



## THE POST OFFICE SAVINGS BANK DEPARTMENT.

**T**WELVE months ago the Savings Bank Department—which at its institution was accommodated in one room at the General Post Office, and afterwards in premises in St. Paul's Churchyard and Little Carter Lane—was removed to the handsome new building in Queen Victoria

Street, shown in the accompanying illustration. The removal took place on Bank Holiday, August 2nd, 1880, and although 1,800 separate articles of furniture, 12,000 ledgers and summaries, and sixteen millions of warrants, declarations, and depositors' closed books, besides an enormous mass of official papers, were removed, the arrangements were so complete that not a hitch or accident occurred, not a paper was lost, and on the following morning the staff, consisting of 563 on the major establishment and 139 on the minor establishment, were at work as if no great revolution had taken place in their official world.

At that time important events were happening in the great world of politics; there had been a change in the Ministry and fresh Parliamentary legislation had taken place, and so it came to pass that just when the Department was transferred to the new premises there came also a change in its history. Two new schemes were introduced, one for depositing small amounts by means of penny postage stamps—offering hitherto unheard-of facilities for beginners in thrift—and the other for the purchase and sale of Government Stock—an encouragement to old hands at thrift. The Savings Bank system was thus attacked by innovations at both ends, practically reducing the minimum and increasing the maximum limit of deposits, and the attack came at the only time in its history that the Department was in a position to successfully cope with the enormous increase of work these innovations brought with them, namely, when it entered for the first time a building specially erected as its headquarters.

The anniversary of that event is a good time to think about the innovations thus introduced, and to see whether the results have been sufficient to justify the flourish of trumpets attending their inauguration. Before doing so, however, a few words must be said about the new building in Queen Victoria Street. It is the loftiest and most imposing structure in the whole street, its height being 95 feet above the paving-line, and the length of frontage nearly 148 feet; it has an average depth of about 100 feet, and covers a ground-area of nearly 15,000 superficial feet. The exterior is plain, but striking, and suggests hard matter-of-fact business.

The interior arrangement of the building is admirably adapted to the purposes required. The basement is used principally for the storage of papers, which

will generally include an aggregate of about fifteen millions of notices of withdrawal and receipted warrants, besides an immense collection of other papers and documents arranged on 15,000 feet of shelving. On the ground-floor are the rooms of the Controller, Mr. T. G. Ramsay, and the Assistant-Controller; a spacious room devoted to the General Correspondence Section, and another, still larger, to the so-called Deposit Section, where acknowledgments for all deposits made at the 6,233 offices open for the transaction of Post Office Savings Bank business are written by boy copyists. At busy times, such as the early part of the year, as many as 41,000 acknowledgments have been written in one day, the average daily number for the year ended December 31st last being 12,234. On the first floor is the Correspondence Branch, divided into sections for correspondence relating to accounts of deceased depositors and insane depositors; to lost books, friendly and provident societies, and other matters too numerous to particularise. Some idea of the work involved in correspondence may be gathered from the fact that on an average about 13,000 manuscript letters are despatched from the Department yearly, and that nearly 400 printed forms are in use and are sent in lieu of manuscript letters whenever it is possible to do so. Roughly stated, about half a million of these forms are despatched annually. A part of the first floor and the whole of the second floor are appropriated to the Book-keeper's Branch, where the departmental ledgers, numbering 3,927, and containing more than two millions of depositors' current accounts, are kept, and in which every deposit and withdrawal is entered, the interest calculated, and the balance struck at the end of each year. The principal daily duties of the 96 ledger-keepers consist in opening new accounts, posting deposits in accounts already opened, and preparing warrants for the repayment of money; the average issue of such warrants daily during the past year having been 4,787, and the greatest number in any one day 12,952, for the repayment of close upon £50,000.

The third floor is divided into two parts, one being assigned to the male staff of the Examiner's Branch, whose duties consist chiefly in examining warrants for the repayment of money and comparing the entries in depositors' books with those in the respective accounts in the ledgers. As many as 10,827 books have been received for examination in one day. The other part of the third floor is occupied by the minor establishment, employed in sorting duties, which include the folding and despatching of correspondence, the daily number of communications so dealt with having sometimes been about 50,000.

The fourth floor is the *terra incognita* of the rest of the Department, being appropriated exclusively to the staff of female clerks, numbering 140, whose duties consist in the examination of warrants and post-masters' accounts, the compilation of the totals of

daily and quarterly transactions, and an important portion of the Stock Investment business. A separate staircase from the Knight-riding Street entrance leads to this floor, which is entirely separated from the rest of the establishment.

