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Savings banks as an institutional import: the case of nineteenth-century Ireland[1]

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For age and want save while you may
No morning Sun lasts a whole day.
(Tralee Savings Bank passbook, 1820s)[2]

The outline history of provident institutions or savings banks is well known. Part of an early nineteenth-century middle-class campaign to make the poor save more and, therefore, less reliant on public and private charity, they aimed to provide accountholders with security, liquidity and a generous return on deposits. Originating in lowland Scotland during the early 1810s, 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, and others were soon set up throughout the island. Diffusion was fastest during 1818 and 1819 and, by the mid-1820s, the Irish network had been essentially established. In late 1829 there were 73 savings banks. Of the 74 banks open in late 1846, 46 had been created in 1816–25, a further 21 in 1826–35 and only seven after 1836. Long-established banks best withstood the pressures of the late 1840s, described below. Of the 46 founded before 1826, six had

1 My particular thanks to Jim O'Shea for supplying a copy of his database of Thurles Savings Bank accountholders. Thanks also to Fionn Ó Gráda, Tim O'Neill and Duncan Ross for help on various points, and to a referee for comments on an earlier draft. The research was assisted by financial support from the Michael Smurfit Graduate School of Business.

2 *British Parliamentary Papers* [hereafter *BPP*], 1849 [437] XIV, *First Report of the Select Committee on Savings Banks*, App. 4.

3 See e.g. H. O. Horne, *A History of Savings Banks* (Oxford, 1947); A. Fishlow, 'The trustee savings banks, 1817–1861', *Journal of Economic History*, 21 (1961); P. L. Payne, 'The savings bank of Glasgow, 1836–1914', in P. L. Payne (ed.), *Studies in Scottish Business History* (London, 1966); M. Moss and I. Russell, *An Invaluable Treasure: The History of the Trustee Savings Banks* (London, 1994); and A. Olmstead, *New York City Mutual Savings Banks 1819–1861* (Chapel Hill, 1976). Parliamentary support for the Irish loan funds, which catered for small-scale borrowers rather than savers, was forthcoming around the same time; see A. Hollis and A. Sweetman, 'The life-cycle of a microfinance institution: the Irish loan funds', *Journal of Economic Behavior and Organization*, 46 (2001).

gone by 1848. Of the next 21, eight had failed by 1848; of the last seven, five had folded within a further three years. The earlier savings banks were also bigger. On the eve of the famine there were nearly 100,000 depositors holding balances totalling almost £3m. in 76 banks.[4]

This new institutional import was never as successful in Ireland as in Britain. On the eve of the famine, Ireland's population was more than half that of England and 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 1,000 people, and about £1.7 deposited per inhabitant, while in Ireland these ratios were 11 accounts and £0.3 deposited. The main reason was the Irish economy's relative backwardness and overwhelmingly rural character. In Ireland, as elsewhere in the United Kingdom, accountholders were disproportionately urban. Just before the famine of 1846–50, Ireland's four biggest cities (Belfast, Cork, Dublin and Limerick) had only one-twentieth of the population but two-fifths of all savings bank accounts. In these cities the ratio of accounts to inhabitants was about one to ten.

The number of depositors was also strongly correlated with the size of the town where a bank was located. Since its catchment area was largely determined by walking distance, the great majority of customers living within ten or 12 miles of their bank, small-town and village banks were at a distinct disadvantage.[5] Thus the biggest savings banks were 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 total sum deposited in banks in towns of less than 2,000 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 also that

[4] *BPP*, 1837/8 [137] XLVII, *Number of Savings Banks in England, Scotland, and Ireland, Number of Depositors, &c.*, Table No. 14; J. 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); R. D. C. Black, *Economic Thought and the Irish Question 1817–1870* (Cambridge, 1960), pp. 152–3; and J. P. O'Shea, 'Thurles Savings Bank 1829–1871', in W. Corbett and W. Nolan (eds), *Thurles: Cathedral Town* (Dublin, 1989).

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

Table 1. *Banking costs in Ireland, England and Wales, and Scotland, 1848*

	Ireland	*England and Wales*	*Scotland*
1 Number of savings banks	61	481	40
2 Annual cost	£9,148.8	£88,421.8	£4,913.8
3 Number of accounts	50,119	909,336	85,472
4 Total deposits (£'000)	£1,358.1	£25,371.2	£1,080.2
2/3	0.18	0.10	0.06
2/4	6.74	3.49	4.55

Source: Thoms Almanac 1850, p. 195

Irish banks were far more expensive to administer than their Scottish counterparts (Table 1).[6]

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

In the ensuing discussion, section I applies Irish evidence to a central issue in the historiography of savings banks – whether they achieved their founders' main aim of getting the poor to save. Section II sheds a little more light on the history of Irish savings banks through an analysis of the surviving records of one institution – Thurles Savings Bank. Section III addresses the question of Irish savings banks' vulnerability, focusing in particular on the issue of panics and resulting contagion. Section IV concludes.

I

Early supporters of savings banks everywhere, both inside and outside the legislature, identified with the industrious poor.[9] The banks' history in England and

6 *BPP*, 1849 [344] XXX, *Abstract Return of Savings Banks in England & Wales, Scotland and Ireland; Showing the Number of Officers, their Salaries and Allowances.*

7 Anon., 'Cork Savings Bank 1817–1917', *Journal of the Cork Historical and Archaeological Society*, XXIII, 116 (Dec. 1917); O'Shea, 'Thurles Savings Bank 1829–1871', pp. 95–7; M. Dillon, *The History and Development of Banking in Ireland* (London, 1889), p. 103; A. McCreary, *By All Accounts: A History of Trustee Savings Banks in Northern Ireland* (Antrim, 1991); and W. E. Tyrrell, *History of Belfast Savings Bank* (Belfast, 1946).

8 *BPP*, 1852 [521] XXVIII, *Return from each Savings Bank in the United Kingdom of the House or Building in which Business is Transacted*, p. 403.

