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An Institutional Import: Irish Savings Banks c. 1820-1860

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AN INSTITUTIONAL IMPORT: IRISH SAVINGS BANKS c. 1820-1860

Cormac Ó Gráda

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INTRODUCTION:

The historiography of nineteenth-century savings banks is rather dull. For the most part it is the work insiders engaged in commemorative history, either long-serving executives of the institutions they describe or else authors specially commissioned by the institution in question. Sepia photographs of soberly dressed bank officials and unprepossessing buildings tend to be a strong feature of savings banks histories (e.g. Horne, 1947; McCreary, 1991; Campbell, 1985; Tyrrell, 1947; Moss and Russell, 1994; Manning, 1917; Sherman, 1934; Orcutt, 1934).

Nor do savings banks themselves have any of the glamour of contemporaneous innovations such as the powerloom or the railway engine. What could be more boring that the story of institutions which didn t even expose themselves to the risk of lending money and which for the most part were cautiously and competently run? Well, I believe savings banks are worth studying, if less for their own sake than for what they can tell us about the economy and economic behaviour more broadly.

During the Industrial Revolution there was no shortage of schemes encouraging the poor to save. Such schemes were particularly directed at industrious and frugal servants and tradesmen, and more generally at those who might easily be reduced to destitution by unemployment, illness, or old age. Saving for a rainy day might have been second nature to the businessman and the farmer; not so, it was held, the labourer or the servant. One early proponent claimed that saving was not an intuitive faculty of the mind , and needed to be taught, like reading and writing.

In 1793 the British parliament passed a scheme to promote friendly societies, but such societies were soon being criticised for being wasteful and too narrowly focused. Of several schemes to encourage working-class thrift the most important would prove to be the provident institution or trustee savings bank. Histories of savings banks usually identify their founder as Rev. Henry Duncan who opened a savings bank in a cottage in the hamlet of Ruthwell near Dumfries in lowland Scotland in 1810. As it happened, the rules governing Duncan s bank were too complex and Ruthwell too small for his model to offer the prototype of a thriving savings bank, but key features of his plan low minimum deposit, ease of withdrawal, and an attractive return on savings would endure. Three years later a savings bank was founded in Edinburgh; its less cumbersome structure and rules would prove more influential than Duncan s model.

There were two important differences between the Ruthwell and Edinburgh models. First, Ruthwell s board of trustees was elected by the members, whereas Edinburgh s was a self-perpetuating group of middle-class philanthropists. Second, while the Ruthwell model required that trustees monitor the character of savers, Edinburgh ignored this constricting and time-consuming stipulation. The Ruthwell model capitalized on the face-to-face character of village society, but the viability of savings banks required towns and cities rather than villages.

The new concept spread very rapidly throughout the UK. It became fashionable for the middle classes and the gentry to become involved in banks as trustees, patrons, or part-time managers. Ricardo and Malthus were managers of a savings bank set up in London by Joseph Hume in 1816, and for a time Ricardo was one of the driving forces behind another established near his country seat at Gatcomb Park in 1817. Such people saw themselves as enlightened philanthropists. As Ricardo confided to a friend, the rich have no other personal object in view excepting the interest which every man must have in good government and in the general prosperity . But the desire to make the poor industrious was coupled with a self-interested concern to reduce the nuisances of poor relief and street begging. Edinburgh s first attempt at launching a savings bank emanated from the city s Society for the Suppression of Beggars. And it was no accident that the first location of Belfast s savings bank was an annex to the local house of industry and that the famous Irish Poor Inquiry of the mid-1830s included an investigation into charitable savings and credit institutions. The system thus embodied a paternalism that seemed to unite the interest of rich and poor. But this was at the expense of the poor having to reveal their saving habits to their betters.

In Ireland official thinking behind the savings banks is well illustrated in the following piece of propaganda from a mid-1830s school textbook, *Irish National School Reading Book No. 4*:

> When a poor man has saved up a little money, he generally puts it into the Funds as it is called, or deposits it in a savings bank, which does this for him; he is then one of the Government s creditors... and all Government creditors, that is, all who have money in the Funds, or in the savings banks, receive their share of it as a just debt.

So influential was the support for the new institutions at the outset that parliamentary backing was soon forthcoming. Separate acts to encourage the spread of savings banks in Ireland and in England fixed the rate of interest payable at a very generous 3d per cent per diem or 4.55 per cent per annum, limited depositors to investments of £50 per annum in Ireland and £100 in Britain, and exempted bank transactions from stamp duties. [These rates and limits would change later.] They also prohibited trustees from having a financial interest in a savings bank. As a confidence-building measure the legislation also stipulated that the banks deposits be placed on account with the Commissioners for the Reduction of the National Debt.

George Rose M.P., an elderly Tory and really the driving force behind the legislation, believed that the spread of savings banks would gradually do away [with] the evils of the system of poor laws . Such sentiments led to the fear in some quarters that savers would risk losing their entitlement to parish relief, which explains why Rose s act contained a clause guaranteeing savers against that eventuality. Against the objection that the legislation had not been demanded by those whom it sought to protect, Rose argued that both the principle and the detail of such an institution was beyond the common ideas of persons engaged in daily and manual labour .

George Rose s scheme relied on a combination of public and private subsidy. While the high interest rate guaranteed by his plan and the prestige lent by gentry involvement were crucial, philanthropic volunteering was also essential in monitoring the banks activities thereafter. The new institutions aimed to offer their clients three things: a relatively attractive return on their savings, considerable liquidity, and security. In the mid-1810s they spread like wildfire. By the end of 1818 there were nearly five hundred savings banks in Great Britain. The rate of growth tapered off thereafter.

