|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year  ending  Nov.  20. | Population. | Number of Depositors. | Percent- age of Popula- tion. | Amount of Deposits. | Per Head of  Population. |
| 1821 | 20,893,584 | Not known |  | **£**  4,740,188 | *£ s. d.*  0 4 6 |
| 1831 | 24,028,584 | 429,400 | 2 | 14,698,635 | 0 12 3 |
| 1841 | 26,730,929 | 841,204 | 3 | 24,536,971 | 0 18 4 |
| 1851 | 27,390,629 | 1,161,838 | 4 | 30,445,568 | 1 2 3 |
| 1861 | 28,927,485 | 1,609,102 | 6 | 41,542,219 | 1 8 9 |

From this date the progress of the post office savings banks has also to be brought into account, statistics of which have already been given under POST Office :—

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year. | Population. | Number of Depositors. | | | | | | Percent- age of Popula-  tion. |
| Trustee Savings Banks. | | Post office Savings Banks. | | Total. | |
| 1871  1881  1884 | 31,845,379  35,241,482 | 1,404,078  1,532,486  1,582,474 | | 1,303,492  2,607,612  3,333,675 | | 2,707,570  4,140,098  4,916,149 | | 12 |
|  | Amount of Deposits. | | | | | | Per Head of Popula- tion. | Per De- positor. |
| Trustee  Savings Banks. | | Post office Savings Banks. | | Total. | |
| 1871  1881  1884 | **£**  38,820,458  44,137,855  45,840,887 | | £  17,025,004  36,194,495  44,773,773 | | **£**  55,845,462  80,332,350  90,614,660 | | £ S. *d.*   1. 15 0 2. 5 7 | £  21  19  18 |

On the 24th April 1886 the funds in the hands of the National Debt Commissioners on account of trustee savings banks were £46,162,515, and post office savings banks £19,881,896, a total of £96,044,411.

To these may be added the cash and assets in the hands of the banks and the postmaster-general, which at the beginning of the previous year amounted to £764,804, and also the following investments in stock on account of depositors:—trustee savings bank, £729,522 ; post office savings bank, £2,626,928 ; total, £3,356,450 ;—making the aggregate funds belonging to depositors in savings banks more than £100,000,000.

The largest savings bank in the United Kingdom is that at Glasgow, as shown by the following table of the 21 principal banks :—

|  |  |  |  |
| --- | --- | --- | --- |
|  | Deposits on 20th Novem­ber 1884. | Deposit  Accounts  Open. | Number of  Transactions in the Year. |
| Glasgow | £  3,686,607 | 127,651 | 523,322 |
| Liverpool | 2,080,788 | 80,667 | 336,281 |
| Manchester | 1,858,468 | 68,162 | 210,828 |
| Edinburgh | 1,412,547 | 59,970 | 232,375 |
| St Martin’s Place, Loudon .... | 1,351,839 | 29,999 | 38,350 |
| Bloomfield Street, London.... | 1,263,577 | 65,301 | 104,311 |
| Exeter | 1,054,601 | 34,217 | 35,230 |
| Sheffield | 957,164 | 32,389 | 74,150 |
| Finsbury, London | 885,195 | 31,880 | 97,386 |
| Newcastle-on-Tyne | 776,188 | 21,998 | 40,952 |
| Preston | 653,875 | 19,561 | 54,871 |
| Hull | 628,903 | 27,597 | 82,414 |
| Nottingham | 607,708 | 22,811 | 40,114 |
| Leeds | 572,209 | 24,322 | 83,433 |
| Bristol | 539,695 | 14,168 | 29,286 |
| Devonport | 523,154 | 18,995 | 23,675 |
| Bloomsbury, London | 521,615 | 23,532 | 39,438 |
| Banks with less capital but a large number of depositors— | 19,374,133 | 703,220 | 2,046,416 |
| Aberdeen | 396,151 | 32,668 | 36,380 |
| Dundee | 474,089 | 22,119 | 81,753 |
| Marylebone, London | 301,713 | 20,895 | 23,773 |
| Leicester | 326 296 | 18,531 | 36,141 |
|  | 20,872,382 | 797,433 | 2,224,463 |

From this table some interesting conclusions may be drawn as to the operations of savings banks in the larger towns. These 21 banks have together more than 50 per cent. of the depositors, more than 45 per cent. of the deposits, and more than 65 per cent. of the transactions of all the 411 savings banks of the United Kingdom.