9 E.g. P. L. Payne and L. E. Davis, *The Savings Bank of Baltimore, 1818–1866* (Baltimore, 1956), pp. 27–32.

Wales, by and large, did not conform to pioneers' hopes. From the outset, critics of state support denounced the uneconomic, 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 House of Commons. One Member, 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' benefiting, adding that the poor had 'rather an aversion' to high interest rates. The initial enthusiasm of a third Member, economist David Ricardo, had cooled considerably by 1822, prompting him to argue for a system that locked in savings until old age. But the gap between the reality of short-lived accounts quite sensitive to the rate of interest and Ricardo's plan was wide. Defenders of generous interest payments countered that the 'improved morality of the lower orders' would more than compensate for any abuse.[10]

Legislation took account of such criticisms in due course by reducing the rate of interest payable and the maximum permissible deposit per account. During the 1810s deposits earned more than four per cent whereas by the mid-1840s most banks were paying between 2.75 and three 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'. He claimed that 'from a quarter to a half, in the early days, were domestic servants, the remainder mainly artisans, small tradesmen, women, and children'. He admitted that labourers were few, but rich depositors were also few, 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 Clapham and Smelser,[13] revived the old criticism that, on the contrary, the movement bypassed the really poor, its main beneficiaries being better-off savers, attracted by the generous interest rate paid. Their argument is corroborated by Fishlow, who

[10] *Hansard*, 37 (1818), cols 1156, 1177 (General Thornton); col. 1157 (Mr Babington); col. 1178 (Chancellor of the Exchequer); David Ricardo, *Works and Correspondence*, ed. Piero Sraffa (Cambridge, 1951–55), V, pp. 128–9, and XI, p. xxi; *Hansard*, 2nd ser., 18 (1828), col. 258 (Hume); and *Hansard*, 3rd ser., 17 (1833), cols 199, 1031 (T. Attwood).

[11] *BPP*, 1850 [649] XIX, *Report from the* [Second] *Committee Appointed in the Following Session on the Same Subject* [Savings Banks], qq. 81, 543–4.

[12] Horne, *History*, pp. 97–8; and Fishlow, 'Trustee savings banks'.

[13] N. Smelser (in *Social Change in the Industrial Revolution* (London, 1959), p. 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* (Cambridge, 2nd ed., 1930), I, p. 592, as cited by Fishlow, 'Trustee savings banks', p. 27).

found that the subsidisation of English and Welsh banks during their early years 'was not totally, or even significantly, directed to the classes for which it was intended'.[14]

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

Firm evidence on Irish savers' economic status is scarce for the early years. However, it is significant that the first annual report of Cork Savings Bank (founded in 1817) noted that many 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 received by the 1835–36 Irish Poor Inquiry corroborates, suggesting that farmers, shopkeepers and tradesmen were far more likely to be accountholders than labourers, though servants also featured prominently in the categories listed. In 1849, local gentry ceased funding Carrickmacross's small bank 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, at the mid-century the average sum deposited per Irish accountholder was £28, slightly higher than in England (£26) and Wales (£27), and double that in Scotland (£14). Given that income per head in Ireland was then probably half or less than that of the rest of the United Kingdom, these data suggest that Irish depositors came from further up within the income distribution.[17]

Second, the breakdowns by occupation in Table 2 are of particular interest. Had savings banks been mainly concerned with 'encouraging and rewarding the industry

[14] ibid.

[15] G. L. Barrow, *The Emergence of the Irish Banking System, 1820–1845* (Dublin, 1975), p. 220; S. G. Checkland, *Scottish Banking: A History, 1695–1973* (Glasgow, 1975), p. 519; Fishlow, 'Trustee savings banks'; NAI, OP 1834/403, W. Traill to E. J. Littlejohn MP, 6 Mar. 1834; and Payne, 'The savings bank of Glasgow, 1836–1914'. The special role of penny banks in Scotland was also important, see D. M. Ross, 'Penny banks in Glasgow, 1850–1914', paper presented to workshop of savings banks, University of Glasgow, Sep. 2001.

[16] Anon., 'Cork Savings Bank', p. 179; *BPP*, 1852 [471] XXVIII, *Return of Savings Banks in the United Kingdom that have Failed, Stopped Payment, or been Discontinued, since the year 1844*.

[17] *BPP*, 1837/8, *Number of Savings Banks …*, Table 14.

Table 2. *Occupational profile of accountholders, 1852*
a. *Percentage of deposits in each occupational group, per cent*

		England %	*Wales* %	*Scotland* %	*Ireland* %
1	Gentlemen	1.2	2.1	1.0	3.6
2	Professions, males	0.6	0.9	1.4	1.1
3	Working within education, males and females	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	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. (females)	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	Miscellaneous	4.6	3.1	10.4	0.6
	Total volume of deposits	£26,317,614	£583,748	£1,577,035	£1,429,840

b. *Percentage of deposits of each occupational group, per cent*

		England %	*Wales* %	*Scotland* %	*Ireland* %
1	Gentlemen	1.1	2.5	1.2	3.0
2	Professions, males	0.5	1.0	0.8	0.8
3	Working within education, males and females	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	0.2	0.0	0.1	0.6
7	Labourers	12.6	15.2	16.3	7.2
8	Domestic servants, nurses, etc. (female)	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	Miscellaneous	5.0	2.2	8.4	0.6
	Total number of accounts	1,004,143	21,815	110,341	51,848

Table 2. *Continued*
c. *Average by occupational group, £*

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

Note: *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 …*

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 groups collectively accounted for 41 per cent of deposits and 37 per cent of accounts, and in Scotland 37 and 38 per cent. However, in Ireland they comprised only 16.5 and 23 per cent, respectively. Variations in the structure of the labour force could not account for the difference as it is clear that the unskilled and the lowly skilled formed a much smaller proportion of savers in Ireland than elsewhere in the United Kingdom. Tradesmen (a category including 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 counterparts, it is perhaps reassuring to find that those who saved, saved less. However, the high averages in Irish trust accounts and accounts of minors are suspicious, as are those of gentlemen and professionals. The high average sums deposited would suggest that

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

in both Ireland and England money which would otherwise have been deposited in joint-stock or country banks was diverted into savings banks. For reasons noted above, Scotland was different; its savings banks were best at targeting those for whom they were intended, and the average deposits were accordingly lowest in all occupational categories.

