*CENTRE FOR ECONOMIC RESEARCH*

*WORKING PAPER SERIES*

*2002*

**Savings Banks as an Institutional Import: The Case of Nineteenth-Century Ireland**

Cormac Ó Gráda, University College Dublin

WP02/03

January 2002

**DEPARTMENT OF ECONOMICS**
**UNIVERSITY COLLEGE DUBLIN**
**BELFIELD DUBLIN 4**

SAVINGS BANKS AS AN INSTITUTIONAL IMPORT:
THE CASE OF NINETEENTH-CENTURY IRELAND[1]

For age and want save while you may
No morning Sun lasts a whole day.

Tralee Savings Bank pass-book, 1820s[2]

1. BEGINNINGS:

The outline history of provident institutions or savings banks is well known. Part of an early nineteenth-century middle-class campaign to make save more and therefore less reliant on public and private charity, they aimed to provide account-holders with security, liquidity, and a generous return on deposits. They originated in lowland Scotland in the early 1810s, whence they quickly spread throughout the United Kingdom and as far as the United States. Their success prompted legislative approval. In the United Kingdom official subvention was also forthcoming.[3]

The new institution was first successfully transplanted to Ireland in January 1816, with the opening of the Belfast Savings Bank. Banks were soon being set up throughout the island. Diffusion was fastest in 1818 and 1819, and by the mid-1820s the Irish network had been essentially established. Of the 74 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, described below. Of the 46 founded before 1826 six had gone by 1848. Of the next 21, eight had failed by 1848; of the last seven, five had folded three years later. The earlier savings banks were also bigger. By late 1829 there were 73 savings banks in Ireland. On the eve of the famine there were nearly one hundred thousand depositors holding balances totalling almost £3 million in 76 banks.[4]

This new institutional import never bulked as large in Ireland as it did in Britain. On the eve of the famine Ireland's population 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. Alternatively, England and Wales had 60 savings bank accounts per thousand people, and about £1.7 deposited per inhabitant; while in Ireland these numbers were eleven bank accounts and

£0.3 deposited. The main reason for such differences was the Irish economy's relative backwardness and and overwhelmingly rural character. In Ireland as in the rest of the UK account-holders were disproportionately urban. Just before the famine of 1846-50 Ireland's four biggest cities (Dublin, Cork, Limerick, Belfast) held only one-twentieth of the population but two-fifths of all savings bank accounts. In those cities the ratio of accounts to people was about one to ten.

The number of depositors was also strongly correlated with the size of the town in which a bank was located. Since a bank's catchment area was largely determined by walking distance, with the great majority of customers living with ten or twelve miles of their bank, small- town and village banks were at a distinct disadvantage.[5] Thus the biggest savings banks were those in Dublin (16,640 depositors in three branches of the main savings bank on 20 November 1846 and several thousand more in a troubled bank on Cuffe Street), Cork (12,510), Belfast (6,387), Limerick (5,454), Waterford (4,048), and Newry (3,096). 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). 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. Official data on the costs and transactions of individual banks in 1848-50 suggest not only that unit cost declined with size but that Irish banks were far more expensive to run than their Scottish counterparts (Table 1).[6]

*TABLE 1: BANKING COSTS IN 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 |

Source: *Thoms Almanac 1850*, p. 195.

The diffusion of savings banks relied on local grandees to lend prestige, and on philanthropic professionals, businessmen, and the clergy to provide the initiative and to act as trustees or managers. In Ireland success also entailed a management team that was ecumenical in composition. Some of the smaller, less successful Irish banks were largely landlord creations.[7] The landlord connection is reflected in their small-town locations and in their dual-function premises doubling up as rent offices. In Scotland a savings bank office occasionally shared office space with a commercial bank, but never with a rent office.[8]

The rest of this paper may be outlined as follows. Part 2 applies Irish evidence to a central issue in the historiography of savings banks, viz. whether they achieved the main aim of their founders of getting the poor to save. Part 3 throws some more light on the history of Irish savings bank through an analysis of the surviving records of one savings bank. Part 4 addresses the question of Irish savings banks' vulnerability, focusing in particular on the issue of panics and resulting contagion. Part 5 concludes.

## 2. *TARGETTING THE POOR?*

The early supporters of savings banks everywhere, both inside and outside the legislature, identified with the industrious poor.[9] In England and Wales, by and large, the history of the banks did not conform to the pioneers' hopes. From the outset critics of state support denounced the uneconomically high rate of interest paid on deposits and the difficulty of preventing the wealthy from free riding on a system intended for the poor. These criticisms soon reached the floor of the House of Commons. One M.P., noting how his own savings bank excluded the better off, found it 'astonishing how many persons of a superior rank endeavour to avail themselves of it'. Another also worried about savers 'for whom such banks were not originally intended' benefitting, adding that the poor had 'rather an aversion' to high interest rates. By 1822 the initial enthusiasm of a third M.P., economist David Ricardo, had cooled considerably, prompting him to argue for a system that locked in savings until old age. But the gap between the reality of short-lived accounts that were quite sensitive to the rate of interest and Ricardo's plan was a wide one. Defenders of generous interest payments countered that the 'improved morality of the lower orders' would more than compensate for any abuse.[10]

In due course legislation took such criticisms on board by reducing the rate of interest payable and the maximum permissable deposit per account. In the 1810s deposits earned more than 4 per cent; by the mid-1840s most banks were paying between 2.75 and 3 per cent. Given near zero inflation and the lack of alternative outlets for small savings, this was still an attractive rate of return. Yet in 1850 expert witnesses before a select committee on saving declared that savings banks were still little used by working men.[11]

Anxious to place the banks in a favourable light, their historian Oliver Horne asserted that 'a few cases of deposit by persons for whom the savings bank... was not intended, can easily be magnified out of all proportion', and claimed that 'from a quarter to a half, in the early days, were domestic servants, the remainder mainly artisans, small tradesmen, women, and children'. Horne admitted that labourers were few, but rich depositors were few also, and 'the statutory limits of deposit prevented any serious abuse'.[12] Horne's account is marred by its apologetic stance even on issues of purely historical interest. More iconoclastic historians such as John Clapham and Neil Smelser[13] revived the old criticism that, on the contrary, the movement bypassed the really poor, and that its main beneficiaries were better-off savers, attracted by the generous interest rate paid. Their argument is corroborated by economic historian Albert Fishlow, who found for England and Wales that the subsidisation of the banks in their early years 'was not totally, or even significantly, directed to the classes for which it was intended'.[14]

In Scotland the savings banks came closer to fulfilling their founders' mission. An important reason for the difference is that a more advanced joint-stock banking system meant greater competition for the savings of the better off. In Ireland joint-stock banks were more likely to cede some savings to the new institutions than compete with them on interest rates. Thus one of the managers of the Coleraine Savings Bank boasted in 1834 that savings had been 'gradually withdrawn from the branch of the Provincial Bank.... and lodged with us'. While in Scotland commercial banks paid good interest on deposits accounts, most Irish banks paid very low rates, and the dominant Bank of Ireland paid none until forced by competition to relent in 1865.[15]

