this rich heritage with a new generation of researchers.

In 2008, ING established a charitable trust to care for the archive collection and make it accessible to researchers. One of the Trust's early actions was to develop an education policy. This led to a project to provide online interpreted access to a broader spectrum of learning and education users.

To deliver this access, the archive teamed up with ING and E2BN. E2BN is a consortium of regional local authorities, educational consultants and content developers with a strong heritage track record and a well-established audience for their resources.

In developing the resource we sought to play to the archive's strengths - demonstrating its role as a contributor to a meaningful understanding of our present economic life. A series of unsuccessful proposals received by Barings served as initial inspiration. This led to an idea to develop a game that explored how Barings decided which ventures to invest in. For another perspective on these decisions, we drew on our prospectus collection, documenting over 300 transactions in which Barings chose to be involved between 1850 and 1966. A third area of inspiration was the team's familiarity with ING's goals for Corporate Social Responsibility and financial education.

The game would appeal to an interest in entrepreneurship and an identified need for financial education. An additional goal was to produce a resource that could provide opportunities for cross curricular use in the classroom. Identified areas were History, Mathematics, Economics and Business Studies as well as the Personal Health and Social Education curriculum.

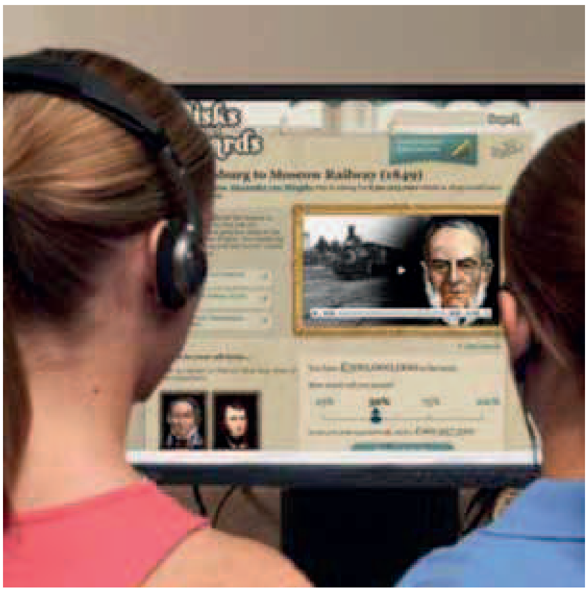
The resulting Risks and Rewards site is aimed at secondary learners and has archive material at its heart. The game "Would you Invest?" is based around real-life investments proposed to Barings. Each player has a pot of money to invest. Via video clips, avatars pitch and students make their decision. Players then compare their choice with that of Barings, before discovering if the actual project was a success. Providing context for the game is a section entitled "The Story of Barings". A library of sources from the archive is also available.

Bringing everything up to date is the section entitled "All about the City". Cartoons follow the story of an imaginary company and explain concepts such as loans, shares and bonds. There are also video interviews with ING employees.

The site was launched in May 2012 and has been well received. It has been wonderful to make use of digitised material to make the archive accessible to a new audience that continues to grow month by month.

Visit www.risksandrewards.org.uk to see if you would have made your fortune!

Clara Harrow
The Baring Archive



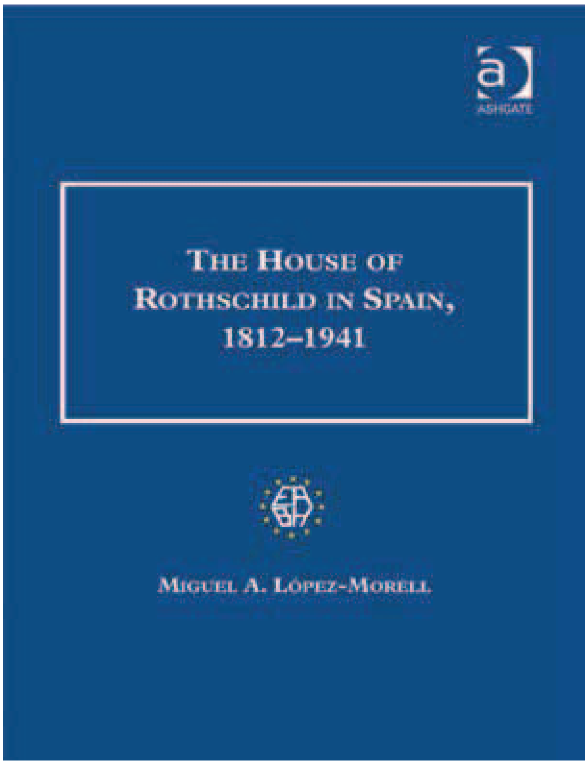
Deciding whether to invest in the Moscow railway

The House of Rothschild in Spain, 1812-1941
Miguel A. López-Morell, Universidad de Murcia, Spain
Asghate/EABH Studies in Banking and Financial History
May 2013, 492 pages, Hardback, 978-0-7546-6800-8

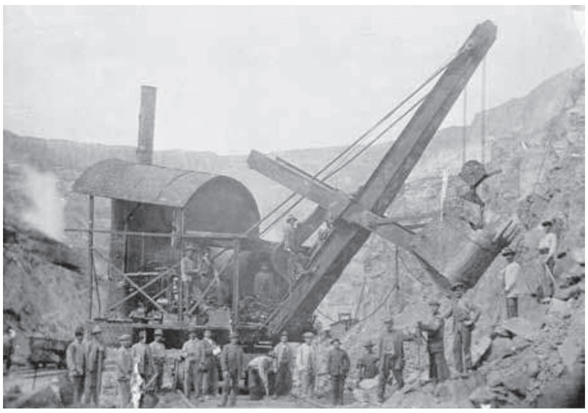
Amongst the serried ranks of capitalists who drove European industrialisation in the nineteenth century, the Rothschilds were amongst the most dynamic and the most successful. Establishing businesses in Germany, Britain, France, Austria, and Italy the family soon became leading financiers, bankrolling a host of private and government businesses ventures. In so doing they played a major role in fuelling economic and industrial development across Europe, providing capital for major projects, particularly in the mining and railway sectors. Nowhere was this more apparent than in Spain, where for more than a century the House of Rothschild was one of the primary motors of Spanish economic development.

Yet, despite the undoubted importance of the Rothschild's role, questions still remain regarding the actual impact of these financial activities and the effect they had on financial sectors, companies and Spanish markets. It is to such questions that this book turns its attention, utilising a host of archive sources in Britain, France and Spain to fully analyse the investments and financial activities carried out by the Rothschild House in Spain during the nineteenth and early twentieth centuries.

In so doing the book tackles a variety of interrelated issues: firstly, fixing the period when the main capital entries sprung from the initiatives taken by the Rothschild family, how consequential they really were, and the sectors they affected. Secondly, quantifying the importance of these investments and financial activities and the weight they had on financial sectors, companies and Spanish markets, as well as in foreign investment in each period. Thirdly, outlining the steps followed and means used by the Rothschild House in order to achieve the success in each of their businesses. Finally, analysing the consequences of this phenomenon in the actual growth of Spanish contemporary economy, both in a general and in a partial scale. By exploring these crucial questions, not only do we learn much more about the working of one of the leading financial institutions and the development of the Spanish economy, but a greater understanding of the broader impact of international finance and the flow of capital in the nineteenth century is achieved.



Front cover - The House of Rothschild in Spain



Bucyrus caterpillar in Rio Tinto

Life of an Office Worker
Barbara Costa, Silvia Rimoldi
A Book on the History of Cariplo Staff, from 1823 to 1928

For the last twenty years we have witnessed a deep crisis in the labour market, and the ensuing loss of middle-class purchasing power. We meditate on the chances of reconciling opposite needs, such as the flexibility of human resources on the one hand, and job security on the other. Once again, subjects such as intergenerational solidarity pacts and corporate welfare are becoming increasingly topical. At times like these, it is hardly surprising that the Historical Archives of Group Intesa Sanpaolo have published a book on "employees' papers": these documents, which recorded every aspect of the employees' working life, were produced and preserved for administrative purposes. In the long term, however, they can become highly relevant historical resources for studying and understanding the evolution of bank work.
This new publication - Barbara Costa-Silvia Rimoldi, Impiegati. Lavoro e identità professionale nei documenti della Cariplo 1823-1928, Milano, Hoepli, 2012 [Office workers. Employment and Professional Identity at Cariplo 1823-1928] - contains, in fact, an archival description (complemented by beautiful collections of period pictures) of employee documentation produced by Cassa di Risparmio delle Provincie Lombarde in over a century, and which are now open to consultation. A veritable 'archival case' for completeness and variety of document types preserved: not only personnel files (including employees no longer in office, up to 1934), but also many other documents of various nature (from paperwork produced by the Ispettorato del Personale [Labour Inspectorate] to reports drawn up on these matters by decision-making and executive bodies; from regulations to memoranda; from 'pay-roll registers' to corporate Recreational Club papers), which amplify and enlarge the historical and archival study perspective.

Front cover - Impiegati

This story is peopled by over two-thousand 'flesh and blood' characters, whose names are brought to light through a comprehensive index. Rebuilding their careers as employees of the most important savings bank in Italy (which, in the second half of the twentieth century, became the most important in the world), this book offers extraordinary insight into a long stretch of history - between the Post-Restoration years and those of early Fascism - of the Milanese middle-class: petty-bourgeois and middle-class clerks and officials, plus a nucleus of service staff (porters, maintenance technicians, etc.), considered a socially privileged élite.
These documents are an inexhaustible source of themes and inspiration: from (direct hiring or competitive-selection) employment policies, to the role of so-called 'temporary staff' (the non-contract employees of the past) and of female

staff; from salary to welfare policies (Cariplo holds a prestigious record as the first banking institution in Italy to establish a Pension Fund for its employees); from corporate welfare to the birth of trade-union organisations at the end of the nineteenth century.

