The offer of a bonus on thrift was of necessity accompanied by provisions to guard against its being used by others than the classes it was intended to encourage. This was done by limiting the amount that each depositor should be permitted to pay in. In the first instance, in England the limit was fixed at £100 for the first year, and £50 a year afterwards. In 1824 these limits were reduced to £50 for the first year, £30 a year afterwards, and £200 in the whole. In 1828 the limit was adopted which still remains in force of £30 a year or £150 in the whole, allowed by addition of interest to increase to £200 but no further. Attempts have been frequently made to raise the annual limit to £50, but have always been defeated. This is to be regretted, for the limit is of doubtful utility, now that the rate of interest has been so reduced as to prevent loss to the state. It is within the common experience of savings banks managers that persons come to deposit an amount exceeding £30 and are disappointed when they find they cannot do so. The Act of 1882, permitting investment in Government stock, may diminish the mischief.

With the view of showing to what extent savings banks are used by the classes for which they were intended, a return was published for the year 1852, showing (as nearly as could be ascertained) the number of depositors belonging to various occupations, and the amount of their deposits, as follows :—

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Depositors. | Deposits. | Average. |  |
| Tradesmen and their assistants, small |  |  |  |  |
| farmers, clerks, mechanics, and artisans not described as journeymen, and their wives | 296,407 | £S, 144,206 | £27 |  |
| Domestic servants, charwomen, nurses, |  |
| and laundresses | 257,711 | 6,907,388 | 27 |  |
| Minors having accounts in their own |  |  |
| names, including apprentices | 182,636 | 2,426,195 | 13 |  |
| Labourers, farm servants, journeymen |  |
| mechanics, and their wives | 152,057 | 4,354,080 | 29 |  |
| Females described only as married |  |
| women, widows, or spinsters | 138,858 | 4,037,458 | 29 |  |
| Dressmakers, milliners, shopwomen, and |  |
| female artisans | 24,859 | 580,202 | 23 |  |
| Trust accounts (principally for minors), |  |
| including all joint accounts | 22,317 | 417,786 | 19 |  |
| Soldiers, sailors, boatmen, fishermen, |  |
| policemen, letter carriers, revenue officers, pensioners, railway men, and their wives | 21,525 | 739,248 | 34 |  |
| Persons engaged in education, male and |  |
| female | 10,497 | 327,795 | 31 |  |
| Gentlemen, persons of independent |  |
| means, professional men, and their wives | 20,961 | 579,528 | 28 |  |
| Miscellaneous, and persons without any |  |
| given description | 60,289 | 1,394,351 | 23 |  |
|  |  |
| Total | 1,188,147 | £29,908,237 | £25 |  |
|  |  |

Not two per cent. of the deposits, therefore, either in number or amount, are made by classes whom it may be supposed it was the intention of the legislature to exclude.

When a person comes with his first deposit to a savings bank he is required to sign a declaration, setting forth his name, address, and occupation, that he desires to become a depositor on his own account, and that he has no money in any other savings bank. If this declaration be not true, the deposits are liable to be forfeited ; but it is to be feared that few depositors take the trouble to read what they are signing, or think much about the meaning of it. If the depositor cannot write, the actuary of the savings bank will usually ask him a few questions, such as his age, mother’s maiden name, &c., which may tend to identify him, or defeat any attempt to personate him for the purpose of withdrawal. The enactment that deposits are to be forfeited if the declaration be false was qualified in 1863 by a provision that the forfeiture should not be enforced unless in the opinion of the appointed barrister (now the solicitor to the treasury) the deposits had been made with a fraudulent intention.

The consequence of the determination by the solicitor to the treasury that the deposits have been made with the “ fraudulent ” intention which the Act contemplates is out of all proportion to the nature of the offence committed, being in fact the forfeiture of all the deposits. The prohibition of double deposits arose when the state was granting a rate of interest greater than that which it earned upon the investment of the money, and it has now ceased to have any real reason whatever, the rate of interest being less than earned. The intention to “defraud” now means merely the intention to evade a restriction that has ceased to be necessary, not an intention to deprive anybody of anything that belongs to him. If it be thought desirable to sanction by the infliction of a penalty the law that these institutions should be used only for the savings of the poorer classes, the loss of interest would be a sufficient if not an extravagant penalty, without forfeiture of the principal. Indeed, the present excessive penalty has, in one remarkable case, defeated itself. This was the case of a depositor in an Irish savings bank, who invested in fictitious names the sum of £2000. The solicitor to the treasury felt compelled to declare