Hard evidence on the economic status of Irish savers is scarce for the early years, but it is significant that the very first annual report of the Cork Savings Bank (founded in 1817) noted that many of its depositors were too prosperous to deserve its benefits, and 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'. Qualitative evidence in the 1835-6 Irish Poor Inquiry corroborates, suggesting that farmers, shopkeepers, and tradesmen were much more likely to be account-holders than labourers, though servants also feature prominently in the categories listed. In 1849 the local gentry stopped funding the small bank in Carrickmacross, because depositors were 'principally of a class superior to those for whose benefit the institution was originally intended'.[16]

Scattered aggregate data offer some clues on savers' socio-economic status. First, in mid-century the average sum deposited per account holder in Ireland the average was £28, slightly more than those in England (£26) and Wales (£27), and double that in Scotland (£14). Given that income per head in Ireland at the time was probably half or less that of the rest of the United Kingdom, these numbers suggest that Irish depositors came from further up the income distribution.[17]

Second, the breakdowns by occupation in Table 2 are of particular interest. Had the savings banks been mainly about 'encouraging and rewarding the industry and self-denial of the working classes'[18], 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. The high average sums deposited would suggest that in both Ireland and England money which would otherwise have been deposited in joint-stock or country banks was diverted into the savings banks. For reasons noted above, Scotland was different: its savings banks were best at targetting those for whom they were intended, and the average deposits there were lowest in all occupational categories.

A third comparison is offered by the average sizes of deposits and withdrawals. If the clients of savings banks were mainly men and women of modest means who saved incremently, then one might expect the average withdrawal to exceed the average deposit. The situation in the UK in mid-century is described below in Table 3. 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. Another difference between Ireland and Britain is that whereas the average deposit fell in the 1830s and 1840s in the latter, and aggreagate savings grew slowly, in the formerthe average deposit rose and the aggregate sum deposited grew quite fast – at a rate of nearly 6 per cent per annum. This difference is probably attributable to greater attractiveness of joint-stock banks in Britain after legislation reduced the interest rate that savings banks could pay in 1828.[19]

The size-distributions of accounts in individual Irish savings banks also suggest that many of them did not cater primarily for the very poor. The distinction between deposits and depositors is apposite here.[20] The 43,281 Irish account holders with deposits of £20 or less in 1845 accounted for over two-fifths of savers but for only one-ninth or so of all savings. 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 the cities of Dublin and Belfast, it is true, 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 33 and 36 per cent.[21]

In sum, it is quite clear that if in England savings banks did little for the groups most directly affected by the Industrial Revolution[22], in Ireland their impact on the labouring, mainly rural, poor was even less.

*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 |

### TABLE 2, *contimued*

*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

Source: derived from BPP 1852 (.521) XXVIII, 757, 'Return from each savings bank in the United Kingdom of the house or building in which business is transacted....'

---

### TABLE 3: SAVINGS PATTERNS IN THE UK, 1850

| Country | Deposits per account | Withdrawals per account | Average Deposit £ s d | Average 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 1852 (.213) XXVIII, 597, 'Return of savings bank in the United Kingdom showing their number of offices, their salaries and allowances.."

## *3. THE THURLES SAVINGS BANK*:

On the eve of the famine the population of Tipperary, Ireland's largest inland county, was not far off half a million, or over three times its present level. The county is almost bisected by the river Suir, on which three of its main towns – Carrick-on-Suir, Clonmel, and Thurles – were located. The trade of Carrick, closest to the sea, was well served by the river, but the navigation upriver from Carrick to Clonmel was less satisfactory, and the trade of Thurles, another twenty miles on, was confined to overland carriage. The location of location some miles off both the main Dublin-Cork and Dublin-Limerick roads also left pre-famine a little isolated, which probably explains why it was usually missed by the numerous writers who described their travels around pre-famine Ireland. Smaller than Clonmel and Carrick, it contained nearly eight thousand people on the eve of the Great Famine. Between 1829 and 1871 it was the location of the Thurles Savings Bank (henceforth the TSB).

Thurles was the commercial centre for a hinterland dominated by mixed farming and the town's industrial base – a substantial brewery and a tannery – depended on agricultural raw materials. Just before the Great Famine its commercial banking needs were met by branches of the National Bank and the Tipperary Bank. Pre-famine Thurles was deemed important enough for a branch bank by either the Bank of Ireland or the Provincial Bank, but the National Bank set up shop there in its first year (1835) and was followed by the short-lived Agricultural and Commercial Bank in 1836 and the Tipperary Bank in 1840. In effect the Tipperary Bank represented the Bank of Ireland both in the town and in the county generally, having foregone its note-issuing rights in return for special discounting facilities at branches of the Bank of Ireland. Thurles was also the cathedral town of the Catholic diocese of Cashel and Emly. Its original 'big chapel', built at a cost of £10,000 in the 1800s, had standing-room accommodation for seven to eight thousand persons.

In 1837 *Lewis's Topographical Dictionary* deemed most of the town's twelve hundred houses 'neatly built' and several 'of handsome appearance', but John Henry Newman, who described the town after a visit in 1851 as 'squalid', scuppered plans to seat the proposed Catholic University there.[23] Indeed both housing and literacy data in the population census of 1841 suggest that Thurles was a relatively poor town. Nearly half its families lived in one-room cabins or one-room tenement accommodation. In the surrounding and neighbouring parishes housing conditions were better and literacy rates higher.

Nevertheless the town's population growth in the pre-famine period was significant (6,040 in 1821, 7,523 in 1841). By the same token the impact of the Great

Famine on Thurles and its hinterland was severe.[24] The town's population continued to decline in the 1850s, and then stagnated at around five thousand between 1861 and 1881. But for its status as cathedral town Thurles would have fallen further behind in the post-famine era; the construction of its grandiose new cathedral, which began in 1861 and was not completed until 1879, provided a modicum of employment.