CRITIQUES:

Some radicals (like William Cobbett) saw the savings banks as a cunning way of getting rid of the entitlement to poor relief. While undoubtedly some supporters of savings banks were hard-line Malthusians who wanted an end to *all* poor relief, there is also a distinction between entitlement and the *need* for poor relief. More soundly based was the quickly-emerging critique that the banks really were not helping those for whom they were intended, and that the benefits were being captured by the middle and lower-middle classes. By the early 1820s even Ricardo s initial enthusiasm had turned to lukewarm support: and he now wanted deposits locked in and the rate of interest payable reduced. This is a point that would be rediscovered in the 1950s and 1960s by Neil Smelser (1959) and Albert Fishlow (1961).

GROWTH IN IRELAND:

In Ireland diffusion lagged, but only very slightly, behind the rest of the UK. The most active years for creating savings banks were 1818 and 1819. As in Britain the banks relied on local grandees to lend prestige, and on clergymen, and professionals and businessmen to provide the initiative and to act as trustees or managers. This sense of *noblesse* *oblige* (or its bourgeois equivalent) was a crucial aspect. In general the management was ecumenical in composition.

Ireland s first savings bank was established in Stillorgan in 1815, but it seems not to have lasted long. The first successful bank, the Belfast Savings Bank, opened for business in January 1816. It was followed the Edinburgh model. Thereafter though Ulster took the lead, banks were soon set up throughout the island. By late 1829 there were 73 savings banks in Ireland. On the eve of the famine there were 95,348 depositors in 76 savings banks holding balances totalling nearly £3 million.

The Irish savings bank network had been essentially established by the mid-1820s. Of the 74 Irish banks still open in late 1846 46 had been created in 1816-25, a further 21 in 1826-35, and only seven from 1836 on. Long-established banks best withstood the pressures of the late 1840s (on which more later). Of the 52 founded before 1826 six had gone by the wayside by 1848; of the 29 founded in 1926-35, eight failed by 1848; of the twelve founded in 1836 or later, five had folded by 1848. The earlier savings banks were also bigger.

On the eve of the famine the population of Ireland was more than half that of England & Wales, and more than double that of Scotland. Yet Ireland had only half as many savings banks as Scotland, and about one-sixth as many as England and Wales. Part of the reason for this is that banks fared best in commercialized urban settings, whereas Ireland was overwhelmingly rural. In Ireland as in the rest of the UK account-holders were disproportionately urban, with four of the main cities (Dublin, Cork, Limerick, Belfast) holding two-fifths of all accounts. In Dublin in 1846 two big savings banks held about 25,000 accounts in a city of about ten times as many people. In Belfast the ratio of accounts to population was about the same. And likewise in Cork, then Ireland s second city.

In Ireland the banks were more likely to be located in the more developed parts of the country. On the eve of the famine the province of Connacht, poorest and least urbanised, and worst affected by the famine, accounted for 17 per cent of the population but only 4 per cent of the savings held in savings banks. The correlation across Ireland s thirty-two counties between the average deposit per capita and one common measure of living standards, poor law valuation per head, was 0.59. The correlation between a second measure, male literacy in a county, and average deposit per head in the same county was 0.53. So the irony is that the banks were fewest where really poor people were most numerous.

WHO SAVED?

The initial motivation behind the banks and their parliamentary supporters was to get the poor to save. In this respect the banks record was mixed at best. Qualitative accounts suggest that the poor were not the main beneficiaries. The 1835-6 Irish Poor Inquiry suggests that farmers, shopkeepers, and tradesmen were much more likely to use the savings banks than labourers, though servants also feature prominently in the categories listed. Tellingly the very first annual report of the Cork Savings Bank (founded in 1817) noted that many depositors were too prosperous to deserve its benefits, adding that this species of deposits, if continued, would eventually close the Bank, as no gentleman could be got to give their time gratuitously as Managers to conduct the money dealings of their equals and in many cases their superiors in rank and property . The sense that the very same savings banks had been captured by the middle classes is also evident in an indignant editorial in the *Southern Reporter* in the wake of a run on it in April 1848. Noting that a single family had served notice to withdraw upwards of £400 on the following Saturday, it fulminated:

> We do not know whether other establishments of the kind are similarly circumstanced: but we do know something of the management here, which has let us into a secret about the causes of the apparent panic in our city. Does (the £350,000 on deposit) belong to our poor? Are they parties whose vulgar fears have caused all the monetary alarm to which we have been subjected? No such thing. The depositors are not the humble classes. We know the fact to be so. Their whole deposits in the bank, though for them alone its benefits were intended, are not estimated to amount to more than £60,000! The rest

has been lodged in evasion of the law by people of a class which was never meant to have the privilege of depositing in it... The present run on the Cork Savings Bank is not their (i.e. the poor) act, but that of persons who should never, had proper care been taken by its management, been allowed to deposit in it.

Similarly the local gentry funding the small bank in Carrickmacross stopped doing so in 1849 because depositors were principally of a class superior to those for whose benefit the institution was originally intended .

Hard data on the savers socio-economic status confirm such impressions. There are several ways of getting at the background of savers.

[1] One indication is the average sum held per depositor at any one time (see Table 6). In 1837, for example, the average sum deposited in Ireland was £28. Not only did that represent about three times Irish per capita income, but it was more than the average sums deposited in either England (£31) or Wales (£29). In mid-century the Irish average (£28) was marginally higher than the English (£26) or or the Welsh (£27), and double the Scottish (£14). Given that income per head in Ireland was then probably less than half that of the rest of the United Kingdom, this suggests that Irish depositors came from further up the income distribution than those in the UK.

The high average sums deposited would suggest that in both Ireland and England money which should have gone to the joint-stock or country banks was diverted into the savings banks. Scotland was different: its savings banks were best at targeting those for whom they were intended, and the average deposits there were lowest in all occupational categories. An important reason for this is that Scotland s more developed joint-stock banking system meant more competition for the savings of the better off than in either Ireland or England. In Scotland the commercial banks paid good interest on deposits accounts, but most Irish commercial banks paid very low rates, and the dominant Bank of Ireland paid none until forced by competition to do so in 1865 (Paine, 1966; Fishlow, 1961; Ó Gráda, 1994: 357-9).