The total cost of the new building was £45,000, and £70,000 for the site; the architect was Mr. James Williams, of H.M. Board of Works, and the contractor, Mr. William Brass.

The removal took place, as we have said, on the 2nd August, and on the 13th of the following month Mr. Fawcett's scheme for depositing small amounts by means of penny postage stamps came into force as regards ten selected counties—five in England, one in Wales, two in Scotland, and two in Ireland. Simplicity is the soul of all great things, and nothing could be simpler than this new scheme. For years past efforts had been made by thrift-mongers to reduce the minimum of deposits fixed by the Savings Bank Act of 1861, but those who knew most about the subject saw that such a step would be unwise and inexpe-

ditious, and that a deposit of 14,000 forms, each duly filled up with a dozen stamps, and in the opening of 7,000 new accounts by this means, in the course of seven weeks.

As soon as the verdict of the trial was known, Mr. Fawcett, with that promptitude which is his characteristic, said in effect: "The thing is a success, let it be successful—try it everywhere." And the result of that "Open Sesame!" given to the pockets of tens of thousands of our struggling poor has been as follows:—The total number of deposits by means of postage stamps to the middle of March last was 404,036, and the total number of stamps received 6,215,280, while the total number of new accounts opened to about the end of January last was estimated at 131,500.

Those are cold, hard, and dry figures; but, being interpreted, they mean that in thousands of homes there has been a Voice heard crying in the wilderness of extravagance and recklessness, that a duty is laid on every living man, and that duty is Thrift.

As everybody likes to aid that which is successful,

Postage Stamps for a Deposit of One Shilling in the Post Office Savings Bank. 12 Penny Stamps to be affixed below.					
					Depositor's Book. Office of Issue _____ No. of Book _____
					Dated Stamp of Post Office receiving the Postage Stamps.

dient. Mr. Fawcett's simple plan cut the Gordian knot by giving to the advocates of thrift what they wanted, and at the same time retaining the integrity of the Act.

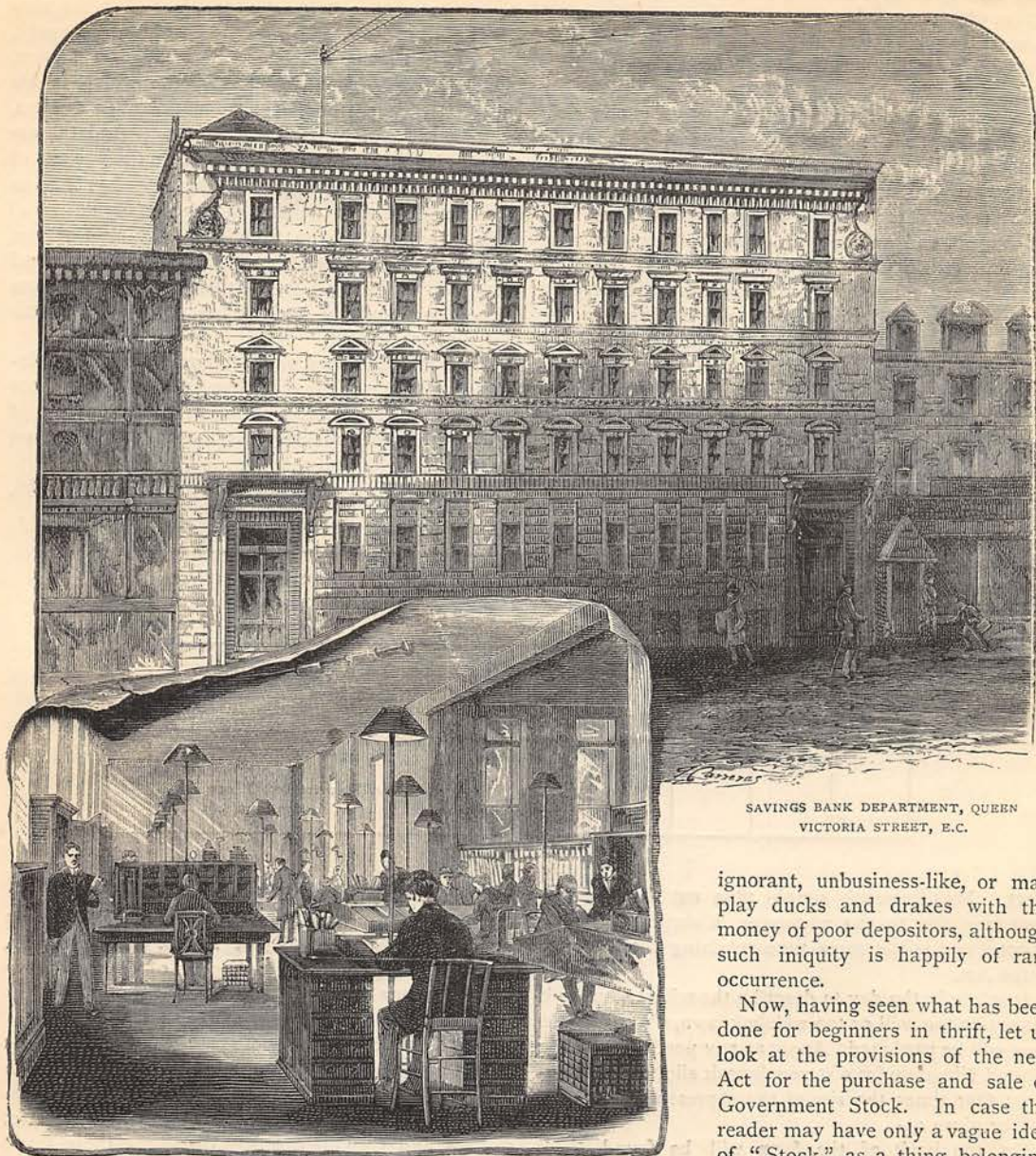
It is late in the day to describe the scheme, but as it cannot be too well or too widely known, a word or two here will be pardoned. Apply at any post office in the United Kingdom for a stamp deposit slip, and a document four times the size of the representation above will be given:—