The decision to create the bank was taken at a meeting of 'those Gentlemen who are disposed to lend their Aid...for the Benefit of the Town and Neighbourhood', convened on 8 October 1829 by the protestant archdeacon of Thurles, Henry Cotton, and chaired by Daniel M. Ryan, a local Catholic landlord. The bank opened for business two months later. Its trustees and managers were mainly local clergymen, landed proprietors, and professional people.[25] The bank was fortunate in its personnel, both unpaid and paid. There was enough of a 'leisure class' in Thurles and its hinterland to sustain it. The local Protestant clergy were particularly active in its affairs, with Archdeacon Cotton involved from beginning to end. In the early years James Butler M.D. and Rev. Dr. Thomas O'Connor, first president of a local seminary established in 1837, also played prominent roles. When Thomas Kirwan resigned as treasurer in November 1833 he was thanked by fellow managers 'for zealous and efficient discharge of the duties of his office for four years to which is mainly to be attributed the progressive improvement of the Bank' Most of its officers were long-serving. Between 1829 and 1859 the bank had only three treasurers (after which the National Bank fulfilled the function), and local shopkeeper, stamp-seller, and stationer Matthew Quinlan served as part-time actuary from beginning to end, on a salary that varied with the volume of business. However, only a minority of the twenty trustees nominated at the outset played any significant part in TSB's operations, and some seem never to have attended a quarterly trustees' meeting. In effect at any one time the bank was run by a group of six to eight people, and attendance at the trustees' quarterly meetings rarely exceeded five or six.

The savings banks' annual returns reproduced in *Thoms Almanac* suggest that it was broadly representative of banks located outside the bigger cities. In November 1846 it had £31,815 deposited in 892 accounts. The average sum on deposit, £35 13s 4d, was on the high side, exceeded by only seven of a total of 76 banks (the average for the country as a whole being £30 8s). Thurles's average was inflated by the particularly high percentage of savers in the £20-£50 bracket: 52 per cent of the total against 38 per cent nationally.[26]

Uniquely for Ireland, it seems, the records of the TSB survive almost in their entirety and have already been the subject of a very fine study by James O'Shea.[27] Table 4 chronicles the earliest transactions in the bank. Rather inauspiciously, on its first day (14 December 1829) the bank attracted no custom but trustees Thomas Kirwan and James Butler opened accounts in their own names, while Kirwan and William Ryan, another trustee, each opened trust accounts for one of their children. All these accounts began with token deposits of £1 each. A week later Rev. Henry Armstrong, another trustee, opened two more trust accounts. Bridget Shea was the first real customer, and she accompanied her deposit of £30 with three more of the same amount for other family members. A week later one Michael Mullally of Thurles deposited £7. Bridget Shea returned with another £30 on 4 January 1830, this time in the name of a nine-year old niece, while William Ryan opened another trust account for his two year-old son Thomas. Thereafter deposits by founding trustees became rarer and those of the likes of Bridget Ryan more typical.

Throughout its lifetime the bank opened only once a week, on Mondays between 1 and 2 p.m. (The choice of Mondays is puzzling; fairs were held on the first Tuesday of the month). Over its lifetime the bank received £187,057 10s 6d in deposits. In all 4,213 individual accounts were opened, as well as another 51 representing voluntary organisations or charitable institutions. More than half of the total were opened before the end of 1845.

In the 1829-1846 period deposits exceeded withdrawals in each year with the exception of 1840 and 1842. However, in 1834-36 there were substantial withdrawals (£11,265 against £14,340 deposited). Both openings and closings were subject to clustering. There were clusters of applications in November 1831-May 1832, in November 1832-March 1833, and in February-June 1835. During 1839 and 1840 339 new accounts were opened. New account holders were also numerous between November 1846 and April 1847 (181 in all). Clusters of account closures, probably for the most part prompted by exogenous events, were bigger. In March 1835 23 accounts closed, a monthly total equalled in April 1840 and February 1845, but not exceeded until April 1847, when 54 accounts closed. The 1835 closures may have been prompted by establishment of the National Bank's Thurles branch and those of April 1840 by the opening of the Tipperary Bank's branch. If the 105 closures in January 1871 are excluded, the highest number of closures in a single month was 91 in April 1848, followed by 71 in June 1848. The context of the 1848 closures is discussed below. In March 1856 the sensational collapse of the Tipperary Bank prompted the closure of another sixty or so accounts. The international financial crisis of November 1857 caused another 25 or so to close.

The 1850s and 1860s were challenging decades for the TSB. Its managers increased the interest payable on accounts from 2.5 per cent to 2.87 per cent in November 1863 in an effort to stem the tide of account closures, but without effect. In January 1865 forty savers closed their accounts, and between October 1865 and February 1866 another one hundred accounts were closed. These could have been associated with a change in interest rate policy on the part of the other banks, or the establishment in Thurles of branches of the Munster Bank in 1865 and the Bank of Ireland in 1867, after the collapse of the Tipperary Bank. The newly-founded Munster Bank was aggressive in its pursuit of new customers, and the Bank of Ireland's decision to open was almost certainly prompted in part by the Munster's action.[28] The relatively high average sum remaining in TSB accounts closed in these months (£48.8, compared to an average of £31.8 in the 185 accounts closed in January 1864-September 1865) suggests customers who switched to regular bank accounts. The outflow of accounts to the joint-stock banks in 1835, 1840, and 1865-7 bespeaks clients who were very responsive to alternative saving outlets. Sometimes clusters in openings and closings seemed to coincide, or almost so (as in the mid-1830s and in 1847-8). When the final decision to close the bank was taken at the end of 1870 only two hundred accounts remained. The average duration of these accounts was nearly nine years.

The winding-up of the TSB was being discussed from 1866 on. On 10 December 1870 a special meeting of managers and trustees, which attracted an attendance of only seven, resolved 'in consequence of the government having opened P.O. Savings Banks' to accept no deposits after 20 January and to close the TSB on 20 February 1871. But clearly the creation of the post office savings bank was only part of the story. The small number of deposits remaining after the closing date were transferred to the local post office savings bank. The last meeting of trustees on 29 April 1871 was attended by only a very elderly Archdeacon Cotton, who had initiated the whole project, and the Rev. Christopher

B. Harley, another Church of Ireland clergyman. At that meeting they decided to grant the treasurer £20 due to him, and the actuary and the auditor £40 and £10 each by way of compensation for the loss of their jobs. The bank's six ledgers, two minute books, and other records were then deposited in an iron safe in the Thurles National Bank.[29]

Before generalizing about savers and saving patterns in the TSB, here are some details from a cross-section of individual accounts:

> [1] There were five accounts, beginning at different dates with some overlap, in the name of Matthew Quinlan. These were presumably accounts held by the bank's long-serving actuary, Matthew Quinlan and a namesake son. Quinlan also opened accounts for daughters Mary (aged 2 years), Ann (7), and Bridget (8) in November 1830. Bridget's account was not closed until December 1870, eight years after the other two. All three began with deposits of a few shillings and contained £64, £43, and £92, respectively, at the end. They were characterized by an average of one or two deposits annually, and a smaller number of larger withdrawals. Quinlan's wife also held an account between 1847 and 1862, during which time she made seventeen lodgements and thirteen withdrawals. By beginning with such small balances, Quinlan was probably seeking to inculcate the saving habit into his daughters at an early age.
>
> [2] George Pinchin of Borrisoleigh opened an account with £4 in January 1838. Four months later his wife and daughter placed £30 each in new accounts, and in November 1847 two sons opened accounts with £32 and £30, respectively. Pinchin's own account was the most active; the others were held for only short periods.
>
> [3] Thomas Barry, a seventy year old farmer from Seskin, Upperchurch, opened an account with a deposit of £31 (£1 over the legislated limit) in May 1838. So did his wife Catherine, sons Thomas and Edmund, and daughters Eleanor and Catherine. Another daughter, Grace, also opened an account with £31 six months later. All the childrens' accounts were held in trust in their father's name. In all cases the opening lodgement was the only one, and there were only three

withdrawals. All seven accounts had been closed by April 1843.