On the subject of labour history, social history and, of course, corporate history, these themes reveal how employees' affairs are interwoven not only with those of Cariplo, whose structural and organisational evolution they reflect, but also with Italian affairs: the Wars of Independence, for example, to which many employees were called; World War One, which saw a good 274 (almost half of Cariplo's permanent staff) drafted; the strikes of the Twenties and the advent of Fascism, to mention but a few examples.

The documents are never passive witnesses of the stories they narrate: they can and must communicate with the here and now. Quoting Francesca Pino, director of the Group's historic Archives, in the preface to the publication:

> "We trust that by retracing the history of the men and women who worked in banking before us - and who strove to fine-tune the business and rules of the game - we will become more aware of our heritage and continuing dialogue with those generations. By identifying at least some of the prominent figures who deserve to be remembered, we may glean the insight and inspiration to further appreciate and modernise this business today."

Barbara Costa
Curator of Cariplo's documentary heritage

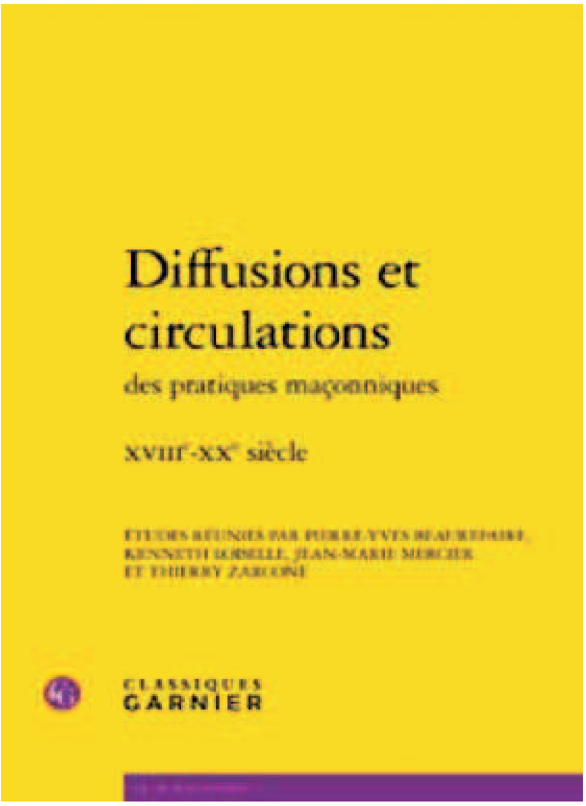
Photograph of Pensione Alpina (album Bazzi)

Officess of the direction Cariplo - cà de Sass

Gattamelata Arturo, diploma from 1880

Diffusions et circulations des pratiques maçonniques, XVIIIe - XXe siècle
Pierre-Yves Beaurepaire, Kenneth Loiselle, Jean-Marie Mercier and Thierry Zarcone (eds.)
Paris 2013, 355 p. ISBN 978-2-8124-0788-8

Historical research on Freemasonry is extremely vibrant today and benefits from the dynamism and the scholarly commitment of the younger generations of researchers. But these new scholars are at a turning point and must receive full academic recognition. At the same time, research has shifted from Masonic institutions and the way they worked, as well as the lodges' sociology, to an analysis more attentive to the social, cultural, political, religious and geopolitical environment of Freemasonry from the Enlightenment to the present. This particularly lively activity has made scholars aware of the need to restructure research on Freemasonry both internally, as the topics undertaken require a collective engagement, and externally, in order to increase dialogue and exchanges with other disciplinary topics affecting the intelligibility of Freemasonry over the past three centuries.



Front cover - Diffusions et circulations

This book arose from an international conference in Nice in summer 2009, and it inaugurates a series on the most promising issues of Masonic studies. This first volume, part of the research program CITERE (Communicating Europe: Early Modern Circulations, Territories and Networks) financed by the French *Agence nationale de la recherche,* focuses on practices, their circulation and their extension throughout a Euro-Mediterranean space. The book considers Freemasonry as not just a social fact, but also as a cultural fact. It approaches its subject in all its richness and complexity; it addresses cultural transfers, appropriation and the invention of tradition - an essential aspect of an order which claims to go back to Adam and Noah - in the crossing of borders (cultural, religious, political, linguistic and gender) in the long run but also in the short term, the *evenemential*, which represents a rupture. Special attention has been paid to contributions which go beyond Western Freemasonry and are interested in the southern and eastern shores of the Mediterranean from the Ottoman era to colonial and post-colonial times, as well as those that offer a fresh look at the circulation of Masonic practices in Central, Eastern and Scandinavian Europe through the use of new archival funds today available to researchers.

Islamic Finance in Europe, Towards a Plural Financial System
Valentino Cattelan (ed.) (2013)
Studies in Islamic Finance, Accounting and Governance

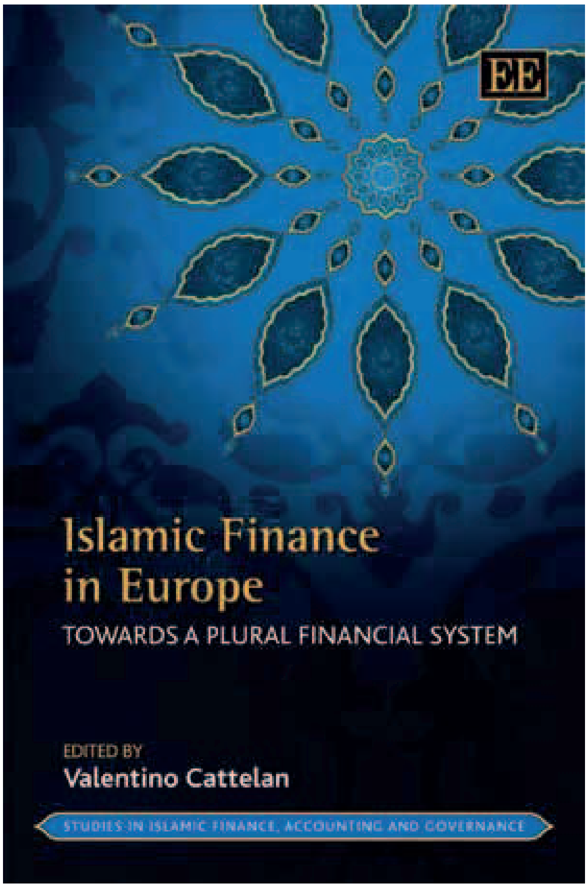
This book investigates Islamic finance in Europe as part of a plural financial system in the current age of globalisation, through a multi- and inter-disciplinary approach to law and economics. A variety of contributions by well-known experts in the field of Islamic finance provide the reader with valuable instruments for a critical perspective on the matter.

In particular, highlighting the impact of globalization on financial markets, the work contests the assumption of the neutrality of property models in financial dealings. Hence, the rise of Islamic finance in Europe is interpreted as reconceptualising property rights in light of legal pluralism: next to the Western model of private individual ownership, the conceptual autonomy of an Islamic theory of property rights (based on real economy, equilibrium in the exchange, asset-backed risk and risk-sharing) is argued, thus asserting the factual co-existence of a plurality of finance(s) in the market (Introduction and Part I).

Within this framework of financial pluralism, the volume investigates issues of moral economy and financial stability according to an Islamic perspective. Furthermore, it analyses the specific risk profile of Islamic banking and the potential impact of Islamic finance in Europe, underlining the challenge that financial regulators are facing in managing Islamic finance products and services within a Western conventional frame. In the pursuit of a plural open society, issues related to migrant banking in Europe as well as to women's empowerment and Islam in Arab countries and Europe are also considered (Part II).

Later, in Part III, the volume focuses on European state interventions in accommodating Islamic finance within their national jurisdictions, under the common harmonised regulation by the European Union (EU). The book outlines the responses given by the UK, Luxembourg, France and Germany in the attempt to adapt conventional regulation to Islamic financial arrangements, as well as the peculiar political approach to Islamic finance by Turkey, as a Muslim country with the status of candidate member to the EU.

Finally, the book remarks how financial pluralism can be seen both as a descriptive and a normative device to enhance a level playing field in the global marketplace, as well as to foster the development of a plural open society.



Front cover - Islamic Finance in Europe

Mémoires vives - 50 ans d'informatique chez BNP Paribas
Pierre Mounier-Kuhn
Paris 2013, BNP Paribas, 194 p.

A leading global bank, BNP Paribas is also a major IT user on the worldwide computer market. With its origins going back to 1848 in France, it expanded over the years through both growth and mergers with a variety of banks, mainly based in Western Europe, covering a wide range of activities: Retail, corporate or investment banking, consumer credit and insurance, securities custody, real estate financing, asset management.
The topic of this book is how these various banks embraced information technologies - from tabulators to digital tablets, from the accounting and punch card machines of the early 1900s to electronic computers, the Minitel, the Internet and now smartphones. A wealth of illustrations from the exceptional archival fund of BNP Paribas takes the reader into the world of 'streamlined' data factories of the inter-war period, then in the giant IBM or Bull computer rooms of the 1960s, later in the age of networks posing the challenge of online banking. The book particulary addresses questions about the relationship between strategy, organisation and technology choices, and about the timing of innovation from the point of view of the users - bank employees and clients as well.

Front cover - Mémoires vives

The author: Pierre Mounier-Kuhn is a specialist in the history of computing. He has published more than 50 papers in this field, in French and in English, and a book on the emergence of computer science in French research and higher education.

2013 EABH Young Scholar Workshop Jerusalem
in cooperation with Hebrew University Jerusalem
3 March 2013

The Economics Department at the Hebrew University of Jerusalem hosted this year's Young Scholar Workshop, devoted to the theme "Foreign Financial Institutions and National Financial Systems". Eight economic historians working in five countries were chosen from a large pool of candidates to present their current research.