On the back of the form will be found these words, which give the gist of the whole thing in the crispest language:—

"NOTICE.—Any person desirous of saving One Shilling, by means of penny contributions, for deposit in the Post Office Savings Bank, may do so by purchasing with every penny so saved a penny Postage Stamp and affixing it to this form. When 12 such stamps have been so affixed, the form may then be taken to any Post Office Savings Bank in the UNITED KINGDOM, where it will be received by the Postmaster, and One Shilling be allowed for the Stamps, which Shilling will be accepted either as the first deposit in a new account then to be opened, or as an ordinary deposit if the owner of it has already opened an account. If the Stamps affixed to this form are defaced or in any way damaged, they will not be received by a Postmaster."

The verdict of the ten counties in which the scheme was tried was unanimous. Cardiganshire led the pæan with a well-pitched note, while Ireland only put in a few tones in a minor key. The trial resulted in the

here are a few practical hints as to how it may be done. Let every large employer of labour on some great occasion, say the coming of age of his eldest son, forego a few items in the display of fireworks, and present every employé with one of these Savings Bank forms and one stamp attached—the nucleus of a capital; let Sunday-school teachers, when they give their next annual treat to the scholars, withhold one indigestible bun, and give instead a postage stamp affixed to the proper form; let clergymen, district visitors, and City missionaries distribute these forms as freely as they do periodical literature, and it may be they will be doing as great a good. For this postage savings scheme has taught many lessons; it has shown that if self-help is made possible, and as easy as possible, poor people will help themselves; its success shows up the failure of all efforts to make thrift compulsory; it proves that one virtue always allies itself to another, for all the six millions of stamps received have been clean and have been placed neatly on the forms; it demonstrates, too, how groundless are the fears engendered by the cry of "Wolf! wolf!" when there is no wolf, for moralists prophesied that every stamp within reach of an office-boy would be a temptation to him to steal it, whereas only one case has been challenged, and that case fell to the ground.



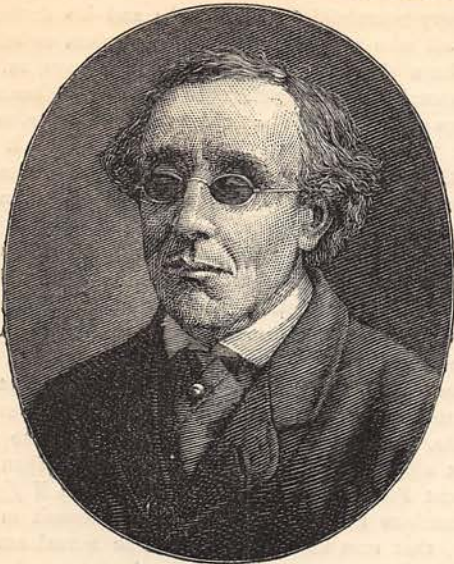
SAVINGS BANK DEPARTMENT, QUEEN  
VICTORIA STREET, E.C.

