

Chapter VIRef: CCP 361 & 361a  
CCO 493/22WAR SAVINGS WEEKS

HAM

Greater London

War Weapons Week	16 Sep.1940 - 28 June 1941 9½ mos.	17-24 May 1941
Warships Week	18 Oct.1941 - 28 Mar.1942 6 1/3 mos.	21-28 Mar.1942
Wings for Victory Week	6 Mar.1943 - 3 July 1943 4 mos.	6-13 Mar.1943
Salute the Soldier Week	25 Mar. - 29 July 1944 4 mos.	25 Mar.- 1 Apr. 1944

Concentrated local campaigns were no doubt a necessary concomitant of borrowing through "tap" loans or indeed of any form of borrowing in war-time, since the individual investor of small or moderate means required a periodical stimulus and a direct approach, and local competition also helped to bring in his subscriptions. The campaigns took place once a year, the first two starting in the Autumn and lasting more than 9 and 6 months, respectively; the second two beginning in the Spring and occupying about 4 months each. Some idea of the effort involved is given by the fact that the "Salute the Soldier" campaign covered 1,300 centres. It was undoubtedly justified by its stimulus to small savings.

On each occasion the most important drive, of course, was that concerned with Greater London, including naturally the City of London. The Bank would have liked to see the City omitted: their reasons were that the City, apart from individuals working there who could well subscribe in their home districts, contained mainly banks and financial institutions, all of whom should invest, and were investing, their resources as they became available, and in the manner least likely to inconvenience the Money Market. To call upon them to subscribe during a War Week meant an unnecessary disturbance of the market,\* possibly the postponement of an investment which would otherwise have been made earlier, and worst of all the probable

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\*Sometimes occasioning Bank of England Ways & Means Advances.

taking up of more Government securities by the banks than their cash warranted, with a consequent tendency towards inflation. This undesirable feature was also likely to be aggravated by the practice, much disapproved of by the Bank (and the bankers), of raising the "target" aimed at during the course of the campaign, usually towards its close, for it was the bankers who might have to take up a large part of the difference.

There were other drawbacks to all the local "Weeks". The public were, of course, discouraged from borrowing from their banks for the purpose of subscription, but some such borrowings may have taken place. And there was no doubt that from time to time holders of Government securities were selling them in order to take up other issues during the War Loan Weeks. These subscriptions naturally lent a falsely favourable appearance to the totals.

The conversion of Treasury Deposit Receipts by the banks during the War Loan Weeks into longer-term Government securities was a legitimate practice and an integral part of the Treasury Deposit Receipt Scheme. The following figures indicate the extent to which London totals were affected by such encashments.

Encashment of Treasury Deposit Receipts by bankers  
during London Weeks

War Weapons	£27,500,000
Warships	£54,500,000
Wings for Victory	£39,500,000
Salute the Soldier	£70,000,000

Records do not enable a strictly comparable statement of re-investment in these four weeks to be made. In the War Weapons Week the banks took up (for themselves and their customers) War Bonds and Savings Bonds amounting to £37,748,000 in all; but how much from encashment of Treasury Deposit Receipts is not known. In the following three periods the amounts of these encashments re-invested were about £33,000,000, £18,000,000 and £45,000,000, respectively.

Apart



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Apart from the complaints referred to above, there was a good deal of criticism as to the manner in which the totals were compiled by the Committees.\* It appeared, for example, that in the "Warships" Weeks the proceeds of vested securities had been included, although not actually available before the closing of the campaign, promises to subscribe being included as if they were cash. The point came up again in connection with the "Wings for Victory" Week, when the London Savings Committee wanted to include promises to subscribe proceeds of India Stocks vested; cash could be paid in on the last day, but it was anticipated that many stockholders would be late. Lord Kindersley supported the proposal and suggested that in order that cash should be actually forthcoming the stockholder should borrow from his bank, repaying out of the proceeds of his vested security. The Treasury and the Bank of England both disliked this arrangement and it was abandoned. The Treasury pointed out that the inflation of the subscriptions would become generally known, and "this knowledge would be fatal to the success of the campaign and the Chancellor would have no answer to his critics". A Treasury letter of January 1943 says: "... these weeks attract such virulent criticism from some quarters that I am sure we ought to do nothing ourselves to encourage the belief that the figures for the weeks are inflated by promises of future subscriptions".