A third comparison is offered by the average sizes of deposits and withdrawals. If savings banks' clients were mainly men and women of modest means who saved incrementally, then one might expect the average withdrawal to exceed the average deposit. The situation in the United Kingdom at the mid-century was that nowhere were accounts very active, and everywhere the number of deposits per account exceeded the number of withdrawals. But, while the average withdrawal was much bigger than the average deposit in both England and Wales (£14 2*s* 7½*d* vs. £5 17*s* 2*d*) and in Scotland (£5 9*s* 4*d* vs. £3 18*s* 0*d*), this was not so in Ireland (£8 6*s* 8½*d* vs. £8 15*s* 10½*d*). Note too that the average deposit was highest in Ireland by a comfortable margin.[19]

The distributions of accounts by size in individual Irish savings banks also suggest that many did not cater primarily for the very poor. The distinction between deposits and depositors is apposite here.[20] The 43,281 accountholders with deposits of £20 or less in 1845 comprised over two-fifths of savers but one-ninth or so of all savings. Nearly two-thirds of savings were held in 47,318 accounts of 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.

The preponderance of small accounts in Dublin and Belfast suggests that those with 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 savings banks at Cork and Limerick the proportions holding £20 or less were much lower – 39 and 36 per cent. At Castlebar and Boyle 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.

II

On the eve of the famine, the population of Tipperary, Ireland's largest inland county, was nearly 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-

[19] *BPP*, 1852 [213], XXVIII, 597, *Return of Savings Banks in the United Kingdom Showing their Number of Officers, their Salaries and Allowances …*

[20] Compare Fishlow, 'Trustee savings banks'.

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

[22] Smelser, *Social Change*, pp. 358–77; and Fishlow, 'Trustee savings banks', p. 37, n. 14.

Suir, Clonmel and Thurles – are located. Carrick's trade, closest to the sea, was well served by the river but navigation to Clonmel was less satisfactory, while Thurles' commerce, another 20 miles on, was confined to overland carriage. Smaller than Clonmel and Carrick, Thurles had a population of 8,000 on the eve of the Great Famine. Between 1829 and 1871 it was the location of Thurles Savings Bank [hereafter ThSB].

Thurles was the business centre of a hinterland dominated by mixed farming, while the town's industrial base – a substantial brewery and a tannery – depended upon agricultural raw materials. It was also the cathedral town of the Catholic diocese of Cashel and Emly. The original 'big chapel', built at a cost of £10,000 in the 1800s, had standing-room accommodation for 7–8,000 people. In 1837, *Lewis's Topographical Dictionary* deemed most of the town's 1,200 houses 'neatly built' and several 'of handsome appearance', but John Henry Newman, who described the town after a visit in 1851 as 'squalid', thwarted plans to seat the proposed Catholic university there.[23] Indeed, both housing and literacy data in the 1841 census 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 during 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] Its population continued to decline over the 1850s and then stagnated at around 5,000 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, begun in 1861 and not completed until 1879, provided a modicum of employment.

Just before the Great Famine the town's commercial banking needs were met by branches of the National Bank and the Tipperary Bank. Pre-famine Thurles was not deemed important enough for a branch by either the Bank of Ireland or the Provincial Bank, but the National Bank opened there in its first year (1835), followed by the short-lived Agricultural and Commercial Bank in 1836 and the Tipperary Bank in 1840. The Tipperary Bank in effect represented the Bank of Ireland in both the town and the county generally, having foregone its note-issuing rights for special discounting facilities at Bank of Ireland branches.

The decision to establish a savings 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 two months later, its trustees and managers mainly local clergy-

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

24 *BPP*, 1847–48 [919], XV, *Papers relating to the Relief of Distress and the State of the Unions and Workhouses*, 5th ser., pp. 625–36. See too D. A. Kerr, *A Nation of Beggars? Priests, People, and Politics in Famine Ireland 1846–1852* (Oxford, 1994), pp. 40, 169–70.

men, landed proprietors and professional people.[25] ThSB was fortunate in its personnel, both unpaid and paid. There was enough of a 'leisure class' in Thurles and its hinterland to sustain it, while the local Protestant clergy were particularly active in its affairs, with Archdeacon Cotton involved from beginning to end. During its early years, James Butler MD 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 officers were long serving. Between 1829 and 1859 the bank had only three treasurers (the National Bank fulfilling the function thereafter), and a local shopkeeper served as part-time actuary from beginning to end on a salary that varied with business volume. However, few of the 20 trustees nominated at the outset played any significant part in ThSB'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.

ThSB's annual returns reproduced in *Thoms Almanac* suggest that it was broadly representative of savings banks located outside the bigger cities. In November 1846 it had £31,815 deposited in 892 accounts. The average sum, £35 13*s* 4*d*, was on the high side, exceeded by only seven of a total of 76 banks (the average for the country being £30 8*s*). Thurles' 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, ThSB's records have survived almost in their entirety. They are the basis of a very fine study by O'Shea.[27] Table 3 chronicles the bank's earliest transactions. Rather inauspiciously, on its first day (14 December 1829) it 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 began with token deposits of £1. A week later Rev. Henry Armstrong, another trustee, opened two more trust accounts.

Bridget Shea was the first real customer, accompanying her deposit of £30 with three more of the same amount for other family members. A week later, 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.

[25] O'Shea, 'Thurles Savings Bank 1829–1871', pp. 96–7.
[26] Derived from the returns as reported in *Thom's Almanac*.
[27] O'Shea, 'Thurles Savings Bank, 1829–1871'.