Strikingly, many of the papers challenged the conceptual linkage of national borders and international finance. Lynn White (Durham University), describing the relationship between Papacy and Florentine bankers in the High Middle Ages, argued convincingly that it resembled modern ties between sovereign nation states and foreign creditors. Enrico Berbenni's (Universita Catolica del Sacro Cuore) study of banks in the Swiss Canton of Ticino highlighted their dependency on Italian capital and argued for a revaluation of the national border between Switzerland and Italy in the terms of a financial frontier.

Reinhard Schweiger's (Wirtschaftsuniversität Wien) comparison of Viennese banks' expansions during the Austro-Hungarian Empire and after the collapse of communism also questioned the historical cogency of national borders. Austro-Hungarian banks in the nineteenth century followed railways and industries to the extremities of the Empire, while Austrian banks post 1989 crossed national borders in search of new customers to re-establish themselves in many of the same regions. Vincent Duchaussoy's (Normandy University) study of the Banque de France under Nazi-German occupation highlighted a case where national borders had ceased to exist, stressing how the French central bank went through extensive efforts to preserve its organisational structure against German interference.

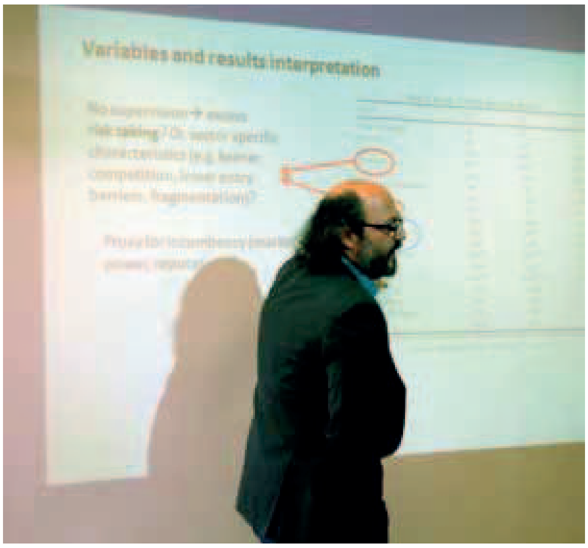
The relationship of foreign banks and national financial systems during a time of crisis was the focus of two further papers. Niccolo Valmori (European University Institute) reviewed

Workshop participants

the activities of foreign bankers in Paris prior to the French Revolution, showing how they were not just keen observers of events, but actively tried to influence the course of political developments, too. Patrick van Horn's (New College of Florida) paper looked for signs of trans-Atlantic contagion during the Austrian, German and British crises in 1931. A series of indicators derived from New York banks' balance sheets showed that no causal relationship existed between the European panic and concurrent U.S. bank failures.

Two papers did not perfectly fit the workshop's theme, but had struck the academic committee for their quantitative methodologically. George M. Lerner (University of Edinburgh) presented a study of German attitudes towards inflation following World War II, based on an analysis of German newspapers. Lerner used specific software to search through digitalised newspapers for key words and their closeness to certain adjectives. Stephan D. Werner (London School of Economics) analysed the performance of insurers and its links to the business cycle in the Weimar Republic. Using quantitative methods he was able to show that unlike most other businesses, insurers were more likely to exit the market at times of economic prosperity than during periods of economic distress.

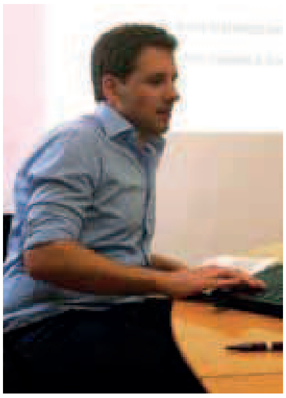
The one-day workshop also attracted an interested audience, which profited from the thoughtful comments and suggestions raised by its discussants. On the workshop academic committee were: Prof. Stefano Battilossi (Universidad Carlos III, Madrid), Kathryn Broody (Harvard University), Dr. Chris Colvin (Queens University Belfast), Dr. Nathan Marcus (Hebrew University), Prof. Nathan Sussman (Hebrew University) and Prof. Nuno Valerio (Universidade Tecnica de Lisboa).



Stefano Battilossi (Universidad Carlos III, Madrid)

Workshop participants

Nathan Sussman (Hebrew University) and Patrick van Horn (New College of Florida)



Reinhard Schweiger (Wirtschaftsuniversität Wien)

Enrico Berbenni (Universita Catolica del Sacro Cuore)

Archival Legislation for Finance (ALFF) in Europe - 2nd Workshop -
Piraeus Bank Cultural Foundation & EABH e.V.
19 April 2013, Athens, Greece

The second workshop on Archival Legislation for Finance (ALFF) in Europe took place at the premises of the Piraeus Bank Group Cultural Foundation in Athens on 19 April 2013 and successfully congregated experts on archival matters from Spain, Portugal, Italy, Slovenia, Croatia, Greece, and Canada. Although its initial focus had been on southern Europe, it also succeeded in drawing conclusions directed towards a broader international audience. With the active participation of lawyers, academics, and archivists, the second workshop elaborated on historical archives and current records management from very different perspectives, while the participation of financial entities from the public and private financial sector revealed common interests between these quite different institutions. Moreover, the very well located premises and kindness of the Piraeus Bank Group Cultural Foundation team managed to give all participants the right environment for a very dynamic reunion and discussion.

This second event was part of a series of three workshops that started in 2012 in Frankfurt am Main and will result in a final event at the end of 2013. During the first meeting the participants broadened their knowledge about archival legislation for finance in central Europe, while the EABH e.V. research team was able to clarify the focus and limits of the investigation work for the ALFF project. Thus, the results from this first reunion were: the concrete definition of relevant issues for the aforementioned project and, in particular, the need for a legal guideline report for archival and records management legislation.

After setting a clear path within the first workshop by defining our focus as current archival legislation for finance, the problematic of cultural heritage preservation, and the influence of current records as potential history guardians, the second workshop was a very effective instrument to achieve progress on these topics and even to generate clear proposals on the stated issues. Likewise, it produced new ideas for improving the current situation of archives and records management systems in Europe. These results will be further uncovered within this paper.

The second workshop was divided in morning and afternoon sections. Both sessions integrated different countries to evaluate the contrast between their legislations. However, for compilation purposes, this text will bring together

The second ALFF Workshop at Piraeus Bank Group Cultural Foundation some territory based conclusions, starting with our Canadian contributor Victoria Lemieux.

In her presentation Lemieux focused on records and historical archives of failed financial institutions. Using a series of case studies, for example Lehman Brothers, she pointed out how important it was, and still is, to maintain a well organised risk and information management system to overcome the chaos of a financial crisis. Moreover, she emphasised the economic impact of a mismanaged acquisition of archives and records systems of crashed financial institutions, an effect that became apparent during the 2008 financial crisis, and which is also the reason why she stressed the importance of embracing the studies on records and archives of financial institutions, 'so that it never happens again', as she highlighted in the title of her paper.

Afterwards, Spyridoula Arathymou gave a very precise description of the current legal framework of Greek normativity; she compiled records-keeping legislation and highlighted the complexity in the application of such diverse laws. On the other hand, Ionnasis Karakostas, who was represented by Xeni Chronopoulou, drew our attention to the importance of data protection law in Europe and Greece; the significance of recognising the limits of access to information containing personal data, and the rights of citizens as limits to the principle of free access to information.

Moving on, , Eastern Europe was represented by delegates from Croatia and Slovenia. For Croatia, Tvrtko Ujević and Egon Kraljević

Workshop participants

elaborated on Croatian contemporary legislation for archives. They explained that there was no specific regulation on archives for financial institutions within their country; however, as it occurs in some European countries, there are a few general archival and records laws applied to public and private institutions. In contrast, there are several laws on records which can be found disseminated within other laws. In the same presentation, a very significant part of the Croatian investigation into their archival regulation was examined, namely the ordinance that compelled holders of public records to create a list of archival material in order to recognise which documentation shall be permanently preserved. This document was published and put into effect in 2002; unsurprisingly, the list has not yet been completed.

Representing the Bank of Slovenia, Boštjan Banfi, specialist legal counsel, comprehensively described the principles and procedures that constitute the basis for archiving within the Bank of Slovenia. The internal regulation or so called Technical Instructions of this public institution are more than complex and describe a very detailed process of classification. However, the Slovenian law seems to contain very light regulation in terms of private financial institutions; the diverse laws give some guidance as to the preservation of archival and records material but, as usual in Europe, these normative is general and more focused on the management of current records than in archives or cultural heritage.

Afterwards the Iberian Peninsula countries, Portugal and Spain, presented their findings on archival legislation and corresponding case studies. Filipe Fernandes, current expert archivist at the Bank of Portugal, discussed the legislative work of archives in Portugal and elaborated on the enforceability of these laws within the public sector including financial institutions. However, he also explained the difficulties of the implementation of the rather ancient archives law for the private sector. The application of this law is, in his opinion, a responsibility that should be taken under consideration within the private financial institutions as a matter of 'transparency guarantee', as Fernandes called this issue in his presentation.

On behalf of Spain, Mercedes de la Moneda introduced the legal framework, structure and organisation of private archives in Spain and the very sophisticated division and organisation, along with some examples of important archives in Spain. Further, the presentation highlighted some difficulties of collecting information as well as the impossibility of having homogenous information since the producer of the data was also responsible for the corresponding census. De la Moneda also stated that further analysis of records sets by size and description shall be prepared in a forthcoming study.

In addition to De la Moneda's presentation, Manuela Moro Cabrero and María Paz Martín Pozuelo presented a paper to the workshop participants in which they showed the situation regarding financial archives and records in Spain, including some case studies, for example the situation of the Santander Bank Group.

