

Educational (1898) Department.

ORDINARY MS.

G.O., No. 425

Dated 14-7-98

INDEXED.

14/7

5-5

[Despatch Abstract.]

Referring to the D.D.S. for
remarks, letter from the post of India
for a copy of a letter from the Director
of the Post Office of India containing
proposals for allowing conjoint accounts
to be opened in Post Office Savings Banks on
behalf of School children, & requesting the
views of this post on the proposals.

14-7-98

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

[F.]
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1,000-11-6-97.

Educational Financial (1898) Department.

CURRENT No. 85-9.
1475

recd 13 57-98
By
Edw N. 1482 of 6 July 1898.

Transferred to the Educational
Department

M. W. M.
Chief Secretary From
The Govt of India,
Home Dept

Cmb
47. 98
Order

To.
Public Dept

No. 1404

This has been registered
in Bnl: It comes from the
Home Dept (Public) & concerns
the local Public & Educational
depts apparently. Will Public
take the current?

Dated 20
Received 28 } June 1898.
Registered
Enclosures 2
Spare copies 7 of Ch. & Encl. N. 1
& 6 of Encl. N. 2

Cmb
2. 7. 98

To Financial

The only question for debate
being whether children should
be encouraged to open separate
accounts, the matter seems to be for
Educational. There are no institutions
under Public which are concerned except
perhaps in Kanyakumari at Trichy.
No opinion regarding the rules as they affect adults appears to be required.

SUBJECT.

Re proposed addition to the
Rules for Depositors in Post Office
Savings Banks.

Mr. 4/7/98

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

No. ¹⁴⁸~~64-S. B.~~, dated Calcutta, the 30th March 1898.

From—The Director-General of the Post Office of India,

To—The Secretary to the Government India, Department of Finance.

For some time past I have had under consideration the question of extending the facilities of thrift offered by the Post Office Savings Bank in order to make them more directly applicable to the young, and I have now the honour to submit the following proposals, made with this object in view, for the favour of sanction should they be approved by Government.

2. The proposals, shortly stated, are that the present system of conjoint accounts should be made applicable to schools and other similar institutions with some slight modifications in the rules which will be described later. There is reason to believe that in various educational establishments efforts are being made to encourage the scholars to save small sums. A few years back I made some enquiries about a Parsi students' bank which had been referred to in the Native Press, and ascertained that at one of the chief Parsi institutions in Bombay arrangements were in existence for the students to deposit copper coins with their respective teachers until they had made up 4 annas, the minimum amount that can be deposited in the Post Office Savings Bank. Several applications, moreover, have been received from school masters and others to be allowed to open conjoint accounts on behalf of the scholars, the last of which was received last year from an English Chaplain in charge of a Eurasian boys' school in Southern India.

3. I append to this letter a draft of the additions which I recommend should be made to the present rules for the guidance of depositors with a view to provide for the proposals which are contained in this letter. I propose that the conjoint account system should be extended not only to schools and similar institutions, but also to orphanages, asylums and religious or charitable institutions. It has been thought advisable, however, to provide that accounts under the new rule should not be opened without the express approval of the Postmaster General, as it is possible that unfair advantage might be taken of the rule or that it might be worked for purposes of fraud. The Postmaster General will be in a position to ascertain what is the character of the school or institution on behalf of which it is desired to open a conjoint account.

4. According to the present rules there is no limit in respect of either yearly or total deposits for conjoint accounts. It seems right, however, that such limits should be laid down for this new class of conjoint accounts. It is not an easy matter, in the absence of experience, to decide what these limits should be, and it is obvious that there must be great variation in the numbers of scholars at different schools and institutions. Looking, however, to the fact that the individual accounts will be small, I am inclined to think that Rs. 500 will be sufficient for the yearly limit and that the ordinary limit of Rs. 2,000 may be adopted for the total limit. These amounts, therefore, have been entered in the draft rules.

5. One of the provisions of the Savings Bank rules of the British Post Office for the purpose of encouraging thrift among the young is to allow deposits to be made by means of postage stamps. The minimum deposit, according to these rules, is one shilling, and a form is supplied, which can be obtained at any post office, with twelve spaces for penny postage stamps. When this is filled up it is accepted as a shilling deposit. The provision of the British Post Office rules has been adopted in some of the Australian Colonies, but is not suited to our purposes in India. The small coin of the country in common use is a pice, and no doubt, a number of the children of the fairly well-to-do classes are in a position to save pice. There is no separate postage stamp, however, for this amount, and even if there were a one pice stamp, there is a further objection which is fatal to the adoption of a postage stamp deposit in India. At the present time postmasters and stamp venders are allowed a discount on the sale of postage stamps, and Government, therefore, in accepting postage stamp deposits would be undertaking to pay interest on sums which it would not really receive.

