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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. Letrs 452	Press / Mis.
23-24.	
Dated 11-7-	18 63.

23-24 21/22

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 11*th July* 1863.

No. 23. Read the following letter from the Honorable EDMUND DRUMMOND, Secretary to the Government of India; to the Chief Secretary to the Government of Fort Saint George, dated Fort William, the 22nd November 1862, No. 915A.

Financial Department.

I am directed to acknowledge the receipt of your letter, No. 715, dated the 10th ultimo, and in compliance with the request contained therein, to forward copies of the papers noted in the margin, having reference to the introduction of the money order system in Bengal.

Financial Department, Account Proceedings of July 1862, Nos. 16A to 16M.
Financial " Nos. 1

No. 24. To the Secretary to the Government of India, Financial Department, dated Fort Saint George, 11th July 1863, No. 452.

I am directed by the Governor in Council to request the permission of the Supreme Government to adopt measures for introducing into this Presidency the Money order system now in force in Bengal.

2. The privilege of making small remittances in this manner would be as convenient to the public in Madras as in Bengal. Similar rules can be adopted without difficulty, and there seems no reason why the experiment of a system which has been in successful operation for years in England should not be tried in this Presidency also.

3. The Government seek no more at present than permission to make the necessary arrangements subject to the approval of the Supreme Government.

4. I am to request that any recent orders, &c., on the subject may be communicated to this Government.

(Signed) J. D. SIM,
Secretary to Government.

Exd. T. McMootry.

Accounts, Estimates, Loans, Supplies, &c.

No. 16a

From the Hon'ble E. DRUMMOND, Accountant General to the Government of India, to the Financial Secretary to the Government of India, No. 1534, d. 25th February 1862.

I HAVE the honor to acknowledge the receipt of Financial Resolution, No. 13496, dated 22nd October last, requesting that a set of Rules for the introduction of a Money Order system in India might be submitted for the approval of Government, and in reply to state that, after a full consideration of the subject, it appears to me that the system of Money Orders might, with great advantage, be introduced in supersession of all other modes of remittance now in use excepting Supply Bills. In accordance with this view, a set of Rules are in course of preparation in this Office; but to enable me to lay them before Government in a complete form, I would solicit orders whether the privilege remittances now granted to Officers, Civil and Millitary, and to the European and Native Soldiery, should under such a system be retained in tact, or whether the former of these classes or both may not be placed on the same footing as the public, and charged the same rates of premium which are sufficiently moderate, and whether the limit of each order may for the present be limited to 50 Rupees.

No. 16b

From the Secretary to the Government of India, Financial Department, to the Accountant General to the Government of India, No. 1721, d. 13th March 1862.

I AM directed to acknowledge the receipt of your letter, No. 1534, dated the 25th ultimo, reporting, with reference to the orders of this Department, dated the 22nd October last, No. 13496, that a set of rules for the introduction of a Money Order system in India is in course of preparation, and requesting instructions on certain points mentioned in your letter, to enable you to lay them before Government in a complete form.

2. In reply, I am desired to state that His Excellency the Governor General in Council would prefer having a full report from you before passing any orders on the subject.

No. 16c

From the Hon'ble E. DRUMMOND, Accountant General to the Government of India, to the Secretary to the Government of India, Financial Department, No. 1700, d. 29th March 1862.

I HAVE the honor to acknowledge the receipt of your letter, No. 1721, of the 13th instant, stating in reply to my request for orders on certain points connected with the proposed introduction of a Money Order system in this country, that before passing orders, His Excellency the Governor General in Council would prefer having a full report from me on the subject.

2. The system which it is proposed to introduce is the Post Office Money Order System now in operation at Home, with only such modifications as may be necessary to adapt it to local requirements. The rules, and to some extent the forms* provided for in the English model, which are described at length in the accompanying manual, may in my opinion be adopted in their integrity, and the system extended to all classes of the community. At the same time the use of privilege drafts or transfer receipts for the private remittances of Civil and Military servants of Government may with advantage be superseded; as there is apparently no sufficient reason in the existing state of things to require their continuance, the same form of Money Order may be used for the remittances of the European and Native soldiery to whom it

* The form of order proposed is attached.

is believed the facility for making remittances without reference to their Regimental Officers will be acceptable, but in cases in which they may claim their privilege of free remittances, the fees leviable under the rules may be paid for them by their Commanding Officer, the amount being charged against Government in a contingent bill.

3. The advantages which may be anticipated both to the public at large and to the Government by the introduction of the Money Order system in lieu of separate forms and rules for each class of remittances, strongly recommend it to the favorable consideration of Government, whether regard be had to facility which will be afforded to the public of making remittances to and from every part of the country, or to the relief to Treasury Officers in the labor and responsibility now imposed upon them in the issue of transfer receipts &c., is established, and the revenue which may be expected to accrue from the proposed measure.

4. It is however absolutely necessary for the satisfactory introduction of the scheme that the preliminary detailed organization which (as will be seen from the manual) the simple in principle is yet complex in detail, should be entrusted specially to an officer having time sufficient to devote to the purpose of organizing and working the system in conformity with the English mode, such an officer would be absolutely necessary, in the first intance, to facilitate its introductian and for its gradual practical operation, though when the system is once established and generally understood, the duty may perhaps be assigned to the Deputy Auditor and Accountant General of each Presidency, or a subordinate officer acting under their control.