CORRESPONDENCE BRANCH OF SAVINGS BANK DEPARTMENT.

It was a great thing to place a Post Office Savings Bank in every town in the kingdom, it is a greater to place a savings bank in every house; it was a good thing for the Department to encourage the establishment of Penny Banks as it has done in the past and does still, but it is better to make itself a penny bank by giving the poor the means of safely hoarding their pennies until they reach a shilling, which can then be paid direct into the Post Office Savings Bank—an undoubted advantage, for excellent as the penny bank is as an institution, there is one important thing lacking in it—there is no direct Government security for the amount deposited with the managers, who may be

ignorant, unbusiness-like, or may play ducks and drakes with the money of poor depositors, although such iniquity is happily of rare occurrence.

Now, having seen what has been done for beginners in thrift, let us look at the provisions of the new Act for the purchase and sale of Government Stock. In case the reader may have only a vague idea of "Stock" as a thing belonging to the world of brokers and the Stock Exchange, it may be stated that the securities known as the "Funds," or "Government Securities," are the various kinds of funds representing the National Debt of Great Britain and Ireland. The Stocks that pay interest at a uniform rate of three per cent., and to which the new Act is applicable, are Consolidated Annuities, commonly called "Consols," which are the most current; New Three per Cents., and Reduced Three per Cents. Every purchaser of Government Stock, however small or large his purchase may be, becomes a "fundholder," associates his interests with the stability of the State, and becomes a creditor of the whole country. There is nothing in



RIGHT HON. HENRY FAWCETT, M.P., POSTMASTER-GENERAL.  
(From a Photograph by the Stereoscopic Company.)

finance more desirable than that as many people as possible should have, as creditors, a close interest in the State; for there is nothing which tends more directly to make men peaceable and to put down and keep down the spirit of revolution. Well, all this can be done by any man who has £10 or upwards to invest, and in return he will get a certain three per cent. for his money and absolute security, so that his nest-egg need never be disturbed. The machinery for effecting this investment is simplicity itself. A man having from £10 to £100 to invest has but to deposit it at any of the 6,233 post offices and ask for an investment form, and having filled it up according to the printed instructions, he will send it,



MR. S. A. BLACKWOOD, C.B., SECRETARY TO THE GENERAL POST OFFICE.  
(From a Photograph by the Stereoscopic Company.)

without paying postage, to the Controller of the Savings Bank Department. The transaction is then dealt with by the Savings Bank, the Government acting as stockbrokers of the small investor, in the same manner that stockbrokers act for the rich, and yet without encroaching on the business of the ordinary stockbroker. The Government agrees (1) to purchase Stock at the current price of the day, such price being furnished daily by the National Debt Commissioners; (2) to purchase at a fixed charge, ranging from 9d. for an amount not less than £10 and not exceeding £25, to 2s. 3d. for an amount not exceeding £100; (3) to forward a certificate of the purchase by post; (4) to debit the purchaser's Post Office Savings Bank account with the amount of investment and commission, and credit him with the amount of Stock in a special Stock Register; and (5) to receive on his behalf the half-yearly dividends, to add the



MR. T. G. RAMSAY, CONTROLLER OF THE SAVINGS BANK DEPARTMENT.  
(From a Photograph by the Stereoscopic Company.)

amount to his deposit account, and enter the same in his deposit-book on its next receipt for examination.

Sales are effected with the same facilities that purchases are made, relieving the fundholder of all trouble in the matter. When a sufficient balance stands to the credit of a depositor, he can obtain on application a Stock Certificate with coupons annexed for dividends to be paid to bearer at the Bank of England or any of its country branches. These Certificates are obtainable for £50, £100, or £200.

It is not necessary to go into further details here. Mr. Fawcett has prepared an admirable little book, entitled "The Post Office and Aids to Thrift," a copy of which may be obtained at any post office free of charge, and it contains, amongst other important matters, a section clearly explaining the rules relating to the purchase and sale of Government Stock.