The progress of savings banks and the large amount that the deposits have now reached are evidence of the general fitness of the organization for its purpose. So far as regards trustee savings banks, the provisions of the Acts of 1817 are still to a great extent the same as those by which they are now regulated, though the law has been frequently amended in matters of detail, and twice (1828 and 1863) consolidated. Its main feature is the requirement that the whole of the funds should be invested with the Government through the Commissioners for the Reduction of the National Debt. The local management of the banks has been left entirely to the trustees, who are precluded from receiving any remuneration for their services or making any profit. They are, however, required to furnish the commissioners with periodical returns of their transactions. This blending of private management with state control has had many advantages in knitting together class and class, and in many places the voluntary trustees and managers have been able to render real service to the depositors in various ways. A new savings bank requires for its establishment the con­sent of the National Debt Commissioners and the certi­ficate of the registrar of friendly societies to its rules; but since the opening of the post office savings banks in 1861 few have been established, and many old savings banks have been closed, not being able to offer to their depositors the same advantages as the new system. The savings banks, which numbered 640 in 1861, have thus been reduced to 411, and their capital has been maintained rather by the accumulation of interest than by fresh deposits.

The legislation of 1817, among other inducements to thrift, offered that of a bounty to the savings bank depositor in the shape of a rate of interest in excess of that given to the ordinary public creditor, or—which is the same thing—in excess of that which could be earned by the investment of the deposits in the purchase of Government stock. The interest offered in the first instance was 3d. per day, or £4, 11s. 3d. per cent. per annum ; and that rate continued to be granted until the passing of the Act of 1828 (9 Geo. IV. c. 92). That Act reduced the rate of interest allowed to the trustees of savings banks to 21/2 d. per day, or £3, 16s. 01/2 d. per annum, and prohibited them from allowing more to their depositors than 2 1/4 d. per day, or £3, 8s. 5 1/4 d. per annum, requiring them to pay the surplus, if any, into a separate fund held by the National Debt Commissioners, but bearing no interest. In 1844 the interest to trustees was further reduced to 2d. per day, or £3, 5s. per cent., the maximum to be allowed to depositors being fixed at £3, 0s. 10d. Finally, in 1880 the interest to trus­tees has been reduced to £3, and that to depositors to £2, 15s.

The result of the bonus on thrift offered by the earlier statutes was a loss to the state, which ought to have been made good by an annual vote. Between 1817 and 1828 the difference between the interest credited and that earned amounted to £744,363 ; and this led to the reduction in the rate of interest effected by the Act of the latter year. The deficiency, instead of being paid off, was allowed still to accumulate, and as the price of stock rose and the deposits increased fresh deficiencies arose, so that by 1844 the deficiency, which would have been 11/2 millions by the mere accumulation of interest on the previous £744,363, had become £3,179,930. The reduction of interest in 1844 was about enough to make the fund self-supporting, though savings banks are always, as Mr Scratchley clearly shows, liable to loss from the fact that deposits are in excess when the funds are high and withdrawals when they are low ; but the past deficiency was still allowed to accumulate, and it was not till 1880 that the plan was adopted of voting the deficiency every year. Had the accumulated deficiency been then liquidated, there would have been no necessity for an annual vote. The bad political economy of the legislators of 1817 has left us this legacy of annual deficits. Had they provided the bounty at their own expense instead of that of their descendants, there would have been little to be said against it.