Subscriptions for the campaigns carried out in the various towns could be lodged at the Bank of England as at other banks, and those received by the other banks could in turn be handed to the Bank, and it took some time before arrangements for advising the towns concerned were put on a satisfactory footing. At first *requests* for information of all kinds came in, but from the start the Bank agreed with the National Savings Committee that they would not supply the names of individual subscribers unless specially requested to do so by a Committee. Responsibility for publishing or withholding names rested with the local Committees.

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\*It may, however, be mentioned that Tax Reserve Certificates were not included.

The "War Weapons" Weeks opened on 16th September 1940; by December, and perhaps earlier, the arrangement had been made that the Bank should make up totals of those forms which were marked with the name of the town concerned, except where they were received from banks whose names appeared on the relative prospectus as being entitled to receive subscriptions. These totals were sent daily to towns that asked for them, as a large number did (though there appears to have been no such arrangement established for Scotland until February 1941). Later, at the time of the "Warships" Weeks and thereafter, the Bank gave each town concerned the benefit of marked subscriptions received seven days before the War Loan Week opened and for two days after its close. During the "Salute the Soldier" Weeks, at the request of one or two towns, totals were supplied to show the number of individual subscriptions over £1,000.

The branches adopted the same procedure and marked the forms sent to the Head Office to show which had been included in the totals they had themselves advised.

About the beginning of December 1940 Lord Kindersley said that his organisation wished to hold a "War Weapons" Week for the City. The bankers were very opposed to this. A memorandum, apparently drawn up at the Bank of England at this time, reads in part as follows:

"..... the City, as such, is, from the financial angle, mainly a collection of Head Offices of Banks and Insurance Companies with no population of its own and is in an entirely different position from any other city or town in the country. The Insurance Offices are already contributing their all and the Banks, in addition to subscribing to War Loans, are week by week providing whatever remaining sums are necessary to keep the Exchequer in funds.

There is no sense or reason in trying to coerce the Banks into contributing large sums to his Bonds - which could only be anticipatory - when they are already contributing week by week the required amounts at a lower rate of interest. And without their support the response would not be commensurate with the City's predominant position.



The City, as the hub of the financial machine, needs no high-powered publicity to stimulate their purchases of War Bonds; slogans and stunts which are used to educate the provinces would seem to be a waste of money and energy where this centre is concerned.

It is suggested that the Treasury should send for Kindersley and, for these and other reasons, tell him that a War Weapons Week in the City should not be pressed but that he is free to have such a week for Greater London if he wishes."

The Governor was strongly adverse to the idea, and by the middle of January, possibly with some assistance from the Treasury, it was agreed that the City should merely form part of London as a whole, and that no pressure should be brought on any of the Clearing Banks.\*

There do not appear to have been any special incidents which call for notice in connection with the first two campaigns.

There were no War Loan Weeks in the eleven months April 1942 to March 1943, but in the Summer of 1942 the National Savings Committee was running a 10-weeks' campaign known as "Tanks for Attack". At the beginning of July the Chairman of the City of London Savings Committee wrote to his bankers' committee saying that if savings could be increased by 30% during this 10 weeks the City would be "able to name 25 Churchill tanks". The National Savings Committee were appealing to large investors to make their subscriptions to Government loans more regular, and they were also asking all employers of a staff of five or more to form Savings Groups. Progress was thought to require the assistance of the banks, and Lord Kindersley in August approached the Clearing Banks' Committee.

In this case, as in the case of the "Salute the Soldier" drive, difficulties arose between the National Savings Committee and the banks as to the form of letter they should send out to customers - whether it should be signed by the Chancellor of the Exchequer or by the banks jointly (which the bankers had refused to do when it was suggested

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\*The "Big Five" agreed to subscribe £2,000,000 each; but not more than £25,000 of this was to be allocated to any London Borough.

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suggested in the "Salute the Soldier" campaign), or whether the approach to their clients should take some other form. The Bank of England tried to smooth matters over.