Table 3. *The first accountholders*

Date	*Name*	*Details*	*Amount*
14 Dec. 1829	*Thomas Kirwan	Age 30, ThSB treasurer	£1
	*William Ryan	In trust for Mary Ann Ryan	£1
	*James Butler	Medical practitioner	£1
	*Thomas Kirwan	In trust for Philip Kirwan	£1
21 Dec. 1829	*Rev. Henry Armstrong	For Richard Hope, age 9	£1 10*s* 0*d*
	*Rev. Henry Armstrong	For Alex Hope, age 7	£1 10*s* 0*d*
	Bridget Shea	Thurles	£30
	Bridget Shea	For Eleanor Shea, age 2	£30
	Bridget Shea	For Thomas Shea, age 6 months	£30
	Bridget Shea	For husband	£30
28 Dec. 1829	Michael Mullaly	Thurles	£7
4 Jan. 1830	Bridget Shea	For M. Lyons, niece, age 9	£30
	*William Ryan	For Thomas Ryan, age 2	£1
11 Jan.1830	*William Ryan	For Daniel Fogarty, age 40	£4 10*s* 0*d*
	*Rev. William Byrne	For Michael Brennan, age c. 40	£30
	*William Ryan	For William Ryan, age 1	£1
	*Adam Cooke	For Charles, age 19	£2 5*s* 0*d*
	*Adam Cooke	For John Bryan, Thurles, age 30	£4 10*s* 0*d*
	*Rev. Henry Armstrong	For Miss Jane Lee	£10
	*Charles O'Keeffe	For Fanny, age 20	£10
	*Charles O'Keeffe	For Mary, age 18	£10
	James Mara	Age 30	£30
	William Mara	Maxfort, Moycarkey, age 35	£30
	*Thomas Molony	Maxfort, Moycarkey, age 40	£1
	Richard Walsh	Brownstown, age 30	£20
	*Thomas Maher Commons	Age 30	£30
	*Hugh Mulcahy, Esq.	For Judith Neil	£30
	*Hugh Mulcahy, Esq.		£30
	*Archibald Cooke	For Benjamin, age 10	£30
	*Archibald Cooke	For Mary, age 8	£30
	*Archibald Cooke	For William, age 5	£30
	*Archibald Cooke	For Sarah, age 4	£30
	*Archibald Cooke	For Archibald, age 6	£30
	Eugene Sullivan	Chandler, age 35	£1 1*s* 0*d*
	Edward Flaherty	Tobacconist	£1
25 Jan. 1830	*Rev. Henry Armstrong	For Miss Nicholson, sr.	£2
	*Rev. Henry Armstrong	For Alex Hoops	2*s* 0*d*
	*Rev. Henry Armstrong	For Richard Hoops	2*s* 0*d*
	James Callahan	Age 40	£5
	Thomas Ryan	Inch, age 16	£1
	Judith Fogarty	Married woman	1*s* 0*d*
	Jerh Fogerty	Age 40	£30

Table 3. *Continued*

Date	*Name*	*Details*	*Amount*
1 Feb. 1830	Judith McGuire	Widow, age 60	£30
	Judith McGuire	For Catherine McGuire, age 18	£30
	Judith McGuire	For daughter Elizabeth, age 23	£30
	Judith McGuire	For son, William, age 21	£30
	Thomas Flanagan	Age 35	£30
	Thomas Flanagan	For mother	£30
	Thomas Flanagan	For wife	£30
	Thomas Flanagan	For daughter, age 6 months	£30
	*Thomas Kirwan	For Mary Grace, servant	£20 1*s* 0*d*
	*Thomas Kirwan	For Michael Hayes, shopman, age 18	£12
8 Feb. 1830	Edmund Ryan	Dealer, age 50	£10
	Michael Delany	Steward, age 30	£16
	*Thomas Kirwan	For Johanna Quigly, age 20	£16
	*Thomas Kirwan	For Edmund Fitzgibbon	£7 6*s* 6*d*
	*Thomas Kirwan	For Ellen Fitzgerald	£8 14*s* 1*d*
	Philip Heaney	Ballinhow, Holycross, age 30	£30

Note: *Trustee and/or member of the management committee

Throughout its life the bank only opened on Mondays between 1 and 2 p.m., a puzzling choice as fairs were held on the first Tuesday of the month. In total the bank received £187,057 10*s* 6*d* in deposits. In all, 4,213 individual accounts were opened, together with a further 51 of voluntary organisations or charitable institutions. More than half were opened before the end of 1845.

Between 1829 and 1846 deposits annually exceeded withdrawals, except in 1840 and 1842. However, there were substantial withdrawals (£11,265 against £14,340 deposited) from 1834 to 1836. Both openings and closings were subject to clustering. There were clusters of applications to open accounts November 1831–May 1832, November 1832–March 1833 and February-June 1835. During 1839 and 1840, 339 new accounts were opened, and new accounts also surged between November 1846 and April 1847 (181 in all).

Clusters of closures, probably for the most part prompted by exogenous events, were bigger. In March 1835, 23 accounts were closed, a monthly total subsequently equalled in April 1840 and February 1845, but not exceeded until April 1847, when 54 accounts were closed. Closures in 1835 may have been prompted by the 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, 91, occurred in April 1848, followed by 71 in June 1848 (their context discussed below). In March 1856 the Tipperary Bank's sensational collapse prompted the closure of another 60 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 ThSB. Its managers increased interest payable on accounts from 2.5 per cent to 2.87 per cent in November 1863, an unsuccessful attempt to stem the tide of account closures. In January 1865 40 savers closed their accounts, and between October 1865 and February 1866 another 100 accounts were closed. These could have been associated with a change in interest-rate policy on the part of other banks, or the establishment in Thurles of branches of Munster Bank in 1865 and 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 Bank of Ireland's decision to open was almost certainly prompted in part by Munster's action.[28] The relatively high average balance of ThSB accounts closed during these months (£48.8, compared to an average of £31.8 in the 185 accounts closed over the period January 1864–September 1865) suggests customers were switching to regular bank accounts. The outflow of accounts to the joint-stock banks in 1835, 1840 and 1865–67 bespeaks of clients very responsive to alternative saving outlets. Sometimes clusters in openings and closings seemed to coincide, or almost so (as in the mid-1830s and 1847–48). When the final decision to close ThSB was taken at the end of 1870 only 2,000 accounts remained. Their average duration was nearly nine years.

