

ABSTRACT

The Government Savings Bank of Jamaica: An Extension of Colonial Government Finance, 1870-1960

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This study examines historically the important financial connection between Britain and Jamaica through the Government Savings Bank (GSB), 1870-1960, while taking into account the socio-economic framework of Jamaica and its changing political landscape. For much of this period most of the deposits at the GSB, generated within the Jamaican colonial economy, were sent overseas to be invested in long term sterling securities. The prominence of the sterling currency during this period as world money and Britain's increased reliance on shoring up its monetary assets in order to retain its leading position in the world economy as a significant exporter of capital was the primary reason why the GSB adopted such a policy. These orthodox financial policies adopted by the GSB were designed to protect Britain's sterling assets and were also applied to other colonial savings banks throughout the Empire. It was a public body subjected to the dictates of Britain. The increased demands by Britain were also met by the increased demands of its colonial subjects in Jamaica to utilize their own monetary resources for the purposes of long term capital development instead of exporting them overseas to be invested, primarily, in sterling assets. The period ends in 1960 when the Bank of Jamaica was created through legislation. The creation of the Bank of Jamaica was facilitated to a significant extent by the public savings accumulated by the GSB and this signaled the end to its imperial makeup. The study also examines other important factors related to the internal composition of the institution particularly as it sought to encourage the lower income groups to save. The analysis in this study is supported by data taken from annual reports of the GSB, governmental records and several newspaper reports that show how the bank was created as an imperial institution and how its character changed in order to cater primarily to the needs of the Jamaican economy.

Keywords: Karl Camilio Kwame Watts; Banks and Banking-Britain-Colonies; Savings Banks-Jamaica-History; Finance-Britain- Colonies.