This reunion workshop, as said before, not only managed to collect clear proposals on improving the current situation of archives and records management systems in Europe, but also made it possible to create a summary of the common European repository for documents considered of historical relevance. Thus, the second meeting was the source of innovative thoughts and solutions for the question marks proposed in the first workshop and also included the compilation of very useful legal material, not only of interest to southern European countries but also looking into case studies from North-America. A common concern was the preservation of documents with historical value. Public banks, academics and multinational banks came together for a united call to create clear parameters on archives' legal structures and establishing transparency as a fundamental principle for financial archives.

Broad consensus also emerged among participants about the need to define exactly which documents should be of permanent preservation by financial institutions in order to make classification processes more effective and facilitate the disposal of irrelevant material within these entities. In addition, all agreed that this definition was important, not only for the efficiency of processes within financial institutions, but also due to the cultural heritage value of these documents. This subject drove the discussions to an interesting level, recognising the need for cooperation from financial institutions of both private and public sectors to further elaborate on these matters within the ALFF project.

Consequently, the guidelines to be drawn up will set the ground for effective and efficient procedures on preservation of financial institutions archives and world cultural heritage. Furthermore, it will become a very appealing tool for the compilation of useful legal information on archival and records legislation for private and public financial institutions. As such, the second workshop was a fruitful reunion of archival experts with different focuses, various perspectives and concepts that gave us, as did its predecessor event, further groundwork for a successful outcome of the entire Archival Legislation for Finance (ALFF) in Europe project. With new questions, solutions and developments the participants not only showed their enthusiasm for this endeavor, but confirmed the importance of the emerging Project.

Workshop participants visiting the Akropolis Museum

First Workshop of Economic History in Cyprus
A multidisciplinary Collaboration of the Bank of Cyprus Archive
European University Cyprus and the University of Cyprus
17 November 2012

Back in 2006 at the EABH conference in Malta, I was lucky enough to meet archivists from the Rothschild Archive, the Baring Archive and the HSBC Archive. The result of that interaction was the "Meet the Archivists" event in 2007: a collaboration of the Baring Archive and the London School of Economics. The event aimed to introduce researchers to the available business archives of which they might otherwise have not been aware.

At the EABH conference in Cyprus in 2009, I happened to meet and mention this to Ms. Nadina Paphitou, head of the Bank of Cyprus Historical Archive, and we had the idea to establish a workshop to highlight the usefulness of banking archives to the university population of Cyprus. Thus, we decided that the general lack of knowledge of economic history and the dearth of business archives in Cyprus meant that the event should be structured as an multidisciplinary educational workshop, to include as many academic institutions as possible. During organisational meetings, we came to the conclusion that the multidisciplinary nature of the workshop was its greatest strength and the organising committee started to mix groups of students together in order to capitalise on their diversity.

The end result was a collaborative one-day workshop in economic history, held on 17 November 2012 hosted by the Bank of Cyprus Historical Archive. It was co-organised by the Bank of Cyprus Historical Archive, The European University School of Business, and the Departments of History and Economics of the University of Cyprus. The working relationship was excellent, and we learned so much from each other and our different approaches to research.

The workshop was aimed at postgraduate and doctoral students, and it was greatly oversubscribed. The first part was an introduction to topics and notions of economic history by Dr. Kardasis, complemented by the written economic history of Cyprus by Ms. Panagiotou. The archive presented its digitation, indexing efforts as well as the available material through Ms. Paphitou and Mr. Charalambous, which created great interest as many students were not aware of material held by the archive.

The second part focused on 'hands-o' research using material from the Bank of Cyprus Archive. Short lectures on the potential uses of archival material were given by myself and Dr. Kytreotis. The organising committee picked a list of 25 archival documents based around six spe-

Workshop venue

Workshop participants

cial subjects and split the students into corresponding groups. Students were given the archive material and access to other secondary historical sources and were asked to present the main thoughts and findings coming out of their preliminary research. While students were working, the panel of experts moved around the room discussing their efforts and guiding them in practical matters of archival research.

This teaching method proved very popular and successful.

Students from different disciplines learned from each other and got first hand experience in using archival material. We were all impressed by the quality of work that was created. In comments, student found the special subjects section particularly interesting and exciting. In fact, the organising committee also found it exhilarating: we also learned so much by mixing with other disciplines and in the discussions with students on what further evidence was needed.

The day was wrapped up by a roundtable discussion by the organising committee, which placed the students' presentations in the wider context of European economic history, each providing an insight based on their own field of specialty.

Overall, I must say that the day surpassed both Ms Paphitou and my expectations, and we have all resolved to turn it into an annual event. I want to thank all the staff of the Bank of Cyprus archive, especially Ms. Paphitou and Mr. Charalambos for all their hard work in making this happen. I also want to praise my fellow members of the organising committee: Dr. Kytherotis (Department of Accounting, Finance and Economics, European University Cyprus), Dr. Kardasis, Dr. Kazamias and Ms Panagiotou (Department of History, University of Cyprus), and Dr. Clerides (Department of Economics, University of Cyprus). Despite the involvement of four departments and three organisations (an uncommon occurrence in Cyprus), the cooperation was excellent: All of the above committee members prepared presentations, read through the documents, visited the archives and were available for students to discuss questions in the special subject sessions. Let us hope we can involve more universities and archives in the future.

Alexander Apostolides
European University of Cyprus

Alexander Apostolides with students

Did they find something?

Crisis, Credibility and Corporate History
Symposium of the Section on Business and Labour Archives of the International Council on Archives
The Roche Historical Collection and Archive, Basel
14-16 April 2013

This year's symposium of the SBL was destined to tackle the conflict archivists face when confronted with presenting history in an unbiased way. On one hand, the company has its marketing interests which need to be taken care of by corporate archivists. On the other hand, high scientific standards need to be taken into consideration and academia rightly asks for historical publications which openly address negative aspects. This of course is a major conflict any corporate archivist faces and the Basel symposium aimed at finding common ground in between the two extreme positions of marketing and scientific writing.

To mark out these extremes, first two keynote speakers were invited to present their views. Jonathan Steffe, is head of the UK based firm *The Corporate Story*, specialising in novel communication methods for disseminating the story of companies. Most notably, he has written the history of Akzo Nobel. Starting off with the challenges of today's world - from malnourished children in the developing world to overweight people in the developed world - he examined the place of company histories in this setting. Under the title "Stick or Twist? Or: What Has the Company Ever Taught Us?" he addressed the question of the purpose of history itself, reflecting on various definitions of history, the relationship between official and unofficial history-telling and specific attributes of company histories. Finally, he asked whether - in the face of an ever more rapidly changing world - companies should 'stick or twist'. Should they cultivate their history in an attempt to preserve their values in the face of ever new demands of their operating environment, or should they deliberately break with the past in order to evolve and survive in new forms? Jonathan Steffen closed his passionate lecture by pointing out that our society produces very few depictions from the realm of work and the work environment. While in the past work was the subject of art - be it paintings, theatrical pieces, films - the work environment (which is so important to the human being) rarely plays a role in art anymore. He would like to see corporations sponsor such works as an alternative to the ubiquitous book or exhibition. Professor Clemens Wischermann of the University of Constance took it upon himself to make the point for theory-based historical writing in the tradition of German criticism. Pointing to the principal-agent problem, he explained how a sound theoretical basis can help overcome the gap in between principal and agent.

The first block of applied examples tried to highlight novel approaches in disseminating corporate history. It started with Henning Morgen of A.P. Moller Maersk who tackled the question of whether objectivity is possible or even desirable in corporate archivy. In his lecture, he claimed that archivists aim to be professional and as unbiased as possible in view and on the grounds of the company's values, trying to establish the relevant context for his-

Basel Coffee break at the Roche auditorium torical facts. This however does not mean that they aim for objectivity. Archivists in his view are subjective simply because they are neither neutral nor independent, but a part of the company's communication effort to support its premise; to make a profit for its shareholders. The high business standards will ensure that archivists produce a comprehensive and appropriate product, a trustworthy product. But it will not be an objective product. By highlighting the unique ownership structure of the Maersk group, Henning also presented two large book projects currently under way. The next speaker, Albert Pfiffner of Nestlé, focused on alternating expectations when new historical publications are planned. He was involved in two big publication projects, one concerning the history of Nestlé from 1990 until 2005, the other on the history of NESCAFE. In the first case, a special challenge was the fact that the historical writing assessed the work of managers who were not only still working at the company when the book was published, but were the same managers who had actually commissioned the work. Albert Pfiffner pointed ou, that in this situation one cannot write 'history' in the traditional sense as the implications of many decisions have not yet become fully apparent, and a balanced assessment is not possible. The usual distance between the historian and his subject is missing. Therefore, he resorted to conveying an 'internal' perspective of the company, or rather its main players, as it was not so much the environment itself that influenced the strategies and actions of a company, but rather the attitude of the major players within the company towards that environment. The approach to the NESCAFE book was entirely different. They mandated an external historian to write a scientific fact-based history on the NESCAFE brand which then served the marketing department to produce a coffee table book for their stakeholders. The third particularly exciting project presented by Albert Pfiffner is the Nestlé Heritage Centre, a large archive centre with exhibition spaces, restaurants and other amenities due to open on the occasion of the company's 150 year jubilee in 2016. Finally, the session was closed with a lecture by Lionel Loew, historian at Roche. Under the title "Do archivist's Have the Right to do History?" he explained that one of the main values historians share is 'objectivity'. Accordingly, it appears almost impossible for an archivist to be objective when revisiting the past of the company which actually employs her or him. From this circumstance, the question arises whether archivists have the right to write history at all or whether they simply should focus on 'newsreel' and 'catalogue' history. By using the Seveso accident of 1976 as an example, Lionel Loew then first discussed the possibility for an archivist to do academic history. He explained that academia too often only sees the 'employee' in the archivist working in a private archive and tends to stigmatise their position as defenders of the company interests. Contrary to this view, there are many advantages procured by this institutional position of archivists. Not only do they know their documents better than anybody else, but they also understand which questions are truly interesting. The second point Lionel Loew made, was the fact that sociology accepts as a fact that 'mere objectivity' does not exist. It does not matter whether historians are working in a university, a company or elsewhere, their specific environment always influences them and prohibits 'objectivity' as such. He pointed out how important it is to be aware of this fact and that historians working in academia are much more prone to forget about their specifically biased position in comparison to historians working in companies, who are constantly aware of the influence their specific environment imposes on them. Lionel Loew closed his very clever presentation with the claim of Howard Becker, who stated that "violating the hierarchy of credibility" is a prerequisite for anybody who truly wants to understand decisions and acts of the past - or the present.