that these deposits were made with a fraudulent intention. The registrar in Ireland felt bound to act on this determination, and refused to award payment of the deposits. The High Court of Justice and the Court of Appeal refused to grant a mandamus, for the law would not assist a wrongdoer. But parliament itself voted £1000, or half the amount of the forfeiture, the legislature thus providing a remedy for an injustice it had itself committed. Another curious case was that of a young woman, the daughter of a postmaster, who in order that her father might be provided with funds to meet business claims as they became due, purloined money from him and invested it in false names in the post office savings bank kept at his house. In this case, the postmaster him­self not being the guilty party, no forfeiture took place.

Among the benefits conferred by the legislature upon depositors in savings banks has been that of exemption from the jurisdiction of the ordinary courts of law in cases of dispute with the trustees. By the Acts of 1817 disputes were to be settled by arbitration. By that of 1828 the barrister appointed to certify the rules of the savings banks (then and until his death in 1870 Mr John Tidd Pratt) was made umpire in case of difference of opinion between the arbitrators. By that of 1844 the arbitrators were abolished, and an original and final jurisdiction was conferred upon the barrister. By an Act of 1876 the functions of the barrister in this respect were conferred upon the registrar of friendly societies. This in effect makes no change in the law, for the offices of barrister and registrar have been always held by the same persons. As early as 1832 it was determined in the case of Crisp *v.* Sir Henry Bunbury that the effect of these enactments is to oust the jurisdiction of all the superior courts of law and equity, and the authority of that decision has never been shaken or even doubted.

Since 1876 the registrar of friendly societies has made 147 awards in cases of disputes with savings banks, in addition to 169 on disputes with the post office savings bank. As the writer of the present article is one of the two persons in whom this jurisdic­tion is vested for England, he hopes he may be excused for express­ing the opinion that its exercise has been highly beneficial to depositors in savings banks. The costs of the award are limited by treasury warrant to a few shillings, never exceeding £1. The procedure is simple and elastic, and the results are believed to be satisfactory. The central office, acting as registrar, determines law and fact, and adjusts all the equities of each case. Reference to the index to the registrar’s decisions appended to the chief registrar’s report for 1883, or to Mr Forbes’s useful work, will show that many interesting questions of law have had to be determined with regard to so small a matter as the ownership of a savings bank deposit.

Questions between husband and wife as to property including deposits in savings banks are now, under the Married Women’s Property Act, settled by the judges of county courts. Where a depositor, as often happens, is of illegitimate birth, a special pro­vision is made by the Savings Bank Act in favour of his relatives, to whom the solicitor to the treasury may award his deposits. It is open to any depositor to nominate a person to whom the amount due to him at his death shall be payable, provided it does not exceed £100 and the nominee is not an officer or servant of the bank, unless indeed such officer or servant is related to the depositor. This privilege, derived from the Provident Nominations and Small Intestacies Act passed in 1883, is not yet sufficiently known to the bulk of depositors, and has not been used to any large extent, but may be expected in time to become very valuable. It is an extension of a privilege enjoyed by members of friendly societies since 1855, and also by industrial and provident societies and trade unions.

A painful chapter in the history of savings banks is that occupied by the frauds of actuaries, which have caused losses to depositors of not less than £150,000. It too often happens that, where the only supervision is that of honorary officers, a paid servant may commit frauds unchecked over a long period of time. In the case of a savings bank at Rochdale, £71,715 was stolen by the actuary, and £37,433 of this loss had to be borne by the depositors. In one at Dublin the loss was £56,000, and in one at Tralee £36,000. These unhappy events must have greatly dis­couraged the poor, and checked the progress of savings banks. There is, however, the compensating fact that the savings made by the people of Rochdale since 1849, when the savings bank there was closed, have taken the more favourable direction of promoting the great co-operative enterprises of that town. Savings banks, valuable and important as their benefits are, are still only elementary teachers of providence, and it is well for the workman to learn not merely to save money but to employ his savings to advan­tage. The stringent legislation as to audit of 1863 has diminished frauds on savings banks, and they are now rarely heard of. @@1

In connexion with savings banks, and as auxiliaries to them, are penny banks. An ordinary savings bank will not accept a deposit

@@@1 Since (he above was written the disclosure of frauds of long standing in the Cardiff savings bank has taken place.