in 1798. Savings banks were shortly after established in London, Bath, Ruthwell in Dumfriesshire by the Rev. H. Duncan (1774- 1846), Edinburgh, Kelso, Hawick, Southampton and many other places. By 1817 they had become numerous enough to claim the attention of the legislature, and many acts of parliament were passed from time to time for the management of these institutions in Great Britain, culminating in the establishment on a very broad basis of the Post Office savings banks (see Post and Postal Service) . The promotion of thrift, at the end of the 18th century an experiment by a few far-seeing individuals, was by the 20th century almost universally adopted, and was regarded practically as an adjunct to the institutions of every civilized community. Friendly societies, co-operative societies, trade societies and other agencies are all based on this same principle.

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. The acts relating to trustee savings banks are referred to as the Trustee Savings Banks Acts 1863 to 1904, a title given by s. 16 (2) of the act of 1904. They comprise the Trustee Savings Banks Act 1863 (26 & 27 Vict. c. 87), the Trustee Savings Banks Act 1887 (50 & 51 Vict. c. 47) and so much of the following acts as applies to trustee savings banks: the Post Office Savings Bank Act 1863, the Savings Banks Act 1880, the Savings Banks Act 1887, the Savings Banks Act 1891, the Savings Banks Act 1893, and the Savings Banks Act 1904.

The 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. 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.

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 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 2½d. per day, or £3, 16s. o½d. per annum, and prohibited them from allowing more to their depositors than 2¼d. per day, or £3,8s. 5¼d. 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.%, the maximum to be allowed to de­positors being fixed at £3, 0s. 10d. In 1880 the interest to trustees was reduced to £3, and that to depositors to £2, 15s. and again in 1888 to £2, 15s. and *£2,* ïos. respectively.

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 1½ 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 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, although in 1863 nearly 2 millions was voted by parliament to make good part of the deficiency; from 1876 income deficiency was met annually as it arose, while in 1880 there was created to meet the capital deficiency a terminable annuity to expire in 1908, but which by the act of 1904 was extended to 1917.

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. The limit has been varied from time to time, but by the Savings Banks Act 1891, s. 11(1), the maximum amount standing in the name of any depositor must not exceed £200, nor must interest be allowed on any sum in excess of that amount. By the act of 1893 the maximum deposit in any one year must not exceed £50, but a depositor may, not more than once, replace the amount of any withdrawal made in one entire sum in the course of a year. The replacement may be effected in one or more sums.

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.@@1 If this declaration he 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.

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 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 made no change in the law, for the offices of barrister and registrar had been always held by the same persons. As early as 1832 it was determined in the case of *Crisp* v. *Bunbury* (8 Bing. 394) that the effect of these enactments is to oust the jurisdiction of all the superior courts of law and equity (see also *Cardiff* *S.B*. v. *Aberdare District of Oddfellows,* F. S. Reρt., 1887, pt. A., p. 70). This jurisdiction 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 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 annual reports 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.

Many of the old trustee savings banks which were put on a systematic basis in 1817, have been absorbed by the Post Office, but while the total amount of their deposits increases, the number of their depositors remains about the same. In 1863 there were 622 of these banks carrying on operations with 1,558,000 depositors, and deposits amounting to £40,563,000. In 1889 the number of banks had decreased to 380, with 1,500,000 depositors, and £45,000,000 of deposits; while in 1905 they had still further decreased in number to 224, but the depositors had increased to 1,730,331, and their deposits to £52,723,435. The reason for this is that the smaller trustee savings banks, open often only once a week for a short time, cannot give such facilities as the Post Office, which is open every day Further than this, owing to the break-up of the Cardiff bank in 1886, and other smaller irregularities, a select committee of the House of Commons was appointed to inquire into these banks. By the recommenda­tions of this committee, an independent and permanent inspec- tion committee was appointed, which has carried on its work of inspection ever since, and reports annually to parliament. This action has rather tended to merge the smaller trustee savings banks in the Post Office. At the same time the large banks continue to do a great business, and have become in many ways similar to ordinary joint stock banks, affording to persons of smaller means daily facilities for saving.

Those who have studied the habits of thrift among the people have usually come to the conclusion that its development depends largely on the ready facilities which exist for its exercise. To this fact may perhaps be attributed the efforts that have been made in various directions for establishing some means of saving close to the places where wages are paid. To carry out this

@@@1 By the Post Office Savings Bank (Public Trustee) Act 1908, the regulations as to declaration by a depositor and the prohibition of a depositor having more than one account do not apply to the public trustee.