Before the opening of the "Wings for Victory" Weeks the Governor informed Lord Kindersley that he had asked the bankers to agree among themselves as to the subscription each bank should make from each town and to tell the Bank of England or the National Savings Committee the amounts and places so decided upon. He added that he wished to "avoid the soliciting and boosting and competition which distinguished the 'Warships' Weeks".

The Bank did not favour the opening of the London campaigns towards the end of the financial year, as happened on two occasions, and in November 1943 put forward objections. It was found, however, that plans were too far advanced to change the date of the opening of the "Salute the Soldier" Week.

The London target this time was originally £150,000,000 but was raised to £165,000,000 "apparently against the judgment of the banks" and without reference to the Bank of England. The amount in excess of the old target was raised only after a great struggle; the "Big Five", who had agreed to put up £3,000,000 each, had to subscribe a further £7,000,000 between them on 5th April.

The Bank's objection in principle to the inclusion of the City in the London War Weeks did not, of course, deter them from making every effort to ensure their success. They did not assist directly by subscriptions to the first two campaigns, but took up £5,000,000 (£4,000,000 National War Bonds 1951/3 and £1,000,000 Savings Bonds 1960/70) in the "Wings for Victory" Week to help London reach the target of £165,000,000, and on hearing that things were not going very well in the "Salute the Soldier" Week subscribed for £2,000,000 National War Bonds 1952/4 (in anticipation of receipts from drawn National Defence Bonds in September). In each of the four drives they also staffed a selling centre in Walbrook or outside the Mansion House and once also in Bank Buildings. The results were not very successful, as was only to be expected since the general public did not much frequent the City. The sums raised at these

centres



centres were respectively £30,789 and £31,120 on the first two occasions and only £3,790 and £2,943 on the last two.

A National Savings Association was also formed at the Bank. In this case the results were reversed. Only £1,591 and £4,796 were obtained in the London "War Weapons" and "Warships" Weeks, while the "Wings for Victory" Week yielded no less than £23,797 and the "Salute the Soldier" Week £23,000.\* But sales were stimulated in these Weeks by the presentation by the Bank of £250 Defence Bonds, distributed as prizes among subscribers. This was not strictly in accordance with their general views on the undesirability of lottery loans, etc., but they asked the City of London Police whether any objection could be offered to this practice.

Tables constructed from figures supplied by the National Savings Committee are appended showing the results of the War Loan Weeks, both for the country as a whole and for Greater London. The grand totals show large increases until the "Salute the Soldier" Weeks, in which the gain was small, and there was an actual diminution in Small Savings, in spite of a small rise in Savings Banks' Deposits and Savings Stamps.

Small Savings formed a fairly constant proportion of the whole, ranging for the U.K. from nearly 26% in the "Warships" Weeks to about 29% in the "Wings for Victory" Weeks. In the London Weeks also the Small Savings proportion was lowest and highest in these two campaigns respectively. In London Small Savings were naturally a small proportion of the total, and averaged only about 9%.

Savings Certificates show their highest proportions in the last two campaigns, both for the country as a whole and for London; there was a rather marked and almost continuous falling off in 3% Defence Bonds after the first campaign.

As regards Large Savings, in the last two campaigns also National War Bonds gained substantially in amount and proportion, at the expense of Savings Bonds, in both London and the U.K. as a whole. Subscriptions to Savings Bonds dropped considerably in the "Salute the Soldier" Weeks: they had then been running for nearly

two

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\*£5,000 was also raised by the Staff for a "Spitfire" Fighter between 31st July 1940 and 3rd February 1941.

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two years, and were, in fact, taken off a few days after the end of this campaign. Loans Free of Interest declined continuously. Gifts, rarely accounting for more than .1% of the total, dwindled to an insignificant figure.

In retrospect it is none too easy to hold the balance fairly between the patriotic motives which urged a willing people to "save all they could", and the dubious means by which some of the saving was achieved. Gross exaggeration of figures by one means or another was particularly misleading. "True" figures, free from duplication, were quite unobtainable.