[2] The breakdowns by occupation corroborates (Table 2). Had the savings banks been mainly about encouraging and rewarding the industry and self-denial of the working classes , savers in categories 7 (labourers, servants, journeymen), 8 (domestic servants, nurses, etc.), and 9 (dressmakers, shopwomen, female artisans) should have dominated. In England and Wales these three combined accounted for 41 per cent of deposits and 37 per cent of accounts. In Scotland they accounted for 37 and 38 per cent. In Ireland, however, they accounted for only 16.5 and 23 per cent, respectively. Variations in the structure of the labour force could not account for the difference: it is clear that the unskilled and the lowly skilled formed a much smaller proportion of savers in Ireland than in the rest of the United Kingdom. Tradesmen (a category which includes farmers) and women without a reported occupation were proportionately more important in Ireland. Since Irish labourers and servants were much poorer than their English or Welsh peers, it is perhaps reassuring to find that those of them who saved, saved less. However, the high averages in Irish trust accounts and in the accounts of minors are suspicious, as are those of gentlemen and professionals. See also Table 4 on the Wexford Savings Bank.

[3] Comparing the average sizes of deposits and withdrawals from savings banks offers another clue (Table 5). If the clients of savings banks were mainly men and women of modest means who saved incremently one might expect the average withdrawal to exceed the average deposit. Nowhere were accounts very active; everywhere the number of deposits per account exceeded the number of withdrawals. In both England and Wales and in Scotland the average withdrawal was much bigger than the average deposit, but this was not so in Ireland. Note too that the average

deposit was highest in Ireland by a comfortable margin.

[4] In the UK the average deposit fell from £33 in 1830 to £25 in 1852. This is interpreted by Albert Fishlow as evidence of very small deposits by new savers. In Ireland, however, the trend in the average deposit size was up for most of this period. The aggregate sum deposited in Ireland grew much faster than in England between 1833 and 1845 at a rate of nearly six per cent per annum.

[5] The size-distributions of accounts in individual Irish savings banks also suggest that many of them did not cater primarily for the very poor. Nearly-two thirds of the savings were held in the 47,318 accounts worth between £20 and £100. Note that on the eve of the famine Irish GDP per capita was £10-£12, while a farm labourer s annual wage averaged £10 or less. In Dublin and Belfast the preponderance of small accounts suggests that those on modest incomes were better represented. On the eve of the famine a clear majority of accounts (62 per cent in Dublin, 55 per cent in Belfast) contained £20 or less. However, in Cork and Limerick savings banks the proportions holding £20 or less were much lower 39 and 36 per cent. In the towns of Castlebar and Boyle, located in the impoverished west, the proportions were only 33 and 36 per cent.

All these data strongly imply that Irish savings banks did not target primarily those that their founders had in mind.

THURLES SAVINGS BANK:

Thurles Savings Bank opened for business in late 1829 and folded in 1871. There is an excellent account of the bank by James O Shea who discovered its rich records, unique for Ireland, in the 1980s (O Shea, 1989). Its ledgers corroborate the point about the banks being mainly a vehicle for the more comfortable and better off. Thurles held over four thousand accounts in all. The spread of opening lodgements is worth remarking on (Figure 1). More than one-third (1,630 out of 4,213) were for exactly the maximum permitted sum of £30. Note too the peaks at £5, £10, and £20. Quite plainly children s accounts were used to overcome the regulation that no single account be augmented by more that £30 in a single year. The opening deposits in trust accounts tended to be bigger than average. Only 8.5 per cent of them were of £5 or under, compared to 18.5 per cent of all opening deposits. Moreover, nearly three-fifths of the opening deposits of exactly £30 were trust accounts, and a much higher proportion of trust accounts (52.6 per cent) were at the upper limit of £30 (Figure 2).

In Thurles in the 1829-1846 period deposits exceeded withdrawals in each year with the exception of 1840 and 1842 (Figure 3). However, in 1834-36 there were substantial withdrawals (£11,265 against £14,340 deposited). This may well have been due to the opening of a branch of the National Bank in the town in 1835 and a branch of the Agricultural and Commercial Bank in the following year. The opening of a branch of the new Tipperary Bank in 1840 may also have some drawn accounts away from the Thurles Savings Bank. Perhaps too reductions interest on deposits in savings banks had also something to do with it?

Note first of all that the two main poor categories, labourers and servants, are underrepresented (Table 12). For example, labourers accounted for half the labour force on the eve of the Famine, but for only one saver in fifty. In effect the Thurles Savings Bank was a farmers bank. More than one account holder in four was described as a farmer or a member of a farming family, and it is clear from the ledgers that a significant number of those described merely as minors , spinsters , widows , and married women were also from farming families. These categories were to the fore throughout the bank s history.

The impression that very few of the lower orders take advantage of the saving bank is confirmed by a close scrutiny of the records. Table 12 summarises the profile of savers. The table contains some expected and some perhaps surprising features. The low average opening balances of servants and labourers are expected, those of tailors and bakers perhaps less so. They betoken the lowly economic status of those occupations in the area. At the other end of the spectrum are landlowners and gentlemen, the groups with the highest average maximum balance. The closeness of opening, closing, and maximum balances for farmers, farmers wives, and farmers children are interesting. They suggest that farmers used the accounts of family members to extract maximum benefit from the bank.

In general the picture is of rather inactive accounts, with an average of just a few transactions a year. The number of deposits typically exceeded withdrawals. This seems to have been typical of nineteenth-century savings banks. The average closing balance exceeded the average opening balance in all occupational categories. This suggests that the bank was used as a vehicle for accumulation. The average account was held for about five years, with little variation here across occupations or parishes. However, it was quite common for account-holders to close their accounts and re-open another later.