Winding-up ThSB was discussed from 1866. On 10 December 1870 a special meeting of managers and trustees, attracting 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 close ThSB 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 at the closure date were transferred to the local Post Office Savings Bank. The trustees' last meeting on 29 April 1871 was attended by only a very elderly Archdeacon Cotton, who had initiated the project, and the Rev. Christopher B. Harley, another Church of Ireland clergyman. 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 posts. The bank's six ledgers, two minute books and other records were deposited in an iron safe at the National Bank's Thurles branch.[29]

Several features of the accounts are noteworthy. Male accountholders 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 sizeable gender gap in earnings in nineteenth-century Ireland. Another interesting feature is that openings were subject to marked seasonality,

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

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

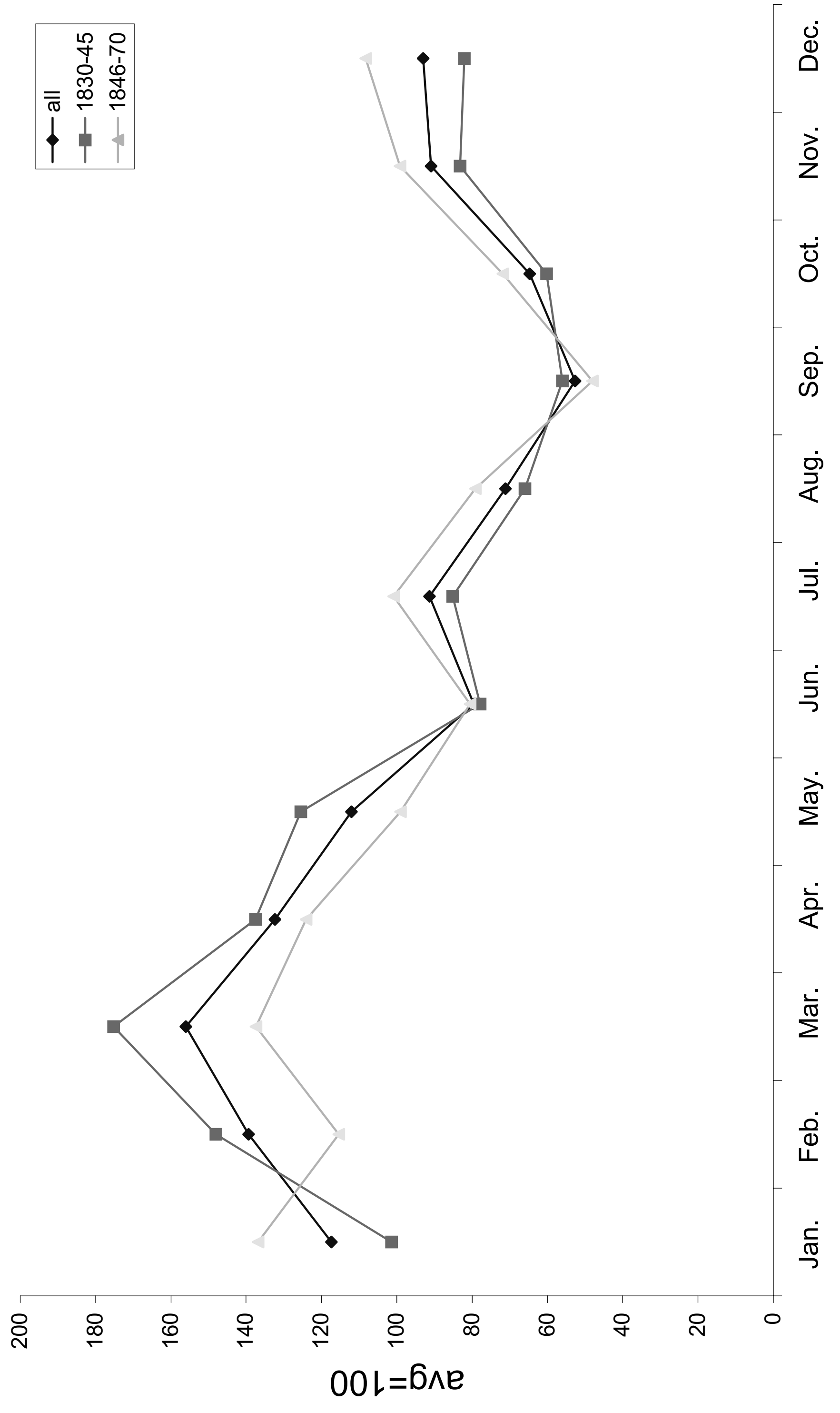

Figure 1a. *Openings*

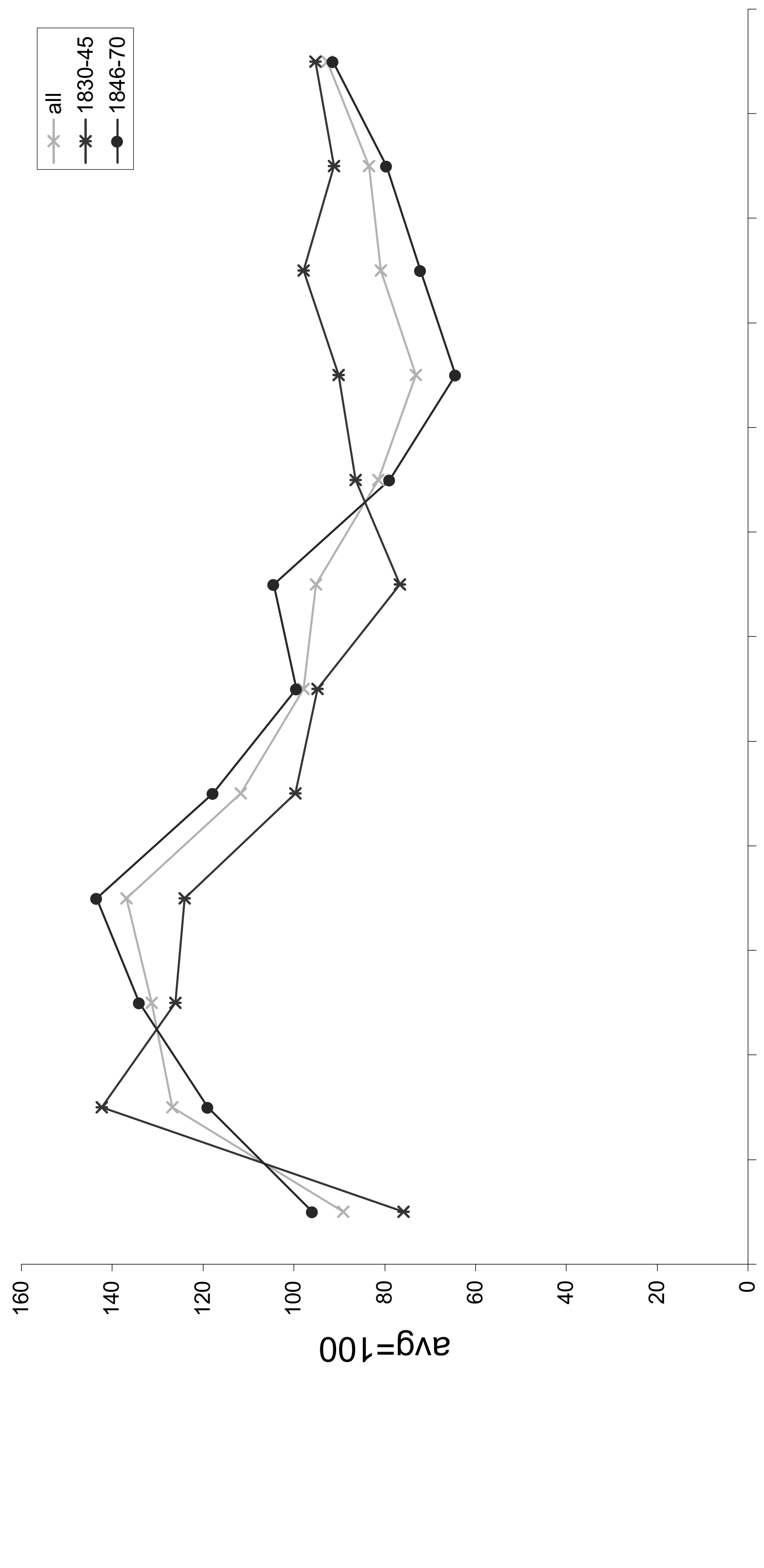

Figure 1b. *Closings*

peaking in March (when 13.3 per cent of all accounts were opened) and 'bottoming' in September (4.3 per cent). Seasonality was more marked before the famine; the coefficient of variation over the 12 months (monthly totals weighted for month length), was 0.38, 1830–45, and 0.27, 1846–70 (Figures 1a and 1b). 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 during the early part of a year.

Closings were also subject to seasonality, 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 of accounts closed) are partly due to the timing of the panics of 1848 and 1856. Closings were at their lowest level 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 undertaken 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 remark. 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. There were peaks also at £5, £10 and £20. A relatively small number (50 out of 4,213) of opening balances were above the maximum permitted by legislation, of which the biggest was £99, deposited by Mathew Hughes, address unknown, in March 1862. His sister, Ann, was allowed to place an opening deposit of £60 during the same month. William and Bridget Grady of Graigue, Moycarkey deposited £60 each in March 1850, and their father, Thomas, a farmer, had an account from 1831, which amounted to £200 in late 1848. Those opening their accounts with a deposit of less than £2 included three labourers, 38 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 belong to farming households.