[4] Francis O'Brien Esq. of Thurles and members of his family held eight different accounts at different times, all of which started off with a deposit of £30. Four were opened together in March 1852, but closed at different dates.

[5] Ellen Sullivan, a servant at the Priory, Templemore, was thirty years old when she opened an account with £22 in May 1831, which she closed by withdrawing the remaining £5 in April 1849. In the interim she had lodged a total of £110 in seven other deposits and made fourteen withdrawals. Her account peaked at £73.

[6] Edmund Shepherd, a forty-five year old tailor from Coogulla, Loughmore, opened his account with a lodgement of £10 in March 1837. In the following eleven years he made ten more lodgements totalling £98, and six withdrawals totalling £78. He withdrew his remaining £30 during a run on the bank in May 1848 (on which more below). His wife Catherine opened an account in April 1847, also lodging £10. She made a further lodgement of £11 and one withdrawal of £10 before also closing her account in May 1848.

[7] Michael Slattery, the local Catholic archbishop[30], opened an account with £30 in July 1843, and closed it in January 1846 without making any further transactions in the interim. His predecessor, Edward McKenna, started off with £14 in April 1839, which had risen to £54 in five lodgements when he closed his account a year later.

[8] John Bray, a wealthy Thurles merchant and brewer, opened an account with £9 in December 1841 and withdrew the £99 he had lodged in seven installments in July 1848. His wife Ellen held two accounts, in October 1843-November 1853 and in July 1856-December 1864. Their daughter Catherine held two very active accounts simultaneously (April 1840-August 1870 and May 1840-November 1870). Catherine made 102 lodgements totalling £934 in the first, and

84 lodgements totalling £878 in the second, thus averaging six lodgements a year. Though holding two accounts was in breach of savings banks regulations, she kept the maximum sums held in either at any one time (£193 and £173) below the legal limit of £200. Three sisters, Anna (September 1842-February 1860), Johanna (May 1840-June 1848), and Mary (May 1840-February 1860), also held accounts, all involving relatively frequent lodgements and large sums on deposit.

[9] James B. Kennedy Esq. of Thurles opened four different accounts in his own name in May 1844. His status and the opening balances – ranging from £10 to £20 – suggest that he may have been acting on behalf of poorer savers. One of these accounts was closed in the following year, the other three in 1848.

Several features of the accounts are noteworthy. Male account holders outnumbered female, though not strikingly so (2,387 to 1,826). The average opening balance in male accounts exceeded that in female by £19.7 to £17.4: a slender margin, given the big gender gap in earnings in nineteenth-century Ireland. Another interesting feature is that openings were subject to marked seasonality (Figure 1(a) ), peaking in March (when 13.3 per cent of all accounts were opened) and troughing in September (4.3 per cent). Seasonality was more marked before the famine: the coefficient of variation over the twelve months, monthly totals weighted for month length, was 0.38 in 1830-45 and 0.27 in 1846-70. Seasonality was more marked among farmers and their kin, though labourers' accounts were subject to marked seasonality in this respect too. Spinsters were inclined to open accounts in the early part of the year. Closings were also subject to seasonality (Figure 1(b) ), though less so than openings, and here exogenous events were more a disturbing force. The peaks in closings in March-April (when over 22.3 per cent accounts closed) are partly due to the timing of the panics of 1848 and 1856. Closing troughed in August (6.0 per cent of the total). Since the number of transactions per account was small a significant share of the withdrawing and depositing of money was done through opening and closing accounts. For this reason the broad similarity in the seasonality patterns of openings and closings is rather interesting in itself.

The spread of opening lodgements by amount deposited is worth remarking on (Figure 2). A striking feature is that more than one-third of the sums (1,630 out of 4,213) were for exactly the maximum permitted sum of £30. Note too the spikes at £5, £10, and £20. A relatively small number (fifty out of 4,213) of opening lodgements were above the maximum permitted by legislation. The biggest of these was the £99 deposited by one Mathew Hughes, address unknown, in March 1862; his sister Ann was allowed to place an opening deposit of £60 in the same month. William and Bridget Grady of Graigue, Moycarkey deposited £60 each in March 1850; their father Thomas, a farmer, had held an account since 1831, and it contained £200 in late 1848. Those opening their accounts with a deposit of less than £2 included three labourers, thirty-eight servants, seven bakers, and two farmers. Those opening with an even £30 included seven labourers, eight servants, one baker, 311 farmers, and 296 other members identified as belonging to farming households.