In the prefamine period the Thurles actuary took down a high proportion of account holders ages, though hardly any after 1845. The significant proportion of accounts in the names of children (11 per cent) and juveniles (12 per cent) again suggests that these were used to circumvent the rules.

SCALE AND COST:

Many savings banks, at least at the outset, did not operate on fully commercial criteria, relying instead on unpaid part-time staff and on free or subsidised premises with alternative uses outside banking hours. Even in the mid-nineteenth century a quarter of the staff were unpaid, and one office in four rent-free. Some savings banks were located in town halls, and operated from premises that were also used by grand juries or petty sessions, or even as lending libraries or dispensaries. In Ireland several doubled up as premises for the local loan fund. Where modest premises could be rented for weekly or fortnightly use and where managers were part-timers and paid accordingly, small could also be beautiful. However, since the number of transactions per account-holder was typically small, with even a part-time professional staff viability required a sizeable number of accounts. This explains why savings banks were more likely to locate in bigger towns. In Ireland, though, many were still located in very small towns on the eve of the famine. In 1845 eighteen towns with populations of less than two thousand contained a savings bank. Most of the banks in such places were small: the correlation between town size and aggregate deposits was very high (over +0.9). The average sum deposited in banks in towns of less than two thousand inhabitants in 1846 was £10,772, compared to £14,660 in towns of 2,000-4,999 inhabitants, £28,105 in towns of 5,000-9,999 inhabitants, £46,520 in towns of 10,000-19,999 inhabitants, and £265,160 in towns and cities of over 20,000. This suggests that many of the savings banks were located in unpromising places. These banks, typically small, seem to have been the creations of resident landlords for the most part. The landlord connection is also reflected in the added function of several Irish savings banks offices still operating in 1850 as rent offices. In Scotland a savings bank office occasionally doubled up as a commercial bank office, but never as a rent office. Since a bank s catchment area was largely determined by walking distance, with the great majority of customers living with 10-12 miles of their bank, small-town and village savings banks were at a distinct disadvantage.

The number of depositors was also strongly correlated with the size of the town in which a bank was located. Thus the biggest savings banks were those in Dublin, Cork, Belfast, Limerick, and Waterford. The smallest were in Killough, Co. Down (25 accounts, population 1,148), Tyrellspass, Co. Westmeath (104 accounts, population 623), Cootehill, Co. Cavan (107 accounts, population 2,425), and Castleknock, Co. Dublin (139 accounts, population 156).

Aggregate data for 1848 suggest that Irish banks were smaller and costlier to run than those in Britain (Table 1). The average annual cost per account was 1.8 times that in England and Wales and three times that in Scotland. The cost per pound deposited was also higher in Ireland, though by a smaller margin. More detailed data on the cost structure of the savings banks are available for 1850, by which time the dust had settled in Ireland. They report the size of each bank (defined either by total deposits or the number of account holders) in the United Kingdom in operation in 1850-2 as well as its management costs. The same sources list the number of both unpaid and paid staff and the total wage-bill, the rate of interest paid on deposits, running costs as a percentage of the bank s capital, and the number of business days in a year. Simple cross-section regressions using data on 42 Scottish and 52 Irish savings banks in 1850 yielded estimates of average cost per transaction and of total cost relative to capital which put Irish savings banks of all sizes, but especially the larger ones, at a considerable disadvantage. Note too that unit cost declined with size in both Ireland and Scotland.

PANICS AND CONTAGION:

The history of savings banks would be much duller were it not for their occasional exposure to runs or panics. These panics, from which the banks never truly recovered, exposed a weakness in their original design.

In Ireland the record of the savings banks in this respect was quite good: only one serious case of embezzlement came to light before the late 1840s, and there were two more in April 1848. But this was enough to give rise to a panic that almost destroyed the whole system. The first bank to be cheated by its actuary or manager, the Cuffe Street Savings Bank in Dublin, had been mismanaged since the 1820s, and should have been closed long before its final demise in 1848. Much more damaging were the sensational, unrelated collapses of the Tralee and Killarney savings banks in April 1848. Both failures were due to dodgy actuaries and lax management by the trustees. Both produced much adverse publicity for savings banks. They illustrated how vulnerable other banks had been, and also highlighted showed that the rules about deposit ceilings were flouted in Kerry. These Kerry failures, for which nobody received compensation, had major contagion effect throughout the country.

In Tralee the actuary had operated the business from his own house, which afforded him considerable latitude for carrying on his frauds . Since depositors called at all hours with their deposits there were no managers present to check entries. One of his scams worked as follows. Deposits of £30, £15, and £27 would be entered as £3, £5, and £7, and a sum of £15 added to the coffers. The manager would see that the sum lodged matched the entries. Then he would add a zero to the £3 and change the £5 to £15 and the £7 to £27, so that depositors who came to claim their money would get it. In this way suspicions were not aroused. The actuary, on a salary of £60, pocketed about £28,000 between 1832 and 1848, though in 1848 he appeared to have had but £3,000 realised . The Killarney Savings Bank, which held over one thousand accounts, closed its doors on 18 April 1848. In this case the actuary fled, leaving liabilities of £36,000 against assets of £16,582.

An official investigator, John Tidd Pratt, was appointed to look into the plight of the two Kerry banks. His findings created a sensation. He found the greatest abuse had[d] existed on the part of the depositors, with respect to their mode of depositing, and the amounts they invested, as well as an utter disregard to the rates , but Irish politicians and the press sympathised the depositors. Tidd Pratt defended himself in a letter from Killarney to the *Freeman s Journal* in which he revealed that the average deposit in Tralee had been £40 and in this place will exceed £50 . One depositor had made claims amounting to £1,000, and others had claimed £800, £650, £450, £320, and so on. In no savings bank in the United Kingdom had he ever found so great a number of what I consider large accounts. He added that his duty was far from being a pleasant one .