Proposed addition to the Rules for Depositors in Post Office Savings Banks.

Rule 41-A. The following special conditions govern the opening of accounts of school children or inmates or beneficiaries of any religious or charitable institutions and their transactions:—

- (a) The Principal, Manager, Secretary, or Treasurer of any school may be allowed to open a single account with the Post Office Savings Bank on account of the children of the school, whether resident at the school or not, making his own arrangement about the separate accounts of the individuals and about the distribution to them of the interest credited upon the conjoint account. In other respects the account shall, except when the contrary is stated, be subject to the general rules for other accounts.
- (b) Principals, Managers, Secretaries or Treasurers of Orphanages, Asylums, or Religious or Charitable Institutions may be allowed similar accounts on account of the inmates or beneficiaries of such institutions.

NOTE.—This rule shall not be held to prevent any child belonging to a school or any inmate or beneficiary of any institution of the kind specified above opening an account of his or her own in his or her individual capacity.

- (c) No account may be opened under this rule without the approval of the Postmaster General, and the person wishing to open the account must furnish such information in writing as may be required by the Postmaster General regarding the school or institution.
- (d) The annual limit of deposit for accounts opened under this rule shall be Rs. 500, but the accounts shall be subject to the maximum limit of Rs. 2,000 applicable to ordinary accounts (see Rule 10).
- (e) In the form of declaration (see Rule 16), which every intending depositor is required to sign, the words "I further declare that I have no account in my own name at any Post Office Savings Bank" should be scored through in the case of accounts opened under this rule.
- (f) In every case in which the holder of an account opened under this rule is changed, a fresh declaration (see Rule 16) must be filled up.

857
Exhibit No. 1475

No. 1404

FROM

H. LUSON, Esq.,

Deputy Secretary to the Govt. of India,

TO

The Chief Secy. to the Govt. of Madras.

Home Department.
Public.

Simla, the 20th June 1898.

SIR,

I AM directed to forward for the consideration of the Governor in Council

* No. 143
S. B., dated the 30th March 1898, and enclosure.

a copy of a letter* from the Director General of the Post Office of India containing proposals for allowing conjoint accounts to be opened in Post Office Savings Banks on behalf of school children and inmates of religious or charitable institutions. The draft rules appended to the Director General's letter explain the details of the scheme. The Government of India have considerable doubt as to the wisdom of encouraging children in Indian schools to have money transactions apart from their parents or guardians, and hesitate to accept the scheme so far as it affects school children. Before coming to a decision on the subject, however, the Governor General in Council desires to be favoured with an expression of the views of His Excellency in Council

on the scheme generally, and I am to ask that this may be submitted when convenient.

I have the honour to be,

SIR,

Your most obedient Servant,

H. Lusson.

Depy. Secy. to the Govt. of India.

*Hand number of paper
after accompanying
letter of 30th March
Y. S. D. will be available
within a month.*

*Exhibit No. 1475
857*

Papers to be read in Proceedings:--

Again G.O., dated

189 , No.

Again G.O., dated

189 , No.

Current No. 859

of 1898, dated 6th July , from the First sess.

" "

" 189 , "

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" 189 , "

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ORDER. No 425 of 14-7 98
mis

See

The foregoing letter with its
enclosure will be referred to
the Director of Public Instruction
for remarks.

HT
127 98

11-7-98

7A
7-7-98

To Secy 16/7/98
The D.P.I. also

When given for copying 16/7
 When copied 14/7
 When examined 15/7
 When signed 15/7 } 1898

READ AGAIN G.O., No. _____ DATED _____
 189 ,

CURRENT No. _____

ENCLOSURES TO O. No. _____

ORDER OF GOVERNMENT A A A A A A A

LETTER OF GOVERNMENT. _____

STATEMENT WITH DITTO. _____

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH
 IN ORIGINAL.

N.B.—
 A = Copy in full.
 B = Not to be copied.
 P = Copy abstract only.
 Q = Copy heading only.