The abuse of trust accounts, a common feature in Ireland, was also a feature at Thurles. A widespread practice was for a head of household to open several trust accounts in the names of other family members to overcome the regulation that no single account be augmented by more than £30 in a single year. Some, or all, accounts might then be closed simultaneously at a later stage. It is also significant that the opening deposits in trust accounts tended to be bigger than average. Only 8.5 per cent were of £5 or under, compared to 18.5 per cent for all opening deposits. Moreover, nearly three-fifths (57.2 per cent) of 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, about half being 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 recorded as related to the owners of the accounts they supported, and the great majority of these were parents. As might be expected, certain occupations feature disproportionately among trustees. Thus priests appear over twice as often as trustees than as depositors. While some acted for relations, most did so for female parishioners. Gentlemen, corn dealers, medical practitioners and apothecaries were also strongly represented, mainly operating trust accounts for family members and kinfolk. 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 17 police trustees against 86 police accounts.

The bank also held the accounts of about 50 charitable associations and societies, mainly religious. Half were associated with the Catholic Church, ranging from a fund in support of Thurles cathedral to a society to help retired priests. The numerous Catholic societies reflect the vibrancy of devotional Catholicism in pre-famine Thurles.

Information was not collected on the occupational status of all accountholders. The records make it clear, however, that the two main unskilled categories – labourers and servants – were underrepresented. In effect, ThSB was a farmers' bank. Accountholders described as farmers and members of farming families accounted for over one accountholder in four, and it is clear from the ledgers that a significant number 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 a few years later,[30] local clergyman Henry Armstrong, a founding trustee of ThSB, 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 landowners and gentlemen, the groups with the highest average maximum balance. The similarity of opening, closing and maximum balances for farmers, farmers' wives and farmers' children 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

[30] Poor Inquiry, supplement to Appendix E.