As numerous Tralee account-holders handed in their pass books to the clerk, it emerged that some of the farming class, apparently poor, had sums to a surprising amount lodged even over a thousand pounds each . Similarly in the wake of the collapse of the Killarney savings bank, tenants, who pleaded extreme poverty to their landlords, paupers from the workhouse, and men whose outward appearance would lead you to look on them as objects of charity, were soon at the office door . In colorful evidence to a Commons select committee on savings banks in 1849 Tidd Pratt spoke of cases where husbands brought books representing the money to be the property of their sisters, and upon calling the sisters it turned out to be their wives , and of persons producing books before me stating it was not their own property, but was the property of their nephews and nieces; and upon my informing them that their nephews and nieces must come themselves, when the children came it was quite clear that they had never seen the book . Another man had a large sum of money in the bank, and it had been stated that if he was pressed [for rent] they must sell his bed under him, and several cases of that kind . His report to the Lords of the Treasury, no doubt accurately, described the claimants as belonging to a class of persons for whom these institutions were never intended . But he lacked evidence for his assertions that many had invested in the savings banks in order to avoid paying rent, and that others were in receipt of indoor or outdoor poor relief.

Tidd Pratt s report was presented on 18 May 1848. Its accusations were widely circulated in the domestic and foreign press and widely repeated later. Henry Arthur Herbert, M.P. for Kerry, declared that he had seen them repeated in the *Augsburg Gazette*. In the Commons and before the select committee on savings banks of which he was a member Herbert vigorously rebutted Tidd Pratt s claims. The claim that three prisoners in jail for debt had presented themselves in custody of their gaolers to claim as depositors was rebutted with a letter from the governor of the jail that no such circumstance ever occurred . Tidd Pratt was forced to withdraw his accusation before the committee. Nor was their any evidence either for his most colorful claim that workhouse inmates had claimed deposits back. Herbert was given the names of four inmates who, according to the workhouse master, applied for dismissal at the time of Tidd Pratt s hearings, and whom some of the inmates of the workhouse had accused, in a joking way, of having money in the bank . Herbert engaged a friend to search the list of applicants appearing before Tidd Pratt for the four names, but none could be found.

The impact of the sensational failures in Dublin and Kerry was far-reaching. In Cork the trustees of the local bank were forced to withdraw £45,000 of their investment in the national debt during the first half of April 1848 in order to meet a serious run.

What kind of saver panicked during these runs? This is the focus of related analysis done with Morgan Kelly and Eugene White on savers who were involved in runs against the Emigrant Industrial Savings Bank in New York in 1854 and 1857. Neither of these panics destroyed the bank (obviously) though the second made it almost insolvent. We focus on closed accounts rather than sums withdrawn, though a case could be made for looking at sums withdrawn too. The wealth of the EISB allow us to draw detailed profiles of panickers and non-panickers so we can see whether the two groups differed systematically. One way of doing this is to set a straightforward logit/probit model with characteristics of the saver and of the account predicting the outcome. The outcome of an earlier effort along these lines with Eugene White are given in Tables 8 and 9. In ongoing work Eugene White and I are playing around with a better data set and alternative time-variant hazard model.

The results I present here from Ireland are less formal and less striking (Table 11). They concern the Thurles Savings Bank where the total sum deposited plummeted from £10,108 in 1845 to £2,823 in 1849. The drop was mainly a by-product of the failures in Killarney and Tralee. More people closed their accounts in 1848 than in any other year in the Thurles Savings Bank s history. We focus here on the period April-September 1848, when 322 accounts were closed. We are interested in whether those who panicked were systematically different from those who did not. We accordingly compare the closers with two other sets of account-holders: first, the 341 account-holders who closed their accounts in 1843-5; second, the 384 who closed in between January 1847 and March 1848; third, the 310 who closed in 1849-51; and finally, the 482 who held accounts in March 1848 but chose not to close them in the following months.

Note first the apparent absence of any strong gender affect: women, it seems, were slightly less inclined to panic, but the difference in the proportion of female closers in the five groups is small. The opening and closing balances of those who panicked hardly differed from the balances of those who did not. Account-holders with addresses in Thurles were slightly more inclined to panic but again the effect is small. There is little evidence of panickers clustering by parish. Two differences are more significant. During the panic account-holders with the same surname and address were more likely to close. Farmers and members of farming households were also more likely to close, while people of means, such as landowners, clergy, and professionals, were less likely to do so. It is hardly surprising that when parents closed accounts, they also closed those of their children. That networks of occupation, sex, or parish did not register may reflect secrecy about accounts. People kept quiet about their savings? That servants and labourers were also marginally more likely to keep their accounts open is perhaps more surprising.

WITHDRAWALS IN MARCH 1856:

There was another peak in account closures in Thurles in March 1856. This stemmed from the sensational failure of the Tipperary Joint Stock Bank, which had a branch in the town since 1840. The failure was due to the frauds of John Sadleir M.P., who had used the bank to finance his disastrous speculations. Sadleir, a controversial figure in Irish politics, lived mostly in London, but exercised full control of the Tipperary Bank s funds through his brother James. The bank suspended payments on 19 February in the wake of Sadleir s suicide on Hampstead Heath in London. Most Irish banks came under pressure in the following months. La Touche s Bank, the National and the Belfast approached the Bank of Ireland for accommodation, though in the event only La Touche s needed a loan. By the end of the year the crisis was over. In Thurles, where the business of the Tipperary Bank had been rather extensive , both the National Bank and the Savings Bank came under some pressure in the weeks following the collapse. A local newspaper claimed that the panic did not extend beyond the small farmer class .