Figure 2: OPENING BALANCES IN THURLES, 1829-70

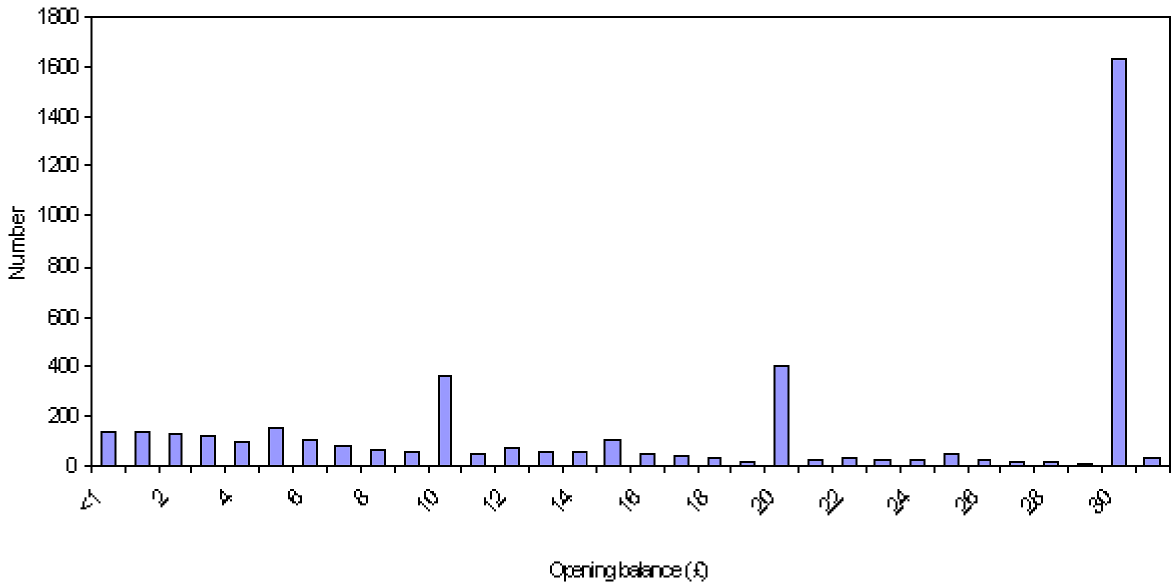



Figure 1(a) Openings

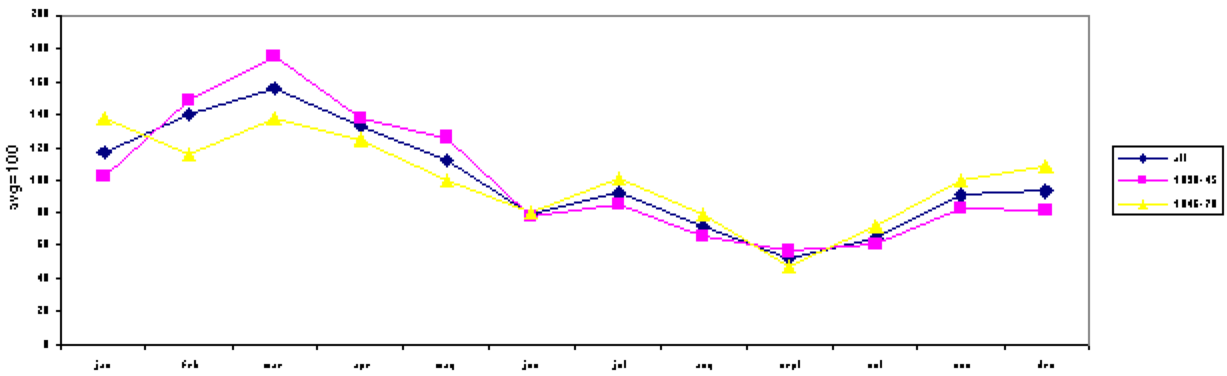
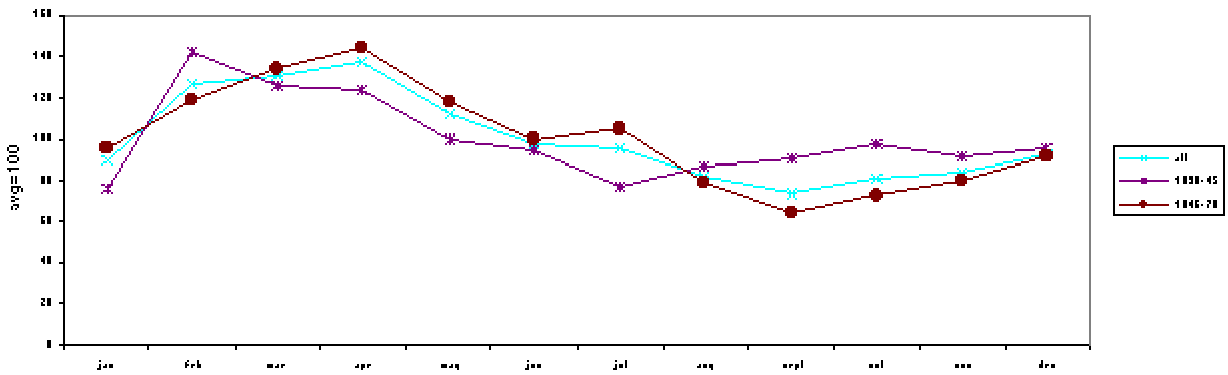



Figure 1(b): Closings



The abuse of trust accounts, a common feature in Ireland, was also a feature in Thurles. A common practice was for a household head to open several trust accounts in the names of other family members in order to overcome the regulation that no single account be augmented by more that £30 in a single year. Some or all of the accounts might then be closed simultaneously at some later stage. It is also significant that 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 (57.2 per cent) 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. The occupational backgrounds of about one-third of those acting as trustees are given, and about half of them were farmers or farmers' wives. Slightly over half (52.1 per cent) of all trust accounts were held in the names of males. Farmers, gentlemen, married women, and widows, were less likely to open trust accounts for females than males , while priests and policemen were more likely to sponsor females than males.

Trust accounts accounted for over one third of all accounts. The average opening balance of a trustee account was considerably larger than that of other accounts (£23 against £16.5). In the ledgers a clear majority of trustees are noted as related to the accounts they supported; and the great majority of these were parents. As might be expected, certain occupations featured disproportionately among the trustees. Thus priestly trustees outnumbered priestly depositors by over two to one. While some acted for relations, most did so for female parishioners. Gentlemen, corndealers, medical practitioners, and apothocaries were also strongly represented. Most of these operated trust accounts for family members and kinfolk. The number of farmer trustees also outnumbered the number of farmer accounts (by 640 to 574). However, there were only eight servant trustees against 215 servant accounts, six labourer trustees against 83 labourer accounts, and seventeen police trustees against 86 police accounts.

The bank also held the accounts of about fifty charitable associations and societies, mainly religious. Half of these were associated with the Catholic Church, ranging from a fund in support of Thurles cathedral to a society to help retired priests. Both the Presentation and Ursuline convents held accounts. Also included was St. Paul's loan fund society, a microcredit institution run by the local Catholic clergy, which began a very active account in 1839. Its opening balance was only £1, but it made a further 245 deposits totalling £424 and 53 withdrawals before closing in 1860. Also active were the Thurles Altar Sodality (185 deposits totalling £271 between 1846 and 1871), the Catholic Clerical Fund (88 deposits totalling £1,033 between 1831 and 1863), and the Teetotal Temperance Society of Thurles (137 deposits totalling £362 between 1840 and 1850). The numerous Catholic societies reflect the vibrancy of devotional Catholicism in prefamine Thurles. More shortlived was the Mardyke Savings Society in Loughmore parish, which accumulated £173 between 1841 and 1844. A protestant missionary collection organised by 17-year old Margaret Lester of Turtulla, Moycarkey raised £5 in 1837-8. Several schools and dispensaries also held accounts, as did the Steam Engine and Fireman Society (one deposit of £30 in June 1850, account closed in November 1851) and the Dovea Clothing Club. The last-mentioned, which made 17 deposits totalling £168 betwen 1852 and 1855, was sponsored by magistrate and landowner John Trant.

Information was not collected on the occupational status of all account-holders. The records make it clear, however, that the two main unskilled categories, labourers and servants, were underrepresented. In effect the TSB was a farmers' bank. Account-holders described as farmers and members of farming families accounted for over one account-holder in four, 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.