Table 4. *Profiles of Thurles accountholders, 1829–70*

Status	*Number*	*Average opening balance*	*Average closing balance*	*Average maximum balance*	*Total deposits*	*Average number of lodgements*	*Average number of withdrawals*	*Duration*
Bakers	25	£7	£13	£17	£24	12.4	2.3	1.8
Servants	215	£8	£13	£18	£24	4.9	2.2	8.2
Labourers	83	£13	£13	£19	£29	3.9	3.4	3.4
Tailors	15	£8	£14	£18	£26	4.8	3.8	2.8
Dealers	30	£13	£17	£27	£46	7.4	5.3	4.1
Esquires	57	£24	£32	£47	£75	4.3	2.3	4.1
Landowners	26	£21	£46	£54	£64	3.8	2.4	3.9
Farmers	574	£24	£31	£41	£55	3.0	2.4	4.4
Farmer's daughters	136	£23	£32	£40	£47	2.3	1.2	4.2
Farmer's sons	205	£25	£35	£43	£54	2.4	1.2	5.2
Farmer's wives	169	£23	£35	£44	£50	2.6	1.6	4.6
Minors	262	£18	£29	£38	£48	5.9	1.7	5.5
Married women	323	£18	£25	£33	£45	5.4	2.2	3.6
Spinsters	349	£19	£29	£36	£47	5.6	1.7	4.3
Widows	112	£20	£23	£34	£42	3.4	3.4	4.6
Policemen	86	£16	£27	£32	£34	4.0	1.9	4.2
Catholic curates	36	£22	£25	£34	£42	2.5	1.8	3.5
Males	2,387	£20	£26	£34	£44	3.8	2.0	4.0
Females	1,826	£17	£25	£32	£40	4.5	1.9	4.2
Total	4,213	£19	£26	£33	£43	4.2	2.0	4.1
Thurles	1,768	£16	£21	£29	£40	5.8	2.3	3.8
Other locations	2,445	£21	£29	£37	£44	2.9	1.7	4.3

two transactions a year. The number of lodgements typically exceeded withdrawals. This seems to have been typical of nineteenth-century savings banks.[31] 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 across occupations or parishes. However, it was quite common for depositors to close their accounts and reopen 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.

[31] Compare G. Alter, C. Goldin and E. Rotella, 'The savings of ordinary Americans: the Philadelphia Saving Fund Society in the mid-nineteenth century', *Journal of Economic History,* 54 (1994).

Over ThSB's life, most accountholders would have made their way to the bank by foot or by horse and cart; public transport would have been of little use. This kept the bank's catchment area relatively small, and over two-fifths (1,769) of all accountholders lived within the parish of Thurles. Another 38 per cent (1,610) resided in the ring of five parishes surrounding the town (Loughmore, Drom, Moycarkey, Templetouhy and Holycross). A further 13 per cent were domiciled in an outer ring of seven parishes within eight to ten miles of the town. The remaining six per cent either lived further away or gave no identifiable addresses. Focusing on accounts opened before the end of 1845, 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 six per cent elsewhere or unidentified. However, the comparison suggests that Thurles town provided a greater share of accounts after the famine than before.

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. Accountholders in the town of Thurles itself were much more likely to visit the bank than those living in its hinterland. During the pre-famine period, the actuary took down a high proportion of accountholders' 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.

III

Though the Great Famine undoubtedly influenced Irish savings banks, the link between the famine and the banks' fortunes during the late 1840s is not straightforward. Indeed, some press commentary during the famine's early stages 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.[32] However, both aggregate data and individual case studies seem to suggest that the famine's economic shock dealt a serious blow to Ireland's savings banks. Between 1845 and 1849 aggregate deposits fell from nearly £2.9m. to £1.2m., and the number of depositors dropped by more than half. Of the 44 savings banks in the United Kingdom that ceased business between 1844 and 1852, 24 were Irish.[33]

The famine placed all Irish financial institutions under pressure, and savings banks were not immune. However, the trends in both deposits and number of accounts during the late 1840s are more complex than the numbers above imply. When

[32] Rev. J. O'Rourke, *The History of the Great Irish Famine of 1847* (Dublin, 1902), pp. 214–15; G. L. Smyth, *Ireland: Historical and Statistical* (London, 1844–49), III, p. 29.

[33] 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*, p. 195; *Thom's Irish Almanac 1851*, p. 264; *BPP*, *Return of Savings Banks in the United Kingdom that have Failed, Stopped Payment or been Discontinued*.

decline set in, the spatial pattern was not what would be predicted by our knowledge of the geographical incidence of the famine. Population loss between 1841 and 1851 is a good measure of the famine's damage. By this reckoning, the famine was most severe in Connacht, which lost 29 per cent of its people over this decade. Munster with 22 per cent came next, far ahead of both Ulster (16 per cent) and Leinster (15 per cent). However, 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 1845/46 deposits rose most in Connacht. In 1846–47 the decline in deposits was greatest in Ulster (19 per cent), while in 1847–48 it was greatest in Leinster (53 per cent) and least in Connacht (34 per cent).

The main reason for the falls in deposits and accounts during the late 1840s was not the famine, but the much-publicised, sensational failures of three Irish savings banks in 1848 and 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'. It had suffered from embezzlement and mismanagement since the 1820s, and probably should have been closed in 1831.[34] Mismanagement continued and a run in November 1845 marked the beginning of the end. When St Peter's closed its doors on 10 May 1848, 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 began to sell their passbooks at a discount over the following week.[35]

More sensational were the collapses in rapid succession of two Kerry savings banks in April 1848. First to go was Tralee Bank in the wake of a confession by its actuary to embezzlement over an extended period.[36] He had operated the business from his own house, 'which afforded him considerable latitude for carrying on his frauds', building up liabilities of £36,768 against £1,650 of assets for which he got 14 years' transportation.[37] Killarney Savings Bank, which held over 1,000 accounts, closed its doors on 18 April 1848, its actuary, D. W. Murphy, having 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 highly critical of both management and depositors.[38] In no other savings bank in the United Kingdom had he ever found 'so great a number of what I

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

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

[36] *Tralee Chronicle* (8 Apr. 1848).