Had it been widely known that shortly before the collapse the trustees of the Thurles Savings Bank had transferred their account from the National to the Tipperary Bank, the run on the Thurles Savings Bank would surely have been more sustained. For many years the Thurles Savings Bank had held a balance of several hundred pounds with the National, money that should technically have been deposited with the National Debt Office. When the National Bank announced in mid-1855 that it was about to reduce the rate of interest on those deposits from 2.5 to two per cent, whereas the Tipperary Bank committed to pay 2.5 per cent, the account was moved to Sadleir s bank. The decision, which cost the Thurles Savings Bank nearly five hundred pounds, would haunt it till the end. As resultant economy measures, the trustees were forced in November 1858 to reduce the actuary s salary by £10 and in May 1859 to reduce the interest payable on deposits to 2.5 per cent.

But what of those people who were driven to close their accounts in the Thurles Savings Bank in February and March 1856? See Table 10. Were there any discernible differences between them as a group and those who closed in normal times? We compare the seventy-five accounts closed during February and March 1856 with the 199 closed in 1853-55 and the 191 closed in 1857-58. The profiles are quite similar in most respects. However, both average opening and closing balances were higher during the panic than before it; farmers, members of farming families, and labourers were much more prominent among closers in 1856 than either before or after; those who withdrew during the panic were much more likely to be people with the same surname as other closers. Policemen, landowners, professional people, and the gentry were less inclined to panic. This suggests that family networks were an important influence on the decision to close an account.

CONCLUSION:

History provides lots of examples of legislative projects with end results or outcomes very different from what their supporters intended. One need only instance aspects of factory legislation, the old age pension in Ireland, the Common Agricultural Policy throughout Europe. Savings banks also fall into this category. The avings banks were not a conspiracy on the part of the middle class. Envisaged as a means of reducing poverty, they ended up benefitting mainly the lower-middle and middle classes. In Ireland the gap between the ideal and the reality was even greater. It would be difficult and wrong to argue that the savings banks did much harm. But this institutional import resulted in greater abuse in

Ireland than anywhere else in the UK, in the sense that the middle classes benefitted more proportionately.

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TABLE 1: *BANKING COSTS*

A. IRELAND, ENGLAND/WALES, AND SCOTLAND IN 1848:

	Ireland	*E&W*	*Scotland*
[1] Number	61	481	40
[2] Annual Cost (£)	9,148.8	88,421.8	4,913.8
[3] Accounts	50,119	909,336	85,472
[4] Deposits (£1,000)	1,358.1	25,371.2	1,080.2
[5] [2]/[3]	0.18	0.10	0.06
[6] [2]/[4]	6.74	3.49	4.55

B. IRELAND AND SCOTLAND, 1850

Sum deposited (£)	AC_A		AC_B	
	Scotland	*Ireland*	*Scotland*	*Ireland*
1,000	.074	.223	.117	.430
2,000	.072	.223	.116	.429
5,000	.066	.222	.116	.426
10,000	.056	.221	.104	.421
50,000	.033	.215	.103	.383
100,000	.014	.207	.090	.335

TABLE 2: OCCUPATIONAL PROFILE OF ACCOUNT HOLDERS, 1852

A. PERCENTAGE OF DEPOSITS (£) IN EACH OCCUPATIONAL GROUP:

	England	Wales	Scotland	Ireland
1. Gentlemen	1.2	2.1	1.0	3.6
2. Professional men	0.6	0.9	1.4	1.1
3. Working in education (M+F)	1.2	0.2	0.1	1.5
4. Tradesmen, etc. (*)	26.0	37.8	29.0	43.7
5. Soldiers, mariners	2.2	2.2	0.6	3.8
6. Policemen, etc.	0.3	0.0	0.1	0.9
7. Labourers, servants, journeymen	*15.0*	*13.8*	*16.6*	*4.8*
8. Domestic servants, nurses, etc. (F)	*24.0*	*17.9*	*20.3*	*11.0*
9. Dressmakers, shopwomen, female artisans	*2.1*	*0.1*	*0.4*	*0.7*
10. Married women, spinsters, widows	13.2	14.5	13.6	19.1
11. Minors	8.2	5.6	6.6	8.3
12. Trust accounts	1.5	1.9	0.1	1.0
13. Misc.	4.6	3.1	10.4	0.6
Total (£)	26,317,614	583,748	1,577,035	1,429,840

B. PERCENTAGE OF ACCOUNTS BY OCCUPATIONAL GROUP:

	England	Wales	Scotland	Ireland
1. Gentlemen	1.1	2.5	1.2	3.0
2. Professional men	0.5	1.0	0.8	0.8
3. Working in education	1.0	0.0	0.1	1.5
4. Tradesmen, etc.(*)	23.9	31.7	25.9	40.0
5. Soldiers, mariners, etc.	1.6	2.2	0.5	2.9
6. Policemen, etc.	0.2	0.0	0.1	0.6
7. Labourers	*12.6*	*15.2*	*16.3*	*7.2*

8. Domestic servants, nurses, etc. (F)	*22.1*	*20.1*	*21.3*	*14.8*
9. Dressmakers, shopwomen, female artisans	*2.4*	*0.1*	*0.4*	*1.1*
10. Married women, spinsters, widows	11.1	13.7	13.4	18.2
11. Minors	16.3	9.9	11.6	8.3
12. Trust accounts	2.1	1.3	0.1	1.0
13. Misc.	5.0	2.2	8.4	0.6
Total	1,004,143	21,815	110,341	51,848

C. AVERAGE (£) BY OCCUPATIONAL GROUP

	England	Wales	Scotland	Ireland
1. Gentlemen	28	22	12	33
2. Professional men	29	24	24	38
3. Working in education	32	43	15	27
4. Tradesmen, etc.(*)	28	32	16	30
5. Soldiers, mariners, etc.	35	27	17	36
6. Policemen, etc.	34	33	13	39
7. Labourers	***31***	*24*	*15*	*18*
8. Domestic servants, nurses, etc. (F)	***30***	*24*	*14*	*20*
9. Dressmakers, shopwomen, female artisans	***24***	***24***	*15*	*17*
10. Married women, widows, spinsters	32	28	15	29
11. Minors	13	15	8	27
12. Trust accounts	18	18	11	28
13. Misc.	33	24	18	27
Total (£)	26	27	14	28