Henry Cotton's original call for support in 1829 referred to 'the Benefit of the Town and Neighbourhood' but did not single out the industrious poor as beneficiaries. Whether the founders ever intended to target the working classes must remain a moot point. In evidence to the Poor Inquiry[31] a few years local clergyman Henry Armstrong, a founding trustee of the TSB, pronounced it 'prosperous', but added that 'very few of the lower orders take advantage of it'. This impression is confirmed by a close scrutiny of the records. Table 4, which summarises the profile of savers, contains some expected and some perhaps surprising features. The low average opening balances of servants and labourers are to be 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 one or two transactions a year. The number of lodgements typically exceeded withdrawals. This seems to have been typical of nineteenth-century savings banks.[32] 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 four 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. For example, Michael McGrath, a farmer from the parish of Drom, closed one account in late 1839 and opened another five years later; Vernon Lanphier, a Moycarkey landowner, held four different accounts between 1840 and 1869; and so on.

In the decades of the TSB, most account-holders would have made their way to the bank by foot or by horse and car: public transport would have been of little use. This kept the catchment area of the bank relatively small. 42 per cent (1769) of all account holders lived in the parish of Thurles. Another 38 per cent (1610) lived in the ring of five parishes surrounding the town (Loughmore, Drom, Moycarkey, Templetouhy, and Holycross). A further 13 per cent lived in an outer ring of seven parishes within eight to ten miles of the town. The remaining 6 per cent either lived further away or gave no identifiable addresses. Focusing on accounts opened before the end of 1845 only, the percentages were not very different: 38 per cent in Thurles, 44 per cent in the inner ring, 13 per cent in the outer ring, and 6 per cent elsewhere or unidentified. However, the comparison suggests that Thurles town provided a greater share of accounts after the famine than before it. Distance also influenced the average number of deposits and withdrawals. The averages in Thurles itself were double those in the outer ring of parishes. The average annual number of transactions was subject to a shoe-leather effect: account holders in the town of Thurles itself were much more likely to visit the bank than those living in its hinterland. In the prefamine period the actuary took down a high proportion of account holders' ages, though hardly any after 1845. The very high proportion of accounts in the names of children and juveniles again suggests that their names were used to circumvent the rules.

*4. FAMINE, PANIC, AND CONTAGION:*

Though the Great Famine undoubtedly influenced Irish savings banks, the link between the famine and the banks' fortunes in the late 1840s is not straightforward. Indeed in the early stages some press commentary suggested that the banks' seeming prosperity belied claims of hardship and crisis. Editorials highlighted reports from Ireland of *increases* in deposits as evidence of 'successful swindling' or welfare fraud on the part of the people.[33] However, both aggregate data and individual case studies seem to suggest that the economic shock caused by the famine dealt a serious blow to Ireland's savings banks. Between 1845 and 1849 aggregate deposits fell from nearly £2.9 million to £1.2 million, and the number of depositors dropped by more than half. Of the forty-four savings banks in the United Kingdom that ceased business between 1844 and 1852, twenty-four were Irish.[34]

The famine placed all Irish financial institutions under pressure, and the savings banks were not immune. However, the trends in deposits and the number of accounts in the late 1840s are more complex than the numbers above imply. When decline set in the spatial pattern was not what predicted by our knowledge of the spatial incidence of the famine. Population loss between 1841 and 1851 is a good measure of the damage done by the famine. By this reckoning the famine was most severe in Connacht, which lost 29 per cent of its people in the decade. Munster with 22 per cent came next, a good ahead of both Ulster (16 per cent) and Leinster (15 per cent). The pattern for savings banks during the famine were quite different. Between November 1845 and November 1846 aggregate deposits fell slightly, but there were rises in all provinces except Leinster (where they fell by 18 per cent). Leinster's problems were due mainly to the collapse of its second biggest bank (on which more below). In 1845/6 deposits rose most in Connacht. In 1846-7 the decline in deposits was greatest in Ulster (19 per cent), while in 1847-8 it was greatest in Leinster (53 per cent) and least in Connacht (34 per cent).

The main reason for the drop in deposits and accounts in the late 1840s was not the famine, but the much-publicized, sensational failures of three Irish savings banks in 1848, and the ensuing financial contagion. The collapse of St. Peter's Parish Savings Bank located on Dublin's Cuffe Street was notable for being 'the first real sign of a chink in the armour designed by Parliament'. That bank had been the target of embezzlement and mismanagement since the 1820s, and probably should have been closed in 1831.[35]

Mismanagement continued to be a problem. A run on the bank in November 1845 marked the beginning of the end. When it closed its doors on 10 May 1848 its liabilities had reached nearly £65,000 against assets of £100 or so. Sensing that the game was up and that compensation was unlikely some depositors of the Cuffe Street bank began to sell their pass books at a discount in the following week.[36] More sensational were the collapses in rapid succession of two Kerry savings banks in April 1848. First to go was the Tralee bank, in the wake of a confession by its actuary to having embezzled it over an extended period.[37] The actuary, who had operated the business from his own house, 'which afforded him considerable latitude for carrying on his frauds', had built up liabilities of £36,768 against £1,650 assets for which he got 14 years' transportation.[38] The Killarney Savings Bank, which held over one thousand accounts, closed its doors on 18 April 1848. In this case the actuary, one D.W. Murphy, fled, leaving liabilities of £36,000 against assets of £16,582.

John Tidd Pratt, who investigated the two Kerry banks in May 1848, produced a report which was highly critical of both management and depositors.[39] 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'.[40] 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'.[41] 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'.[42] In colorful evidence to a parliamentary inquiry a year later 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'.[43] Tidd Pratt's irritation at what he deemed 'the utter disregard of truth, the falsehood and subornation of perjury displayed by the claimants' was understandable. Yet he was was too ready to accept the assertions of some of his friendlier informants as fact. His report to the Lords of the Treasury Tidd Pratt, 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.[44]

Tidd Pratt's damaging accusations were widely circulated in the domestic and foreign press.[45] Henry Arthur Herbert, M.P. for Kerry, who declared that he had seen them in the *Augsburg Gazette*, vigorously rebutted them. Against the claim that three men in jail for debt 'had presented themselves in custody of their gaolers to claim as depositors' Herbert produced a letter from the prison governor that 'no such circumstance ever occurred'. Tidd Pratt was forced to withdraw his accusation before the committee.[46] Another widely-circulated claim that inmates had left the workhouse in search of their deposits was also probably a fiction. In Killarney workhouse Herbert was given the names of four inmates who, according to the 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.[47]

The impact of the sensational failures in Dublin and Kerry was far-reaching. In Belfast there was a serious run on the savings bank 'by nervous and doubtful depositors'. At the other end of Ireland panicky account-holders forced the Cork Savings Bank to pay out £45,000 in two weeks.[48] In Thurles the disaster resulted in more accounts being closed in 1848 than in any other year in the TSB's history. Between April to September 322 accounts were closed. Depositors were slow to return to the savings banks, and recovery was impeded by a more aggressive search for accounts on the part of the joint-stock banks after mid-century. The National Bank began to accept deposits of ten shillings or more at the current rate of interest. The fragility of the savings banks after 1848 is well reflected in the run that spread from Cork to Dublin in 1853, stemming from a rumour that the Cork Savings Bank had closed for good, when in fact it was merely refurbishing its facilities.[49]

Were those who panicked in 1848 systematically different from those who held their nerve? We have already addressed this question in the very different context of the Emigrant Savings Bank.[50] In the less formal analysis that follows we compare the panickers (approximated by those who closed accounts between April and September 1848) with four 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. The results are given in Table 6.