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

[38] ibid., p. 13.

consider large accounts'. He added that his duty was 'far from being a pleasant one'.[39] As numerous Tralee accountholders handed in their passbooks 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'.[40] 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'.[41]

In colourful 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'.[42] 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 too ready to accept the assertions of some of his friendlier informants as fact. In 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.[43]

Tidd Pratt's damaging accusations were widely circulated in the domestic and foreign press.[44] Henry Arthur Herbert, MP 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.[45] 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

39 Cited in *Tralee Chronicle* (13 Jun. 1848).
40 *Kerry Examiner* (11 Apr. 1848).
41 ibid. (28 Apr. 1848).
42 *BPP*, 1849 [437], XIV, *First Report of the* [*First*] *Select Committee on Savings Banks*, evidence of J. T. Pratt, qq. 3760, 3765, 3776.
43 *Hansard*, 3rd ser., 104 (1849), cols. 23–4.
44 E.g. Dillon, *Banking in Ireland*, pp. 104–5.
45 *Report of* [First] *S.C. on Savings Banks*, J. T. Pratt, q. 3776.

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.[46]

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'. In southern Ireland panicky accountholders forced Cork Savings Bank to pay out £45,000 in two weeks.[47] In Thurles the disaster resulted in more accounts being closed in 1848 than in any other year of ThSB's history – 322 closed between April and September. 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 Cork Savings Bank had closed for good, when in fact it was merely refurbishing its facilities.[48] Depositors were slow to return to the savings banks, and recovery was impeded by a more aggressive search for accounts on the part of joint-stock banks from the mid-century. The National Bank began to accept deposits of ten shillings or more at the current rate of interest.

Were those who panicked in 1848 systematically different from those who held their nerve?[49] In Table 5, panickers (approximated by those who closed accounts between April and September 1848) are compared with four other sets of accountholders: first, 341 who closed their accounts in 1843–45; second, 384 who closed between January 1847 and March 1848; third, 310 who closed in 1849–51; and finally, 482 who held accounts in March 1848 but chose not to close them over 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. Nor did the opening and closing balances of those who panicked differ much from the balances of those who did not. Accountholders 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, accountholders 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

46 *Hansard*, 104 (1849), cols 23, 34–5; and *Report of* [First] *S. C. on Savings Banks*, H. A. Herbert, q. 3541.

47 Tyrrell, *History of Belfast Savings Bank*, p. 45; and *Freeman's Journal* (15 Apr. 1848), citing *The Southern Reporter*.

48 Dillon, *Banking in Ireland*, pp. 105, 107.

49 Compare C. Ó Gráda and E. N. White, 'Who panics during panics? Evidence from a nineteenth-century savings bank', paper presented to NBER summer institute, Jul. 1999; and M. Kelly and C. Ó Gráda, 'Market contagion: evidence from the panics of 1854 and 1857', *American Economic Review*, 90 (2000).

Table 5. *Closures before and during the 1848 panic*

	Closed 1844–45	*Closed Jan. 1847-Mar. 1848*	*Closed Apr.-Sep. 1848*	*Closed 1849–51*	*Open in Mar. 1848 but did not close*
Number	341	384	322	310	482
Female, %	41.1	38.8	41.0	45.5	41.9
Average opening balance, £	18.7	20.0	21.3	18.0	19.4
Average closing balance, £	23.6	26.5	29.7	18.4	32.4
Average date opened	Sep. 1840	Aug. 1843	Dec. 1843	Dec. 1844	Sep. 1841
Address in Thurles, %	41.9	43.0	35.4	47.7	39.4
Address in Moycarkey, %	7.0	8.6	9.3	8.0	
Address in Holycross, %	6.5	10.2	12.8	6.5	
Address in 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 (including 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 and spinsters, %	20.8	20.9	19.0	24.0	16.2
Minors, %	4.8	9.4	7.0	6.3	8.1
Gentlemen, corndealers and doctors, %	8.0	1.7	2.5	8.0	3.7
Royal Irish Constabulary, %	1.6	2.1	0.4	2.5	2.7
Other stated occupations, %	8.0	8.3	10.3	12.6	8.9
Total, stated occupations, %	100	100	100	100	100
Occupation not given	91	97	80	72	83

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 ThSB account closures.[50] The collapse was unfortunate for ThSB in another respect. For many years ThSB 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.[51] The decision, which cost ThSB nearly £5,000, 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.[52] Had the ThSB's loss been more widely known at the time, the run on it would surely have been more sustained.

IV

It is often suggested that the poor and the working classes do not save – or, at least, do not 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 article 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 data and the records of an individual savings bank, it has addressed the question whether the banks met their founders' aim of making the poor more provident. It has been found that, to an even greater extent than in England and even more so than in Scotland, Irish savings banks benefited disproportionately the comfortably off. The main reason is that in Ireland before mid-century the rate of interest payable was generous compared to that offered by joint-stock banks. Although some poor people undoubtedly benefited, it is clear that the lion's share of the benefits went to a minority of relatively affluent accountholders. 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, the savings banks almost certainly prompted some savers to bring their money out from under the mattress. However, the banks' large average and opening deposits suggest that they were more likely to be competitors with the banking system for existing savings than as conduits for new savings. The sensitivity of the number of accountholders to the opening and closing of bank branches and to the interest paid by commercial banks argue in the same direction.

[50] J. O'Shea, *John Sadleir, Prince of Swindlers* (Dublin, 1999); J. O'Brien, 'Sadleir's Bank', *Journal of the Cork Historical and Archaeological Society*, 82 (1977); and Hall, *Bank of Ireland*, pp. 229–31, 246–9.

[51] ThSB, trustees' minutes, 4 Aug. 1855.

[52] ThSB, minutes, 21 Nov. 1858 and 18 Jan. 1859.

Third, 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 system's survival as a whole was 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.[53]

53 W. N. Hancock, *On the Present State of the Savings Question* (Dublin, 1855); Horne, *History of Savings Banks*, pp. 119–67; and Black, *Economic Thought and the Irish Question*, pp. 152–3.