The cardinal mistake (to avoid which might have been difficult) was to count everything which might contribute to a "target". This led to figures which satisfied no one except those in the particular area concerned and probably impressed no one else; and to pressure on institutions to fake purchases, as to time and place, which they were going to make anyway. If the whole apparatus of targets could have been confined to private (i.e. mainly "small") savers much the same results would have been achieved with less deceit.

But with all their improprieties and absurdities they probably did put some heart into local savings workers and maintain or increase the numbers of regular savers. Apart from which they may well have had a general tonic effect on public sentiment about war.



NATIONAL SAVINGS COMMITTEE

(£000 omitted)

Special Campaigns - Totals for United Kingdom

	War Weapons Weeks		Warship Weeks		Wings for Victory Weeks		Salute the Soldier Weeks	
	£	% of Grand Total	£	% of Grand Total	£	% of Grand Total	£	% of Grand Total
National & Ulster Savings Certificates	52,956 <sup>(a)</sup>	11.59	59,344	10.87	93,155	15.12	85,717	13.64
<del>3%</del> Defence Bonds	61,074	13.37	50,414	9.23	44,839	7.27	41,859	6.66
Savings Bank Deposits	14,846 <sup>(b)</sup>	3.24	28,604	5.24	35,195	5.71	36,169	5.75
Savings Stamps & Gift Tokens	-	-	2,729	.50	6,350	1.03	7,111	1.13
Total "Small"	128,876	28.20	141,091	25.84	179,539	29.13	170,856	27.18
<del>2 1/2%</del> National War Bonds	210,364	46.04	208,127	38.14	246,075	39.95	287,785	45.82
<del>3 1/2%</del> Savings Bonds	105,957	23.18	190,958	34.99	187,424	30.42	167,431	26.66
Loans free of interest	11,284	2.46	4,925	.92	2,252	.30	1,508	.23
Gifts	380	.08	540	.09	656	.16	441	.07
Total "Large"	327,985	71.76	404,550	74.14	436,407	70.83	457,165	72.78
GRAND TOTAL	456,861		545,641		615,946		628,021	

(a) The estimated amount of Ulster Savings Certificates was £890,000 and £1,200,000 in the first two campaigns, and was £1,751,000 in the Wings for Victory Weeks. Separate figures for the Salute the Soldier Weeks do not appear to be available.

(b) The figures for Savings Banks Deposits were returned Gross in the War Weapons Weeks and estimated Net for the later campaigns. Gross has been reduced by 45%, the approximate correction advised by the National Savings Committee.

NATIONAL SAVINGS COMMITTEE

(£000 omitted)

Special Campaigns - Totals for Greater London

	War Weapons Weeks		Warship Weeks		Wings for Victory Weeks		Salute the Soldier Weeks	
	£	% of Grand Total	£	% of Grand Total	£	% of Grand Total	£	% of Grand Total
National Savings Certificates	4,972	4.05	5,666	3.87	8,187	5.05	7,863	4.71
3% Defence Bonds	4,505	3.67	4,941	3.38	3,495	2.15	2,599	1.55
Savings Bank Deposits	1,573*	1.28	1,917	1.31	2,917	1.80	3,585	2.15
Savings Stamps & Gift Tokens	-	-	411	.28	877	.54	1,049	.62
Total "Small"	11,050	9.00	12,935	8.84	15,476	9.54	15,096	9.03
2½% National War Bonds)	110,993 <sup>†</sup>	64.39	64,928	44.45	89,426	55.19	111,216	66.74
3% Savings Bonds )		26.08	67,640	46.30	56,882	35.10	40,236	24.14
Loans free of interest)		.51	517	.35	208	.12	74	.04
Gifts )		.03	45	.03	24	.01	7	.00
Total "Large"	111,623	90.98	133,130	91.13	146,540	90.42	151,533	90.92
GRAND TOTAL	122,673		146,065		162,016		166,629	
Target	100,000		125,000 - raised to 150,000		160,000		150,000 - raised to 165,000	

\*The figures for Savings Banks Deposits were returned Gross in the War Weapons Weeks and estimated Net for the later campaigns. Gross has been reduced by 45%, the approximate correction advised by the National Savings Committee.

<sup>†</sup>Estimated division: National War Bonds £79,000,000; Savings Bonds £32,000,000 - on which figures the percentages are based.

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