The symposium's third block was devoted to historical writing itself, highlighting techniques and the necessary environment. The session stood under the catchphrase "no more tales of heroes and myths!" and started with a lecture by Thilo Jungkind of the University of Constance. He is currently responsible for an archive project at the Roche Historical Collection and Archive, where large holdings of documents on the Seveso accident (1976) need to be assessed and made accessible for the future. By using Marc Granoveter's 'embeddedness theory' Thilo Jungkind explained how a constant differentiating process between him and those responsible for the archives leads to a permanent renegotiating of their respective interests. The second paper of the session was presented by Professor Birgitte Possing of the National Archives in Denmark, a specialist in biographical writing. Today, the historical biography has become an important public tool in understanding how historical and public personalities have had an impact in history. In her lecture, she first assessed the roles of the various stakeholders of a biography, especially focusing on the relationship in between private archives, archivists and the biographer. Professor Possing then explained the multitude of different perspectives biographies can have, which she called the eight main archetypes of historical biographies. She also pointed out that many people tasked with biographical writing are not really aware of the many different types of biographies and certainly have no concept laid down before they start with writing. Therefore, many biographical texts can inadvertently be blurred or may even convey a completely different image of the people depicted than that which the author originally intended. Professor Joachim Scholtyseck, the third speaker of the session, offered a valuable insight from the practical side of the two themes tackled by the previous speakers from a theoretical perspective. He was charged with writing the history of the Günther Quandt group, a family-owned company with strong ties to the government during World War II. The more prominent the company is, the more the historians tasked will find their work scrutinzsed by an interested and critical audience. This freedom within academic research is a highly valued matter of course for independent researchers. However, it becomes a prerequisite for research on companies that have been active in epochs of totalitarianism, as the chances to dig up murky aspects in the

Basel Dinner at the Cite de l'Automobile in Mulhouse records are very high. If the academic historians would subordinate themselves under the marketing strategies of the respective corporations, they would inevitably lose their reputation as independent researchers. On the other hand, the corporations must take into account being confronted with facts that are not in line with their expectations of an untainted success story. For family owned companies, this confrontation with historical reality may be much more painful than for 'anonymous' stock corporations which can easily lay the blame on others. In order to avoid such irritations, an atmosphere of trust is helpful. More important however are precise agreements. The lecture of Professor Scholtyseck shed light on exactly this issue by explaining how he set up the necessary atmosphere of trust by entering agreements with both lineages of the Quandt family. Fortunately, they were willing to open the family archive unconditionally to Joachim Scholtyseck. Furthermore, they handed the relevant bulk of the files over to public custody where they now are available for future research. At the same time, the Quandt family revoked the right for changes in the content of the study and agreed that it was to be made available to the public without further consultation on their behalf.

The fourth session of the conference took into account two specialised fields in archiving. The first lecture by Karl-Peter Ellerbrock, head of the Stiftung Westphälisches Wirtschaftsarchiv, focused on the special role of regional business archives in Germany. By using the Westphälisches Wirtschaftsarchiv as an example, he explained the specific legislation of the German counties which charges them with the sovereign responsibility for safeguarding the history of the local chambers of commerce. On top of this, they also assume the role of a safe haven for many private economic archives. Only a trustful relationship between the company owners and the regional economic archives makes it possible to ensure the survival of these invaluable sources by transferring them to the public domain. Thomas Inglin, head of the Zurich insurance company's archive and well known for his cutting-edge work within the realm of making corporate history available to a broad audience, held the second presentation of the session. The title "Don't Waste your Money! Forget a Jubilee Book!" already points out the approach he favours. By using the 100 year jubilee of the United States subsidiary of Zurich, he explained how the archive, together with an external partner, started off searching for legends and exceptional stories from the history of the company. In order to achieve this, a story-discovery and story-design methodology based on the most successful narrative algorithms of the past was put to use. The communication activities were broadened to encompass films, printed matter, large-sized placards and displays and even the displays in the lifts of the US head office. The aim of this broad approach was not to end up with a scientific history, but to win both hearts and minds of employees and customers of Zurich.

Finally, in the last session of the symposium, the changing environment of archives and archivists alike was the main theme tackled by the speakers. In the first lecture, held by Alexander L. Bieri of the Roche Historical Collection and Archive, the changing image of archivists was the centre of attention. He first explained how the Roche archive derived concepts to answer the communication revolution triggered by the advent of the internet. Before the internet, humanity had to struggle to gain information and information itself therefore was of great value. This concept has become totally obsolete because of the introduction of novel communication technologies. Humanity now faces the challenge of extracting the right information at the right time. Moreover, the information needs to be put into a context, thus changing it into true and applicable knowledge. Alexander Bieri explained how the historical archive of Roche ten years ago redefined its role in order to cope with this novel situation, offering its customers the services of knowledge agents or brokers and thus supplying them with a unique value: a lot of saved time. The second part of his lecture explored the development of the 'information market' since the establishment of the archive’s novel role model ten years ago. Astonishingly, social media only emerged within this timespan, so did smartphones. In line with this, various types of collections and archives have faced different fates. While some have seen a steady rise in their importance like museums of fine arts, others have seen their impact on society vanish. Examples in case are museums of ethnology, which were the star collections of the nineteenth century. People would visit them to dream of foreign cultures, travelling abroad and discovering unknown territory. Today, ethnology collections are not much more than storehouses for exotic arts and crafts. Every documentary film is better at making the life of foreign cultures understood. Unfortunately for these museums, such documentaries are available everywhere and anytime nowadays thanks to smartphones and Youtube. Alexander Bieri then made the case for the archives, claiming that they are actually on the winner’s side in this development. From his personal experience, he talked of various situations with young people who were guided through the archive thah show that the public status of archives has steadily improved over the past couple of years. By using social media, curating online profiles, curating photo collections, assessing which information to keep and which not, the so-called digital natives nowadays have adopted tasks into their daily routines which originally were attributed to archivists. These tasks have a high relevance for young people and it may well be that the archivist of today will become the 'data-pilot' of tomorrow, a dream job very much like being an airline pilot once was. The second presentation of the session was held by Paul C. Lasewicz, corporate archivist of IBM. Paul Lasewicz conducted a study of more than 60 academic articles for his lecture in which he assessed the importance of history within management studies. Starting with a photograph of former GE chief executive officer Jack Welch who (in)famously claimed "forget the past, love the future", Paul Lasewicz explained how business universities in the past have handled the issue of history and especially corporate history. During his research work, it turned out that within the tradition of 'path dependency' theories, history was depicted methodically as something bad and adverse to good business standards, an issue that best is avoided at all costs. The main danger was perceived in history ossifying a corporate culture, making it impermeable for change. Only in the past two decades this outlook has started to change. Novel approaches include the usefulness of history in forming bonds between the company and its employees, a fact which is not new to archivists but obviously to managers and management schools. One could also argue that only firmly rooted companies which know where they are coming from actually are capable of embracing change, but this view still has not made it into the books of the management schools. However, the impending changes mean that younger managers will generally have a more positive stance on history than elder ones who were taught to perceive history as a danger. Paul Lasewicz also showed how the work of an archive can be put into a financial perspective which raises its prestige with managers and used the IBM centennial as a case in point. The campaign’s impact on employees and customers could be measured in this case and therefore it was possible to show managers in hard facts what the archive actually contributed in terms of goodwill. While there is still no possibility to measure how much this contributed to the financial result, it is now clear that it actually did contribute also on the bottom line. Yuko Matsuzaki, head of the Shibusawa Eiichi Memorial Foundation’s archive in Tokyo next shed light on the archival landscape in Japan. She acquainted the audience with Shashi, a specific form of company history writing which literally translated means 'company histories'. Astonishingly, since the nineteenth Century, more than 13000 volumes of Shashi have been written in Japan and this rich heritage of corporate history points to the fact that archives are very important in Japanese companies. The Shashi traditionally are compiled, edited and published within the company by employees who often do not have formal training in history or archival sciences. From the late 1960s onward, however, leading business historians, some of whom had studied business history at major graduate business schools in the United States, started to contribute to the writing of corporate history in Japanese companies under the auspices of management. Academic business historians came to enjoy privileged access to corporate archives, which fostered the development of business history as a scientific discipline, and companies gained the ability to publish more reliable corporate histories, which in turn enhanced corporate credibility. There have been cases of conflict between the writing of scientific history and corporate interests, but collaboration between business historians and companies has been largely beneficial for both sides. This mutually beneficial cooperation worked relatively well until roughly the early 1990s, when the Japanese economy slid into recession and the drive for globalisation accelerated. After this analysis, the presentation of Yuko Matsuzaki turned to the Toyota Motor Corporation, which celebrated its 75th anniversary in 2012. Toyota has long made use of its historical resources and heritage, publishing numerous Shashi and other works over the years and marking its 75th anniversary with the compilation of an extensive historical study. The last contribution to the symposium was presented by Tina Staples of HSBC. She focused on the projects under way to celebrate HSBC's 150th anniversary in 2015, which will focus on the bank's development from the 1980s to the present day. This period covers dramatic events in the financial sector and major turbulence in the world economy. In addition to the various challenges of writing a history for a truly global bank, there are numerous other pitfalls to avoid and hurdles to overcome. A major difficulty is obtaining the relevant records for the most recent history which led Tina Staples to explain HSBC's current approach to a global records management scheme, which hopefully will lead to a less haphazard approach to collecting historically interesting documents. She closed her lecture and the symposium with an outlook into the future and suggested that historical archives will change into storage areas for servers. While this would change the outer appearance of the archives, it will neither make the work of archivists superfluous nor less interesting.