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. Nor did the opening and closing balances of those who panicked differ much 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 either 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. That servants and labourers were also marginally more likely to keep their accounts open is perhaps more surprising.

The failure of the Tipperary Joint Stock Bank in early 1856 caused another peak in TSB account closures. The Tipperary Bank, which had a branch in Thurles since 1840, was the creature of John Sadleir M.P. Sadleir lived mostly in London but exercised full control of the bank's funds through his brother James. Since the early 1850s John Sadleir, a controversial figure in Irish politics, had been using the bank to finance his disastrous and fraudulent speculations. These included selling shares in bogus companies and fictitious deeds to landed property. The Tipperary 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 days and weeks.[51]

In Thurles, where the business of the Tipperary Bank had been 'rather extensive', neither the National nor the TSB was immune. In the immediate aftermath of the collapse a police presence was required to protect the Tipperary Bank's premises against angry farmers.

A local newspaper claimed that the panic did not extend beyond 'the small farmer class'.[52] How does this square with the TSB's records? In Table 7 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; and 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.

The collapse was unfortunate for the TSB in another respect. For many years the TSB had held a balance of several hundred pounds with the National Bank. When the National Bank announced a reduction in the rate of interest on this sum from 2.5 to two per cent in mid-1855, the account was moved to Sadleir's bank.[53] The decision, which cost the TSB 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.[54] Had the TSB's loss been more widely known at the time, the run on it would surely have been more sustained.

## *V. CONCLUSION:*

It is often suggested that the poor and the working classes don't save – or at least don't save much. Controversies about the trade-off between economic 'justice' and economic growth turn, in part at least, on this assumption. In industrialising Britain, however, there was no lack of schemes encouraging the poor to save. This paper has been about the impact of one of those schemes in a setting rather different from that envisaged by its Scottish founders. Two features of the Irish variant have been highlighted. First, using both aggregate dat and the records of an individual savings bank, it addressed the question whether the banks met their founders' aim of making the poor more provident. We found that, to an even greater extent than in England and even more so than in Scotland, Irish savings banks benefitted disproportionately the comfortably off. The main reason for this is that in Ireland before mid-century the rate of interest payable was generous compared to on offer from the joint-stock banks. While some poor people undoubtedly benefitted, it is clear that the lion's share of the benefits went to a minority of relatively affluent account-holders. The fate of the elderly poor, in particular, would remain an abiding policy concern. The solution ultimately adopted, the old age pension, was strenuously opposed by the savings banks on the grounds that it would crowd out private saving.

Second, Ireland's relative backwardness made its savings banks vulnerable to another form of abuse. The embezzlement and collapse of three banks in a single year (1848) was bad enough in itself, but more serious for the survival of the system as a whole was that the financial contagion that resulted. Deposits in Irish savings banks would never recover their pre-panic level. The same cannot be said for England in the wake of the equally sensational collapse less than two years later of Rochdale Savings Bank. Rochdale's actuary had defrauded depositors of over £70,000. Nonetheless these and other lesser swindles exposed a serious weakness in the system more generally. They prompted a debate about alternatives to savings banks and facilitated the adoption of William Gladstone's post office savings system in 1861.[55]

*TABLE 4: THE FIRST ACCOUNT HOLDERS*

| *Date* | *Name* | *Details* | *Amount (£)* |
|---|---|---|---|
| 14 dec 1829 | (*) 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 1830 | 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 6: 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 7: 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 5: 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 |

ENDNOTES:

1. This paper is based on two chapters of a monograph-in-progress under the working title 'Saving in Two Hemispheres: the Nineteenth-century Irish'. My particular thanks to Jim O'Shea for giving me a copy of his database of Thurles Savings Bank account holders. Thanks also to Duncan Ross, Alan Olmstead, and // for help on various points.

2. *Report of the first select committee on savings banks*, App. 4.

3. See e.g. H. Oliver Horne, *A History of Savings Banks* (Oxford, 1947); Albert Fishlow, The trustee savings banks, 1817-1861', *Journal of Economic History*, 21(1) (1961), 26-40; Peter L. Payne, 'The savings bank of Glasgow, 1836-1914', in P.L. Payne (ed.), *Studies in Scottish Business History* (London, 1966), 152-186; Michael Moss and Iain Russell, *An Invaluable Treasure: the History of the Trustee Savings Banks* (London, 1994); Alan Olmstead, *New York City Mutual Savings Banks 1819-1861* (Chapel Hill, 1976).

4. British Parliamentary Papers 1837/8, vol. 47, Table No. 14; John Tidd Pratt, *Progress of Savings Banks* (London, 1845); W.H. Porter, 'Savings banks: a review of papers dealing with savings banks', *Dublin University Magazine*, 34 (1849), 127-38; R.D.C. Black, *Economic thought and the Irish Question 1817-1870* (Cambridge, 1960), 152-3; James P. O'Shea, 'Thurles Savings Bank 1829-1871', in W. Corbett and W. Nolan (eds.), *Thurles: Cathdedral Town* (Dublin, 1989), 93-116.

5. National Archives of Ireland, Official Papers 1844/85, replies from Waterford and Abbeyleix.

6. BPP 1852, 'Return on each savings bank in England & Wales, Scotland, and Ireland'.

7. Anon., 'Cork Savings Bank 1817-1917', *Journal of the Cork Historical and Archaeological Society*, XXIII, No. 116 (Dec. 1917), 178-80; O'Shea, 'Thurles Savings Bank 1829-1871', 95-7; M. Dillon, *The History and Development of Banking in Ireland* (London, 1889), 103; Alf McCreary, *By All Accounts: A History of Trustee Savings Banks in Northern Ireland* (Antrim, 1991); W.E. Tyrrell, *History of Belfast Savings Bank* (Belfast, 1946).

8. BPP 1852c.

9. E.g. Peter L. Payne and Lance E. Davis, *The Savings Bank of Baltimore, 1818-1866* (Baltimore, 1956), 27-32.

10. *Hansard*, 37 (1818), 1156, 1177 (General Thornton), 1157 (Mr. Babington), 1178 (Chancellor of the Exchequer); David Ricardo, *Works and Correspondence*, Piero Sraffa (ed.) (Cambridge, 1951-5), vol. V, 128-9; *Hansard*, 2nd ser. 18 (1828), 258 (Hume); *Hansard*, 3rd ser. 17 (1833), 199, 1031 (Thomas Attwood); Ricardo, *Works and Correspondence*, vol. XI, xxi.