(*) Tradesmen and their assistants, small farmers, clerks, mechanics, artisans not described as journeymen, and their wives

TABLE 3: SAVINGS AND DEPOSITS IN THE YEAR ENDING 20/11/1845

Depositors	Number	Avg. Deposit (nearest £)
Up to £20	43,281	8
£21-£50	35,311	31
£51-£100	12,007	66
£101-£150	3,109	120
£151-£200	1,539	168
>£200	101	227
Total	96,422	30

TABLE 4: DEPOSITOR PROFILE, WEXFORD SAVINGS BANK 1841

Occupations	(%)	*Deposits (£)*	*Average (£)*
2 military	(0)	162.2	81.1
21 teachers	(1)	1,243.8	59.2
140 with no trade	(8)	8,028.6	57.3
162 persons in business	(9)	8,461.7	52.2
68 seafaring men	(4)	3,506.9	51.6
5 doctors	(0)	202.7	40.5
660 farmers	(38)	24,908.1	37.7
14 clergymen	(1)	519.1	37.1
20 constabulary	(1)	731.6	36.6
102 working tradesmen	(6)	3,678.9	36.1
142 minors	(8)	4,182.8	29.5
342 servants	(20)	7,295.9	21.3
56 labourers	(3)	748.4	13.4
8 friendly societies	(0)	298.2	37.3
7 charitable societies	(0)	910.0	130.0
1749 in total		64,876.8	37.1

Source: Campbell Foster, *Letters*, 494

TABLE 5: SAVINGS PATTERNS IN THE UK, 1850

Country	*Deposits per account*	*Withdrawals per account*	*Avg . deposit* £	*s*	*d*	*Avg. withdrawal* £	*s*	*d*
England and Wales	1.1	0.5	5	17	2	14	2	7½
Scotland	1.8	1.0	3	18	0	5	9	4
Ireland	1.5	1.0	8	15	10½	8	6	8½

Source: BPP, 1852b.

TABLE 6: *SAVINGS BANKS IN ENGLAND/WALES AND IRELAND, 1828/9 AND 1845/6*

	Number	*Accounts (1,000s)*	*Deposits (£ m.)*	*Population (m.)*	*Av. Deposit (£)*
1828/9					
E & W	403	378	13.52	17	35.8
Ireland	65	32	0.91	8.5	28.4
1845/6					
E & W	515	1015	28.95	17	28.5
Ireland	76	93	2.79	8.5	30.0

TABLE 7: THE FIRST ACCOUNT HOLDERS

Date	*Name*	*Details*	*Amount (£)*
14 dec 29	(*) Thomas Kirwan	aged 30, TSB treasurer	1
14 dec	(*) William Ryan	in trust for Mary Ann Ryan	1
14 dec	(*) James Butler	medical practitioner	1
14 dec	(*) Thomas Kirwan	in trust for Philip Kirwan	1
21 dec	(*) Rev Henry Armstrong	for Master Richard Hoops, age 9	1 10s 0d
21 dec	(*) Rev Henry Armstrong	for Master Alex Hoops, age 7	1 10s 0d
21 dec	Bridget Shea	Thurles	30
21 dec	Bridget Shea	for Eleanor Shea, age 2	30
21 dec	Bridget Shea	for Thomas Shea, age 6 months	30
21 dec	Bridget Shea	for husband	30
28 dec	Michael Mullally	Thurles	7
4 jan 30	Bridget Shea	for niece (M. Lyons), age 9	30
4 jan	(*) William Ryan	for Thomas Ryan, age 2	1
11 jan	(*) William Ryan	for Daniel Fogarty, age 40	4 10s 0d
11 jan	(*) Rev William Byrne	for Michael Brennan, age about 40	30
11 jan	(*) William Ryan	for William Ryan, age 1	1
11 jan	(*) Adam Cooke	for Charles, age 19	2 5s 0d
18 jan	(*) Adam Cooke	for John Bryan, Thurles, age 30	4 10s 0d
18 jan	(*) Rev Henry Armstrong	for Miss Jane Lee	10
18 jan	(*) Charles O Keeffe	for Fanny, age 20	10
18 jan	(*) Charles O Keeffe	for Mary, age 18	10
18 jan	James Mara	age 30	30
18 jan	William Mara	Maxfort, Moycarkey, age 35	30
18 jan	(*) Thomas Molony	Maxfort, Moycarkey, age 40	1
18 jan	Richard Walsh	Brownstown, age 30	20
18 jan	(*) Thomas Maher	Commons, age 50	30
18 jan	(*) Hugh Mulcahy Esq.	for Judith Neill	30
18 jan	(*) Hugh Mulcahy Esq.		30
18 jan	(*) Archibald Cooke	for Benjamin, age 10	30
18 jan	(*) Archibald Cooke	for Mary, age 8	30
18 jan	(*) Archibald Cooke	for William, age 5	30
18 jan	(*) Archibald Cooke	for Sarah, age 4	30
18 jan	(*) Archibald Cooke	for Archibald, age 6	30
18 jan	Eugene Sullivan	chandler, 35	1 1s 0d
18 jan	Edward Flaherty	tobacconist	1
25 jan	(*) Rev Henry Armstrong	for Miss Nicholson sr	2
25 jan	(*) Rev Henry Armstrong	for Alex Hoops	0 2s 0d
25 jan	(*) Rev Henry Armstrong	for Richard Hoops	0 2s 0d
25 jan	James Callahan	age 40	5
25 jan	Thomas Ryan	Inch, age 16	1
25 jan	Judith Fogarty	married woman	0 1s 0d
25 jan	Jerh Fogerty	age 40	30
1 feb	Judith McGuire	widow, 60	30
1 feb	Judith McGuire	for Catherine McGuire, age 18	30
1 feb	Judith McGuire	for daughterr Elizabeth, age 23	30
1 feb	Judith McGuire	for son William, age 21	30
1 feb	Thomas Flanagan	age 35	30