This article was written using abstracts prepared by the lecturers of the 2013 SBL symposium "Crisis, Credibility and Corporate History", held 14-16 April at the premises of Roche Basel. The author would like to thank all lecturers for their valuable contribution.

The proceedings of the symposium will be published in autumn 2013. Please write to the author for further details or for pre-ordering your copy: alexander.bieri@roche.com

Alexander L. Bieri

Alexander L. Bieri (*1976) is the curator of the Roche Historical Collection and Archive, a department within Roche Group Holdings. He assumes this position since 1999. Based in Basel, Switzerland but active as a consultant throughout the world, he has published many books and articles both on Roche-related and other themes. He also is responsible for a variety of Roche in-house museums and curated special exhibitions in Switzerland and abroad. In his capacity as an expert for twentieth century design, he is a member of ICOMOS. In 2012, he was appointed lecturer for exhibition design at the Basel University.

Using History to Inform Development Policy: The Role of Archives
The World Bank, Washington DC
25-26 October 2012

The two-day workshop *Using History to Inform Development Policy: The Role of Archives* took place at the World Bank in Washington D.C. in October 2012. Organised by the World Bank Group Archives, Development Economics Department (DEC), and Legal Department the workshop brought together academics, archivists, development practitioners, World Bank and IMF staff. The main objective of the workshop was to explore how history could strengthen the effectiveness of development work and discuss the benefits of using methodological tools from different social sciences, a mix of narrative techniques and economic analysis. Through a combination of case studies and thematic papers, partly based on material from the World Bank archives, sessions focused on various themes from the early years of the World Bank group and the elaboration of development ideas, to various aspects of Bank-client relationship, including lending and advice on development policy, to the influence of donors and shareholders on the Bank's mission and governance, to the role of development practitioners.

In the opening remarks Elisa Liberatori Prati (World Bank Group Chief Archivist) underscored her institution recent efforts to make the vast repository of primary documents available to a wider audience. Indeed, thanks to the Open Agenda Initiative and the Access to Information Policy adopted in 2010, the World Bank's large storehouse of archival material - dating from its inception in the 1940s - offers new frontiers for bringing historical research to bear on the World Bank's practices and policies and on the evolution of development policy.

In his keynote address, Devesh Kapur (University of Pennsylvania), editor with John Lewis and Richard Webb of *The World Bank: its First Half Century* (Washington, D.C.: Brookings Institution Press, 1997), highlighted the bounty

Various participants at the conference venue of archival material that can be discovered and used by scholars interested in the history of the institution as much as on the history of post-1940s countries' development. Reflecting on his work in the archives he concluded that, "in a sense, the history of the idea of development is most encapsulated and embodied in the history of the World Bank itself".

The workshop was divided into two informational sessions and five sessions with papers. The first informational session dealt with the role of archives in international organisations. The chief archivists of the IMF, Pamela Tripp-Melby, of the UN, Bridget Sisk, and Elisa Liberatori Prati discussed about their archives' strengths, the challenges of maintaining and organising records of their institutions while providing access to both internal and external users. The importance of the archives for internal use was stressed by representatives of the legal department of the World Bank in the second informational session. Hassane Cisse (World Bank Deputy General Counsel for Knowledge and Research) discussed with his colleagues Frank Fariello, Alessandra Iorio, and Vikram Raghavan of their continuous use of the archives for legal advice within and outside the Bank. They stressed the uniqueness of some of the documents in the Bank's archives to study the legal history of member countries, in particular in relation to border disputes among nations whose official records have disappeared over time. The relevance of the World Bank Archives as a repository of knowledge for the institution and for research was also emphasised by Caroline Anstey (World Bank Group, Managing Director) and Stephanie von Friedeburg (World Bank Group, Chief Information Officer and Vice President of Information Management and Technology) in their welcome address.

In the first thematic session, chaired by William Becker (George Washington University), Jean-Jacques Dethier (World Bank) presented a paper - written with Alan de Janvry (University of California, Berkeley) - on how the expansion of the World Bank's mission, from a bank to a development agency, had profound implications on its activities, governance and policies. Michele Alacevich (Columbia University) focused on the implications of this transforma-

Jean-Jacques Dethier (World Bank), Giovanni Zanalda (Duke University), Gianni Toniolo (Duke University) tion for intellectual debates about development, while Kathryn Lavelle (Case Western University) focused on the history of the relationship between American politics and the presidency of the World Bank. The second session, chaired by Pamela Cox (World Bank, Vice President of the East Asia and Pacific Region), included three case studies based on archival material from the World Bank Archives. Rahul Mukherji (University of Singapore) explored how before 1991 India managed to resist foreign pressures and ideas about development; Giovanni Zanalda (Duke University) focused on the constructive partnership between the Bank and South Korea in the early stage of Korea's economic take off in the 1960s and 1970s; and W.J. Dorman (University of Edinburgh) analysed urban-upgrading projects in Cairo from the mid-1970s to the early 1990s. In a third session, chaired by Vijayendra Rao (World Bank, Lead Economist for Poverty and Inequality, DEC), Michael Woolcock (World Bank) talked about how historians of international agencies could contribute to debates on development policy in particular in the areas of agricultural productivity, state capability, equitable taxation, rule of law, and social inclusion. Daniel Immerwahr's (Northwestern University) case study on the forgotten history of Cold-War era community development provided an empirical underpinning to the session. Trudy Huskamp Perterson (International Council of Archives) provided a fitting conclusion to this session by explaining how the implementation of the new international Principles of Access to Archives will enable researchers to "understand the manifold ways by which multiple operators shaped the development of the world we live in". The fourth thematic session focused on the use of archives to study the work of development practitioners in Africa. The difficulties of translating theory into practice were examined in two papers. On the basis of UN archival material Teresa Tomas Rangil (Oxford University) discussed the challenges to implement experts' policy advice encountered by UN development workers' during the Congo crisis in the early 1960s, while Stephanie Decker (Aston University), on the basis of material from the World Bank archives, traced the challenges faced by economic advisors in Ghana over the period 1957-1985. Keith Breckenridge (University of the Witwatersrand) instead reflected on the political accountability of official records and archival authority in twentieth century century South Africa. On the basis of his experience as an economic historian of Sub-Saharan Africa, Gareth Austin (Graduate Institute, Geneva) explored the role of archival sources in the writing of African economic history and the implications for government and international policies towards development in Africa. On the basis of his personal expertise of research and work in Africa, the chair of this panel, Celestin Monga (World Bank, Senior Adviser, Development Economics), promoted a lively discussion at the end of the session. The last thematic session focused on the U.K. and the U.S. and their influence on development policy. Gianni Toniolo (Duke University) chaired this panel in which Simon Szreter (Cambridge University) argued how British archival sources and historical research have influenced 'our thinking about economic development' and the 'international policy world throughout the post-war era'; while Alexander Field (Santa Clara University) reflecting on what lessons can developing countries learn from the economic history of the U.S. and what the U.S., in light of the recent crisis, could learn from the developing world, argued that the World Bank Archives are an unique repository of experience "insofar they document the interplay of political centralisation and inclusiveness…and incentives for sustained economic growth". A roundtable lead by Elisa Liberatori Prati concluded the workshop. Devesh Kapur, Tony Addison (UN, WIDER), William Becker, and James Boughton (IMF Historian) reflected on the main themes of the workshop and invited participants to explore future opportunities of collaboration with international scholars and archivists.

Giovanni Zanalda
Duke University

The European Association for Banking and Financial History (EABH) e.V.

University of Glasgow

E·S·R·C ECONOMIC & SOCIAL RESEARCH COUNCIL

The Challenges of International Banking Regulation and Supervision after 1945

—Call For Papers—

Jointly organised by the
European Association for Banking and Financial History (*EABH*) *e.V.*
www.eabh.info
and the **ERSC**-funded project
'The Development of International Financial Regulation and Supervision (1961-1982)',
University of Glasgow
www.bank-reg.co.uk
16-17 January 2014
Frankfurt am Main, Germany

Financial regulation and supervision has gained prominence in the public debate over the past few years. The aim of this conference is to contextualise discussions about financial regulation and supervision since World War II, in particular by providing an historical perspective to current debates.

Conference organisers welcome proposals investigating the obstacles and challenges to international banking regulation and supervision after 1945. The aim of the conference is to bring together different approaches—legal, economic, political science / political economy, historical—in order to enrich and widen the debate about international regulation and supervision.

Some of the broader questions that we hope to address are:

- What were / are the obstacles to an effective international banking regulation and / or supervision?
- Have lessons been learnt from previous banking crises?
- Can we draw parallels between our current predicament and the international banking crises of the 1970s, 1980s and 1990s?
- Why and how has the governance of banking regulation and supervision evolved since World War II—i.e. between the national, international and supranational levels?
- What have been the driving forces and conflicting interests behind this evolution?
- Has it really created a global 'level playing field', or has the international governance of banking regulation and supervision become too complex for its own good?

Potential contributors interested in participating should submit a paper proposal not exceeding one page and a recent CV as email attachments by 30 September 2013 to Dr Emmanuel Mourlon-Druol Emmanuel.Mourlon-Druol@glasgow.ac.uk, writing with 'EABH / Glasgow Conference' in the email headline.

Final papers will be circulated in advance of the conference and should be around 6000 words. The organisers plan to publish the proceedings of the conference.

The selection committee (composed of Professor Catherine Schenk, *University of Glasgow*, Dr Emmanuel Mourlon-Druol, *University of Glasgow*, and Dr Piet Clement, *Bank for International Settlements / EABH*) will then review the proposals and inform successful applicants in due course.