Signal success has attended the introduction of this useful measure. During the first ten weeks, counting

from the 22nd November, when the Act came into force, the amount of stock purchased by means of the new machinery was £232,953; of this sum only £1,289 was sold; the number of persons purchasing stock was 3,700; and the average amount of investment, £58. Of this sum of £232,000, £138,000 was deposited in the Post Office Savings Bank for the purpose of immediate investment, and £92,000 was withdrawn from existing accounts. From that time to the present there has been steady business; but owing to the exceptionally high price of Government Stock the progress has not been so rapid as it otherwise probably would have been. At the end of March last 6,974 investments had been made, amounting to £382,139; 208 sales, amounting to £7,395, had been effected, while 63 Stock Certificates, for £4,950, had been issued.

In proportion as the facilities offered to investors are made widely known, and the nature of the investment is understood, will the measure progress; for the provisions of the new Act exactly meet the need of the middle classes, for whom hitherto there have been so few chances of making small and safe investments. It is possible now for a depositor to have as his nest-egg £150 principal, and £50 interest, in the Post Office Savings Bank, and at the same time to have £300 in Consols, or £500 altogether, and for this amount the credit of the whole British nation is given as security for due repayment.

It is proverbial that the middle classes of this country are not so saving as their poorer brethren, and the English, as a whole, are far behind many other nations in thrift. Silly extravagances of fashion—absurd attempts to keep up on £300 a year an appearance equal to that of an opposite neighbour whose income is £1,000—a reckless expenditure in “outings,” as though happiness were to be found anywhere and everywhere except at home—an unreasonable desire to purchase everything that is cheap, whether useful or otherwise—a restless ambition to keep abreast of every last new style in everything—these are the enemies of thrift among the middle classes, as the ale-house and the music-hall and bad cookery are of the lower classes; and to all the knowledge of the existence of the Post Office Savings Bank, with its extended spheres of usefulness, should come as an appeal to common sense and right feeling.

It is satisfactory to know that the new schemes have in no way hindered the progress of the old forms of Savings Bank business, but, on the contrary, they have received an extraordinary impetus. During the first three months of the present year there was an average of no fewer than 13,362 new accounts open *each week* in excess of the accounts opened during the first three months of the preceding year—a prodigious increase, altogether unprecedented in the annals of the Department.

Mr. Fawcett has applied his active mind most vigorously to extending the sphere of the operations of the Post Office Savings Bank, so as to bring its admirably arranged machinery within easy access

of every householder in the land; and his desire to help all who are willing to help themselves or others has been shown in a variety of minor ways, as, for an example, in sending clerks to attend at the business houses of large employers of labour on pay-day, to receive money as Savings Bank deposits before it has had time to burn holes in the pockets of the workmen; and as another example, and in another sphere, in the employment of deaf-mutes in the Savings Bank Department to perform duties of a mechanical nature, such as the sorting and arrangement of official documents, a class of work singularly suitable for the unfortunate people whose affliction unfits them for almost every other occupation.

There are still improvements which might be effected in connection with Post Office Savings Banks, and, if they are feasible, there is no man more able or willing to give them effect than the present Postmaster-General. One is that if £30 is to continue the maximum amount of deposit in one year, that sum should relate to the actual amount on deposit. As the rules now stand, if a man invests in January £30 and, to meet some pressing need, withdraws say £10 or £20 in March, he may not replace that amount so as to bring the deposits again up to £30, but must wait until January of the succeeding year. Everybody will see how disadvantageous this is to a man who draws his salary quarterly and who has to pay rent on quarter-days. It is a source of vexation to depositors, and seems to outsiders an unnecessary construction of the rule that “no one may deposit more than £30 in any one year.”

Much of the success that has attended the operations of the Post Office Savings Bank within the past twelve months is undoubtedly due to the publicity which has been given to the subject, but there are still tens of thousands in our land who ought to be depositors and are not, simply because the matter has not been placed before them in an easy and intelligible fashion. There is a wide field of usefulness open to preachers of thrift, and if a statement recently put forth by an eminent accountant, writing on the Report of the Chief Registrar of Friendly Societies, be true, that “two millions of working men belong to societies which are actually insolvent, and must eventually collapse,” there is urgent need that the safe and sure methods of investment provided by the Post Office should be made known widely and rapidly. Nothing hinders the cause of thrift and temperance more than these improvident provident societies, which hold out tempting baits of 5s. a week when sick and a splendid funeral when dead, but do nothing except annually plunder the poor of their money.

We are satisfied that every aid would be given by the Post Office authorities to any crusaders who would go forth to wage war against the recklessness and extravagance of the thriftless, and to proclaim the fact which cannot be too often repeated, that the safest place for the money of those whose “little all” is involved, is where absolute Government security is given for its due repayment.

EDWIN HODDER.