1 feb	Thomas Flanagan	for mother		30
1 feb	Thomas Flanagan	for wife		30
1 feb	Thomas Flanagan	for daughter, age 6 months	30	
1 feb	(*) Thomas Kirwan	for Mary Grace, servant		20 1s 0d
1 feb	(*) Thomas Kirwan	for Michael Hayes, shopman, age 18	12	
8 feb	Edmund Ryan	dealer, age 50		10
8 feb	Michael Delany	steward, age 30		16
8 feb	(*) Thomas Kirwan	for Johanna Quigly, age 20		16
8 feb	(*) Thomas Kirwan	for Edmund Fitzgibbon		7 6s 6d
8 feb	(*) Thomas Kirwan	for Ellen Fitzgerald		8 14 1d
8 feb	Philip Heaney	Ballinahow, Holycross, age 30		18

(*) Trustee and/or management committee

TABLE 10: ACCOUNTS CLOSED 1853-8

	1853-1855	*Feb-Mar 1856*	*1857-58*
Number	199	75	191
Female (%)	45.7	46.7	37.7
Avg. Opening Balance (£)	17.5	20.7	19.0
Avg. Closing Balance (£)	23.3	29.8	28.1
Avg. Date open	Oct 50	Dec 49	Nov 54
Thurles address (%)	34.4	36.7	37.7
In trust (%)	32.7	38.7	44.0
Withdrew at same as another with same surname/address (%)	23.6	50.7	40.3
Status or occupation where given (%)			
Farming (incl family)	30.1	47.9	28.2
Labourers, servants, dealers, etc.	11.5	18.3	10.7
Married women, widows, spinsters	26.9	20.0	27.5
Minors	5.4	4.2	13.0
Gents, corndealers, doctors	5.4	1.4	6.9
RIC	5.4	1.4	2.3
Other	14.6	6.8	10.7
	100.0	100.0	100.0
Not given	69	19	59

TABLE 11: CLOSURES BEFORE AND DURING THE PANIC OF 1848

	Closed 1844-5	*Closed Jan 47-Mar 48*	*Closed Apr-Sept 48*	*Closed 1849-51*	*Open in March 48 but did not close*
Number	341	384	322	310	482
Female (%)	41.1	38.8	41.0	45.5	41.9
Avg. Opening Balance (£)	18.7	20.0	21.3	18.0	19.4
Avg. Closing Balance (£)	23.6	26.5	29.7	18.4	32.4
Avg. Date open	Sept 40	Aug 43	Dec 43	Dec 44	Sept 41
Address in Thurles (%)	41.9	43.0	35.4	47.7	39.4
Moycarkey (%)	7.0	8.6	9.3	8.0	
Holycross (%)	6.5	10.2	12.8	6.5	
Drom (%)	6.7	9.1	7.8	7.1	
In trust (%)	41.1	47.4	47.8	47.7	37.3
Withdrew in same month as another with same surname/address (%)	22.9	38.3	43.5	21.6	--
Status or occupation (%)					
Farming (incl family)	40.4	44.6	47.5	35.3	32.2
Labourers, servants, dealers, etc.	16.4	12.9	13.2	11.3	10.7
Married women, widows, spinsters	20.8	20.9	19.0	24.0	16.2
Minors	4.8	9.4	7.0	6.3	8.1
Gents, corndealers, doctors	8.0	1.7	2.5	8.0	3.7
RIC	1.6	2.1	0.4	2.5	2.7
Other given	8.0	8.3	10.3	12.6	8.9
Total given	100.0	100.0	100.0	100.0	100.0
Not given	91	97	80	72	83

TABLE 12: PROFILES OF THURLES ACCOUNT HOLDERS 1829-1870

STATUS	*NO.*	*AVG. OPENING BALANCE (£)*	*AVG. CLOSING BALANCE (£)*	*AVG. MAX BALANCE (£)*	*TOTAL DEPOSITS (£)*	*AVG. NO. LDGMTS*	*AVG. NO. WTHDRLS*	*AVG. DURATION*	*AVG. TRANS.*
Baker	25	7	13	17	24	12.4	2.3	1.8	8.2
Servant	215	8	13	18	24	4.9	2.2	5.2	1.4
Labourer	83	13	13	19	29	3.9	3.4	3.4	2.1
Tailor	15	8	14	18	26	4.8	3.8	2.8	3.1
Dealer	30	13	17	27	46	7.4	5.3	4.1	3.1
Esquire	57	24	32	47	75	4.3	2.3	4.1	1.6
Landowner	26	21	46	54	64	3.8	2.4	3.9	1.6
Farmer	574	24	31	41	55	3.0	2.4	4.4	1.3
Farmer s dr.	136	23	32	40	47	2.3	1.2	4.2	0.8
Farmer s son	205	25	35	43	54	2.4	1.2	5.2	0.7
Farmer s wife	169	23	35	44	50	2.6	1.6	4.6	0.9
Minor	262	18	29	38	48	5.9	1.7	5.5	1.4
Policeman	86	16	27	32	34	4.0	1.9	4.2	1.4
Married woman	323	18	25	33	45	5.4	2.2	3.6	2.1
Spinster	349	19	29	36	47	5.6	1.7	4.3	1.7
Widow	112	20	23	34	42	3.4	3.4	4.6	1.5
Catholic curate	36	22	25	34	42	2.5	1.8	3.5	1.2
Male	2387	20	26	34	44	3.8	2.0	4.0	1.5
Female	1826	17	25	32	40	4.5	1.9	4.2	1.5
Total	4213	19	26	33	43	4.2	2.0	4.1	1.5
Thurles	1768	16	21	29	40	5.8	2.3	3.8	2.1
Other	2445	21	29	37	44	2.9	1.7	4.3	1.1