Please note that should your institution be unable to do so, there are limited funds available to support travel expenses.

CASSA DI RISPARMIO DI VENEZIA INTESA SANPAOLO

READY OR NOT? ENHANCING DIGITAL RESOURCES MANAGEMENT

EABH Summer School for Archivists

Sunday, 23 June 2013

18.00 Reception kindly offered by Intesa Sanpaolo Group Archives

Monday, 24 June 2013

9.00 - 9.30 Opening Keynote

Edwin Green, Member of the Board of Management of EABH e.V.

9.30 - 10.30 *The Role of Standards and Recommendations for Flexible and Sustainable ERMS*

Mariella Guercio, University of Rome "La Sapienza"

10.30 - 11.00 Coffee Break

11.00 - 12.00 *Assessing Organisational and Human Risk Factors in Electronic Document and Records Management System Implementation*

Victoria L. Lemieux, University of British Columbia

12.00 - 13.00 *Developing a Digital Preservation Policy in a Corporate Environment: the Case of Historical Archives at the National Bank of Greece*

Kytta Ypapanti, National Bank of Greece

13.00 - 14.00 Lunch

14.00 - 16.00 *Describe your Current Situation (Interactive Session)*

Francesca Pino, Intesa Sanpaolo

17.00 Visit to Scuola Grande di San Rocco

Tuesday, 25 June 2013

9.00 - 09.30 *The Hybrid Archives - Current Issues, Challenges and Solutions*

Mariella Guercio, University of Rome "La Sapienza"

09.30 - 10.30

Managing bytes and papers. The new Bank of Italy's ERMS (Case Study)

Angelo Battilocchi, Bank of Italy

10.30 - 11.00 Coffee Break

11.00 - 12.30 *Websites as an Issue of Records Management*

Matthias Weber

12.30 - 13.30 Lunch

13.30 - 14.30 *Digital Curation: Getting Digital Objects into the Archive*

Ross Harvey, Simmons College Graduate School of Library and Information Science (GSLIS)

14.30 - 16.00 *Case Study followed by Exercises on Digital Curation (Interactive Session)*

Francesca Pino & Sara Pedrazzini, Intesa Sanpaolo

17.00 Visit to Isola della Certosa, followed by dinner

The 5th EABH Summer School for Archivists will be dealing with both theoretical and practical issues related to 'Digital Resources Management'. It will include exercises and interactive sessions on the subject as well as guided tours. The sessions will be taught by recognized experts in their fields. After successful completion of the Summer School, participants will receive a certificate of attendance. Participation fees: EABH-members: 450,00€; Non-members: 1000,00€

Please registere here: http://conference3.eabh.info/

Wednesday, 26 June 2013

09.00 - 10.00 *The Appraisal of Digital Records: Theory and Practice*

Lesley Richmond, University of Glasgow

10.00 - 10.30 Coffee Break

10.30 - 12.30 I*ncorporation of Electronic Document Archiving into Senior Management Decision Making Process*

Simon Donouzjian & Nick Boyle, Deutsche Bank

12.30 - 13.30 Lunch

13.30 - 14.30 *The Current Situation of Archive Unit(s) at your Bank: the Storage of Electronic Archives. (Interactive Session)*

Gerassimos Notaras, National Bank of Greece

14.30 - 15.30 *Global Corporate Records Management: The Dilemma between Theory and Practice*

Alexander Bieri, Roche Group

16.00 Visit to Biblioteca Marciana

19.00 Madame Butterfly (optional)

Thursday, 27 June 2013

9.00 - 10.30 *The Future of Archival Information and Interfaces*

Lisa Spiro, Independent Scholar and Author of Archival Management Software

10.30 - 11.00 Coffee Break

11.00 - 12.30 *Digital Curation: Keeping Digital Objects over Time*

Ross Harvey, Simmons College Graduate School of Library and Information Science (GSLIS)

12.30 - 13.30 Lunch

13.30 - 14.00 *Closing Keynote*

Marco Carassi, ANAI

14.00 - 16.00 *Evaluation*

Melanie Aspey, The Rothschild Archive

17.00 Visit to Fondazione Cini and Basilica di San Giorgio Maggiore

Cassa di Risparmio di Venezia, Campo Manin, San Marco 4216, 30124 Venice

Risk Management

2014 *EABH* Annual Conference

Swiss Re

—Call for Papers—

jointly organised by
Swiss Re
and
The European Association for Banking and Financial History (EABH) e.V

13-14 June 2014

The term 'risk' has experienced inflationary use over the last years, resulting in a multitude of linguistic combinations. While everyday notions of risk are closely associated with danger and uncertainty, financial services, banking and insurance take what they see as a more pragmatic approach to risk definitions, associating the term mainly with deviations from the expected. Such attempts aim at separating economic risk from uncertainty (Knight 1921) and at making risks insurable. They imply that risk can be quantified or measured and thus managed. Risk management in financial services is, however, a relatively new concept.

The **2014 *EABH* conference** would like to investigate how today's corporate risk management approaches came about. Banking and insurance have both developed individual ways of dealing with risk which, to some degree, show signs of parallel evolution. A distinct feature of modern finance since Markowitz (1952) is the use of mathematics to analyse risk. The same is true for non-life insurance which only developed actuarial methods after WWII, drawing to some degree on the much older life actuarial methods. Besides actuarial methods, both insurance and modern finance have applied portfolio selection or diversification as a guiding principle. Both industries were exposed to major challenges after the demise of the Bretton Woods System and had to develop instruments to hedge against inflation and fluctuating interest rates. Capital markets developed options and futures and, later, swaps. Reinsurance futures were suggested for the insurance industry (Goshay & Sandor 1973). These products were slow to develop. In the wake of the 1987 equity market crash they became more popular and the capital markets (and later insurance) started applying Sharpe's CAPM and the Black-Scholes model more widely to tackle increasingly mathematical problems. JP Morgan finally developed the 'Value-at-Risk' (VaR) concept to take into account what later was called 'Black Swans', a concept which had been known and applied in insurance for much longer. The Basle Committee then adopted the VaR approach to set minimum capital requirements for banks. Enterprise-wide risk management gradually developed in conjunction with regulatory requirements to include operational and other risks.

We welcome papers from financial and business historians, but also from historians of social sciences, especially actuarial historians. Papers should cover aspects of the emergence of modern risk management in insurane and banking from the 1950s until today. Special focus can be put, respectively, on:

- the role of actuaries, regulators and practitioners;
- the emergence of program trading and the impact of computerisation;
- comparative studies of modern risk management in insurance and banking;
- normative and positivist financial theories and their impact on risk behaviour;
- the convergence of underwriting risk and capital management in insurance and simulations such as Dynamic Financial Analysis (DFA);
- insufficiencies in modelling techniques.

Paper proposals (not exceeding one page) and a recent CV should be sent until **1 September 2013** to: info@bankinghistory.de

Project outline by
- Hugo Bänziger (*Eurex*)
- Niels Viggo Haueter (*Swiss Re*)
- Roger Nougaret (*BNP Paribas*)
- Ezra Suleiman (*Princeton University*)
- Tobias Straumann(*University of Zurich*)

INOMICS

1914: Banks at War.

European banks confronted by WWI

2014 *EABH* Archival Workshop

—Call for Papers—

jointly organised by
Swiss Re
and
The European Association for Banking and Financial History (EABH) e.V.

14 June 2014

Purposes

The project aims **first** to reconstitute the reaction and the adaptation of banks and insurance companies in the first days, weeks and months of what became WWI. French and German banks and insurance companies were altogether competing against each other and complementing their activities on a European and even on a global level. All of a sudden, war imposed a drastic border between two fighting camps and created two economic and finance areas – which destabilised the classical business model of banks on each side. Soldiers were mobilised for a rapid victory, before such illusions vanished: banking firms' organisations thus had to fill in the gaps caused by the general mobilisation and the departure to the front, and the reshuffling of day-to-day life to adapt to the requirements from lost human resources. The governments of both countries had to finance the immediate needs of military entities. Moreover, the creation of an 'economics of war' fostered a new structure of productive circuits, where banks and insurance companies assumed their functions and tasks; for instance, through the mobilisation of national savings and the financing of imports from neutral countries abroad. **Second,** the workshop will scrutinise the archives to determine how the banks fared throughout the conflict, which sometimes were at the heart of the battlefield but mainly were operative within the economy of war. The issuance of credit to firms of the 'war machinery´, as well as treasury bills, bond issuances, and FOREX put pressure on the portfolio of bankers' skills. Records of the loans to companies offer a good way of understanding the economic war effort and the policy of investment (and modernisation, even Americanisation). The relationship with the state and the economic public bodies could also be analysed through documents, and, of course, also the intimacy of banks with central banks and the cooperation between central banks on each side of the war. Insurance issues will also be considered, the export/import trade and the risks of war, finance-related problems, the international transfer of premiums, difficulties with FOREX and investment strategy. **More generally**, archival sources could foster analysis of the destabilisation of the way of life of banks and insurance companies; about the new role of states in their daily life; and the reconsiderations of strategies and business models of the financial institutions because of the barriers set up to free markets and exchanges.

International issues could then be pondered. For example; first about the disruption of connections within trans-European banking and insurance markets; second, about the effects of the Russian revolutions; third, about the growing transatlantic business; finally, about 'trade banking', i.e. financing the purchase of commodities and raw materials.

Methods

Research conducted in the archives of Austrian (such as *Wiener Bankverein* and *Creditanstalt*), Belgian (*Société générale de Belgique*), British (Midland), French (such as *Crédit lyonnais* or *Société générale*), German (*Deutsche Bank*), Italian banks (*Banca Commerciale Italiana*), and others will allow a comparative story to unfold, will fuel analysis, and spur arguments. The workshop will use a portfolio of expertise in banking history and business history to deliver a comprehensive study, rich with case studies and illustrations from the various historical archival centres involved in the project. The aim is to determine the ways in which historical archives can support research programmes.