11. BPP, 1850b: Q. 81, 543-4.

12. Horne, *History*, 97-8; Fishlow, 'Trustee savings banks'.

13. Neil Smelser (in *Social Change in the Industrial Revolution* (London, 1959), 373) pointed out that 'the savings banks...have a paradoxical side...[T]he founders thought they would relieve the poor...[T] he primary participants were *not* those dependent on poor relief.' Clapham had made the same point in 1930 (in *The Economic History of Modern Britain*, 2nd ed. (Cambridge, 1930), I, 592, as cited by Fishlow, 'Trustee savings banks', 27).

14. Fishlow, 'Trustee savings banks'.

15. G.L. Barrow, *The Emergence of the Irish Banking System, 1820-1845* (Dublin, 1975), 220; S.G. Checkland, *Scottish Banking: A History, 1695-1973* (Glasgow, 1975), 519; Fishlow, 'Trustee savings banks'; NAI, OP 1834/403 (letter from William Traill to E.J. Littlejohn M.P., 6 March 1834). Payne, 'The savings bank of Glasgow, 1836-1914'. The special role of penny banks in Scotland was also important: see Duncan M Ross, 'Penny Banks in Glasgow, 1850-1914', paper presented to workshop of savings banks, University of Glasgow, September 2001.

16. Anon., 'Cork Savings Bank', 179; BPP 1852 vol. 28 [471.], 'Return of savings banks in the United Kingdom that have failed, stopped payment, or been discontinued, since the year 1844'.

17. BPP 1837/8, vol. 47, Table No. 14.

18. BPP 1850 (.649), vol. XIX, 'Report from the [Second] Select Committee on Savings Banks', p. v.

19. Fishlow, 'Trustee savings banks', 33.

20. Compare Fishlow, 'Trustee savings banks'.

21. George Campbell Foster, *Letters on the Condition of the People of Ireland* (London, 1846), 494. See also *Freeman's Journal*, 15 Dec. 1845.

22. Smelser, *Social Change*, 358-77; Fishlow, 'Trustee savings banks', 37n14.

23. Samuel Lewis, *Topographical Dictionary of Ireland* (London, 1837), vol. II, p. 623; James Condon, 'Mid-nineteenth century Thurles: the visual dimension', in Corbett and Nolan, *Thurles, the Cathedral Town*, pp. 81-91.

24. IUP2: 949-50; IUP3: 848. See too Donal A. Kerr, *A Nation of Beggars'? Priests, People, and Politics in Famine Ireland 1846-1852* (Oxford, 1994), 40, 169-70.

25. James O'Shea, 'Thurles Savings Bank 1829-1871', 96-7.

26. Derived from the returns as reported in *Thom's Almanac*.

27. O'Shea, 'Thurles savings bank, 1829-1871'.

28. On the Munster Bank see C., "Moral hazard and quasi-central banking: should the Munster Bank have been allowed to fail?', in David Dickson and C. Ó Gráda (eds.), *Refiguring Ireland*, forthcoming .

29. They are now held in the public library in Thurles.

30. For more on Slattery see Kerr, *'A Nation of Beggars'?*, 21, 40.

31. Supplement to Appendix E.

32. Compare George Alter, Claudia Goldin and Elyse Rotella, 'The savings of ordinary Americans: the Philadelphia Saving Fund Society in the mid-nineteenth century', *Journal of Economic History,* 54(4) (1994), 735-67.

33. Rev. John O'Rourke, *The History of the Great Irish Famine of 1847* (Dublin, 1902), 214-5; G.L. Smyth, *Ireland: Historical and Statistical* (London, 1844-49), III, 29.

34. O'Shea, 'Thurles Savings Bank'; C. Ó Gráda, *Black '47 and beyond: the Great Irish famine in History, Economy, and Memory* (Princeton, 1999), ch. 4; *Thom's Irish Almanac 1850*, 195; *Thom's Irish Almanac 1851*, 264; 'Return of savings banks in the United Kingdom that have failed, stopped payment or been discontinued '.

35. Fear of contagion and consequent losses to the National Debt Office may have been factors in it being kept open. C.f. *Report from the [Second] Select Committee on Savings Bank*, Appendix, 110; Anon. [W.H. Porter] 'Savings banks', 133.

36. *Saunders Newsletter*, 11 May 1848, 19 May 1848; W.H. Porter, *Savings Banks: Their Defects – The Remedy* (Dublin, 1848), 17.

37. *TC*, 8 April 1848 .

38. Anon. [W.H. Porter], 'Savings banks', 131.

39. Porter, *Savings Banks,* 13.

40. Cited in *TC*, 13 June 1848.

41. *Kerry Examiner*, 11 April 1848.

42. *KE*, 28 April 1848.

43. BPP (.437) 1849 vol. XIV, 'Report of [First] Select Committee on Savings Banks', evidence of J.T. Pratt (Qs. 3760, 3765, 3776).

44. Hansard 3rd ser. 104 (1849), 23-4.

45. E.g. Dillon, *Banking in Ireland*, 104-5.

46. *Report of [First] S.C. on Savings Banks*, Q3776 (J.T. Pratt).

47. *Hansard*, 104 (1849), 23, 34-5; *Report of [First] S.C. on Savings Banks*, Q3541 (H.A. Herbert).

48. Tyrrell, *History of Belfast Savings Bank*, 45.; *Freeman's Journal*, Sat 15 April 1848 (citing the *The Southern Reporter*).

49. Dillon, *Banking in Ireland*, 105, 107.

50. C. Ó Gráda and Eugene N. White, 'Who panics during panics? Evidence from a nineteenth-century savings bank', paper presented to NBER summer institute July 1999; Morgan Kelly and C. Ó Gráda, 'Market contagion: evidence from the panics of 1854 and 1857', *American Economic Review*, 90(5) (2000), 1110-1120.

51. James O'Shea, *John Sadleir, Prince of Swindlers* (Dublin, 1999); John O'Brien, 'Sadleir's Bank', *Journal of the Cork Historical and Archaeological Society*, 82 (1977), 33-8; Hall, *Bank of Ireland*, 229-31, 246-9.

52. *Tipperary Leader*, 23 February 1856.

53. TSB trustees' minutes, 4 August 1855.

54. TSB minutes, 21 November 1858 and 18 January 1859.

55. William Neilson Hancock, *On the Present State of the Savings Question* (Dublin, 1855); Horne, *History of Savings Banks*,119-167; Black, *Economic Thought and the Irish Question*, 152-3.