Summary

- Competition and co-operation between banks: financial war in the 1910s?
- The march to war: first worries and anticipations (second Moroccan crisis, Balkan Wars, spring–summer 1914)
- The outbreak of war: immediate reactions in August–September 1914
- The first months of war (first term of 1914): the adaptation of banking organisations
- Entrenched war and entrenched banks (1915–1916): resilience and reorganisation
- Financing European economic war and the militarisation of the state (1915–1916)
- An outlook on the mobilisation of staff at war, the recruitment of workforces, the social management of the headquarters and branches
- Investment and brokerage banking to finance the war effort
- Banks involved in the financing and financial achievement of transatlantic cooperation, in the financing of commodities trade, in FOREX operations
- The daily life of branches, of the headquarters, of the labourers, etc.
- WWI in the commemorative culture of European banks.

Deadlines

Paper proposals (not exceeding one page) and a recent CV should be sent until **1 September 2013 to:** info@bankinghistory.de.

Project outline by:

- Hubert Bonin (*Bordeaux University*),
- Martin Müller (*Deutsche Bank*),
- Francesca Pino (*Intesa-San Paolo*)
- Salvatore Novaretti (*SwissRe*)

CAMBRIDGE JOURNALS

FINANCIAL HISTORY REVIEW, VOLUME 20 - ISSUE 01

Deriving the railway mania
Gareth Campbell

Financial History Review, Volume 20, Issue 01, April 2013, pp 1-27
doi: 10.1017/S0968565012000285, Published online by Cambridge University Press 30 Jan 2013

Competition among the exchanges before the SEC: was the NYSE a natural hegemon?
Eugene N. White

Financial History Review, Volume 20, Issue 01, April 2013, pp 29-48
doi: 10.1017/S0968565013000024, Published online by Cambridge University Press 06 Mar 2013

An experiment in banking the poor: the Irish Mont-de-Piété, c. 1830–1850
Eoin McLaughlin

Financial History Review, Volume 20, Issue 01, April 2013, pp 49-72
doi: 10.1017/S0968565012000194, Published online by Cambridge University Press 27 Nov 2012

The determinants of investment returns in the fire insurance industry: the case of Sweden, 1903–1939
Lars Fredrik Andersson and Magnus Lindmark and Mike Adams and Vineet Upreti

Financial History Review, Volume 20, Issue 01, April 2013, pp 73-89
doi: 10.1017/S0968565012000273, Published online by Cambridge University Press 15 Jan 2013

Liquidity preference and interest-bearing money: the Ottoman Empire, 1840–1851
Richard C. K. Burdekin and Meric Keskinel

Financial History Review, Volume 20, Issue 01, April 2013, pp 91-102
doi: 10.1017/S0968565013000012, Published online by Cambridge University Press 27 Feb 2013

Daniel Carey and Christopher J. Finlay (eds.), *The Empire of Credit: The Financial Revolution in Britain, Ireland and America, 1688–1815* (Dublin: Irish Academic Press, 2011, 272 pp., £45.00)

Financial History Review, Volume 20, Issue 01, April 2013, pp 103-106
doi: 10.1017/S0968565013000036, Published online by Cambridge University Press 27 Feb 2013

Martin Allen, *Mints and Money in Medieval England* (Cambridge: Cambridge University Press 2012, 576 pp., £120, ISBN 9781107014947)
David Bholat

Financial History Review, Volume 20, Issue 01, April 2013, pp 106-109
doi: 10.1017/S0968565013000048, Published online by Cambridge University Press 27 Feb 2013

FHR volume 20 issue 1 Cover and Front matter

Financial History Review, Volume 20, Issue 01, April 2013, pp f1-f3
doi: 10.1017/S096856501300005X, Published online by Cambridge University Press 11 Mar 2013

FHR volume 20 issue 1 Cover and Back matter

Financial History Review, Volume 20, Issue 01, April 2013, pp b1-b2
doi: 10.1017/S0968565013000061, Published online by Cambridge University Press 11 Mar 2013

CAMBRIDGE UNIVERSITY PRESS

Islamic Finance and Law
Managing Pluralism in a Market Economy

Rome Tor Vergata Islamic Finance Summer School
III Edition, 3-5 July 2013

Although Islamic finance has constantly grown in the last decades, key theoretical and operative issues, such as the incidence of Islamic law in this market, are still under debate.
Recognising the relevance of these issues, the Summer School aims at providing a comprehensive guide to Islamic finance and law in a context of pluralism.
By gathering major experts on the interaction between law, economics, ethics and religion in a frame of cultural diversity, the School will prove an illuminating opportunity for students, researchers and professionals to investigate the impact on market economy of an increasingly globalised world.

The global growth of Islamic finance has raised among practitioners and scholars new significant interest in the interaction between law and religion, as well as between ethics and economics. At the same time, the assertion of religious law in the area of commercial life, where secularism proudly rules throughout the rest of the world, is contributing to challenge the neutrality of market economy, which is currently re-shaped in the light of cultural diversity also by the forces of globalisation.
Consequently, new topical questions are brought to scholarly attention and market practice, such as: what is the relation between ethical and Islamic finance? Is a convergence possible between Islamic finance and other forms of ethical investments? More generally, what are the challenges that pluralism and cultural diversity imply for market economy, with regard to law, economics and business management? Last, but not least, what are the future prospects for the Islamic financial market? In the attempt to reply to all these interrelated questions, the Summer School aims at exploring Islamic finance and law according to a multi- and inter-disciplinary perspective, providing attendants with fundamental tools to deal with pluralism in a market economy as an opportunity for development and growth.

Already by its third event, the Rome Islamic Finance Summer School has already gained an international reputation as a leading educational event in the area of complex dynamics interlinked in the field of Islamic finance and law as part of an emergent plural market economy.

For further information please check at www.islamicfinance.it
Deadline for registration: 25 June 2013

The Summer School is coordinated by Dr. Valentino Cattelan, editor of the volume Islamic Finance in Europe: towards a plural financial system (2013, Edward Elgar), and responsible for the project Integrating Islamic finance in the EU market (2011-2013), sponsored by the European Commission, DG Education and Culture, at the University of Rome Tor Vergata, Italy.

A Run on the Bank

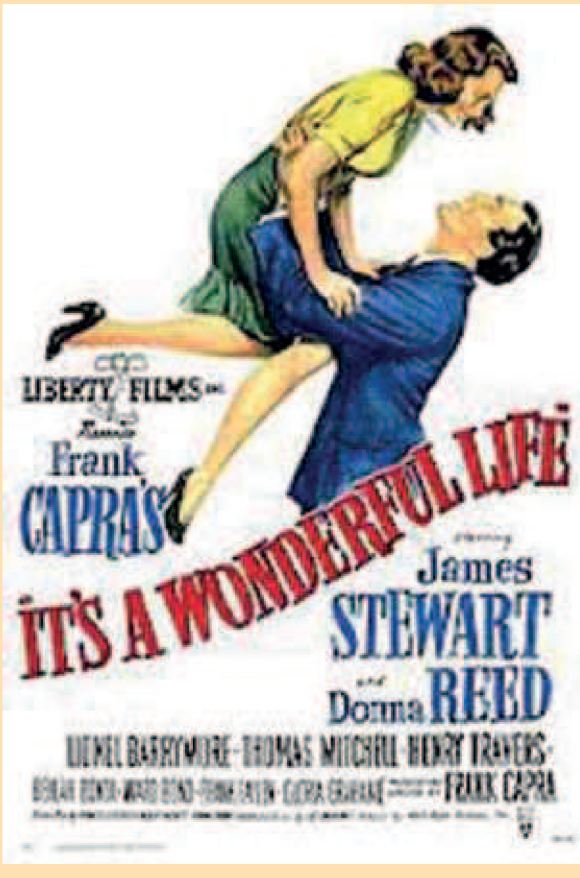
A bank run is the sudden withdrawal of deposits of just one bank. A banking panic or bank panic is a financial crisis that occurs when many banks suffer runs at the same time, as a cascading failure. In a systemic banking crisis, all or almost all of the banking capital in a country is wiped out; this can result when regulators ignore systemic risks and spillover effects.

Some prevention techniques apply to individual banks, independently of the rest of the economy, to help prevent or mitigate bank runs.

- Banks often project an appearance of stability, with solid architecture and conservative dress.
- A bank may try to hide information that might spark a run. For example, in the days before deposit insurance, it made sense for a bank to have a large lobby and fast service, to prevent the formation of a line of depositors extending out into the street which might cause passers-by to infer a bank run.
- A bank may try to slow down the bank run by artificially slowing the process. One technique is to get a large number of friends and family of bank employees to stand in line and make a large number of small, slow transactions.
- Scheduling prominent deliveries of cash can convince participants in a bank run that there is no need to withdraw deposits hastily.
- Banks can encourage customers to make term deposits that cannot be withdrawn on demand. If term deposits form a high enough percentage of a bank's liabilities its vulnerability to bank runs will be reduced considerably. The drawback is that banks have to pay a higher interest rate on term deposits.
- A bank can temporarily suspend withdrawals to stop a run; this is called suspension of convertibility. In many cases the threat of suspension prevents the run, which means the threat need not be carried out.

wikipedia.org/wiki/Bank_run

"You're thinking of this place all wrong. As if I had the money back in a safe. The money's not here.", explains Stewart. "Your money's in Joe's house . . .right next to yours. And in the Kennedy house, and Mrs. Macklin's house, and a hundred others. Why, you're lending them the money to build, and then, they're going to pay it back to you as best they can."



"It's a Wonderful Life" starring Jimmy Stewart as George Bailey, the compassionate head of the local savings bank.

With deep sympathies EABH mourns the loss of a member of its Board of Management

Hans-Ulrich Doerig

29.02.1940 – 25.11.2012

He was a long standing member who was respected by colleagues, members and associates alike and who will be greatly missed.