5. At the commencement the duty of issuing, cashing and accounting to the Collector for Money Orders may be assigned to the officers in charge of public treasuries and Pay Offices, aided by a ministerial officer specially employed for the purpose under their orders and on their responsibility, but supplied with separate funds for the purpose, so as to relieve the accounts of the treasuries of the mass of details with which they are encumbered in consequence of the existing system. Any expense attendant on these arrangements will, I anticipate, be much more than covered by the profits, which will be realized by the imposition of fees.

6. Lastly, I would recommend that the proposed Money Order system may, in the first instance, be experimentally introduced in Bengal only, and when established here on a sound and practical basis, it may be extended to other parts of the country.

NO. 161 &

From H. D. SANDEMAN, Esq., Civil Pay Master, Fort William, to the Secretary to the Government of India, in the Financial Department, No. 13, d. 9th June 1862.

I HAVE the honor in conformity with your instructions to submit, for the consideration of His Excellency the Governor General in Council, a detailed scheme for the introduction into India of "Money Orders" founded upon and in many respects exactly similar to that which is known in Great Britain as the "Post Office Order" System.

2. The object of the "Post Office Order" System, as established in England, is to afford to the public the means of safely and economically transmitting small sums of money from any one part of the country to any other; the various Post Masters and Sub-Post Masters being employed as Agents for the transaction of the business.

Object of Post Office Order System in England.

3. It has long been felt that some such convenience to the public is not only needed but might be advantageously introduced into British India. The Army and few privileged servants of the State have enjoyed the means of remitting money from one district to another by means of Treasury Drafts; but the general public have been and still are left to their own resources, and are thus reduced to the necessity of either making their remittances in hard cash, or of submitting to the payment of the almost prohibitory rates of premia, &c., which are charged by the English Banks existing in the country or by the Native Mohajuns of the several Bazaars.

Want of a similar system in India.

4. The present Scheme has for its object, like the "Post Office Order" System at Home, the convenience of the public at large, by offering to them the means of transmitting small sums of money from one place to another in a secure manner, and at a cost which, while considerably below the high rates now existing, will, it is believed, not only secure the State from any burden of expense on account of establishment or petty details of working, but ultimately yield a very considerable profit.

Object of present Scheme.

5. The idea of introducing such a Scheme into India is not a novel one; it existed some time ago and was revived in 1861 by certain Notifications which were issued by the Board of Audit and by the Civil Pay Master, who had then the charge and contract of all Bill operations connected with the State, to the effect that Bills in the Mofussil to private individuals, who had never been legally entitled to them, but who had so generally enjoyed the privilege, as to render a refusal the exception and not the rule, might continue to be allowed on the Presidency only, but that the accommodation thus as it was for the first time authorized, would be withdrawn so soon as the Act for the introduction of a Paper Currency became law or at the furtherest by the first day of January 1862.

Notifications by Board of Audit and Civil Pay Master.

6. From these Notifications it was correctly inferred that the new paper money was expected to supersede the necessity for Bills of Exchange, in the idea that small remittances would be made by transmitting Currency Notes by post.

Inference from the above Notifications.

7. To such a practice, however, there are serious objections. In the first place, *even* sums only could be remitted according to the various denominations of issued Notes; secondly, unless such Notes are remitted whole, every transaction would involve the necessity of despatching two letters and receiving two acknowledgments; thirdly, even in England the transmission of a Bank Note, unless covered by a registry fee, is deemed very arduous if not imprudent, while the registration of letter is, after all, no security against the abstraction of the contents of a letter, either before or after it is posted.

Objections to remitting money by Currency Notes.

8. The formation of a Money Order system thus suggested itself, as a means whereby the public might remit their money from one place to another without such risks, and at the same time with very little loss upon the amount of their remittances in the way of premium.

Advisability of introducing a Money Order system.

9. The Accountant General upon being asked for an opinion upon the subject expressed his entire concurrence and submitted the English manual for the transaction of Money Order business, with a recommendation that it should be adopted in its integrity, so far as change of terms and a few trifling differences in the system of Accounts, &c., would admit.

Accountant General's opinion.

And recommendations.

10. He also specially recommended—

1. That, in order to assist the working of such a system, all "privilege" remittances should be abolished.

2. That, in the case of remittances required by European and Native Soldiery, the fees should be paid by the Commanding Officer and charged to the State in the Military Department in his ordinary Contingent Bills.

3. That some special Officer should be appointed to organize the details of the scheme.

4. That the duties in the Mofussil should be assigned in the first instance to Treasury Officers, to be aided, when necessary, by a special ministerial assistant, whose expenses would be met by income from fees, &c.

5. That the system should, in the first instance, be tried in the Lower Provinces of Bengal only as an experiment, to be gradually extended hereafter.

Withdrawal of privilege remittance receipts.

11. As regards the withdrawal of privilege remittance receipts, there can be but little question, that the introduction of the Money Order system is not likely to prove successful, if any rival system is permitted to exist. It should, therefore, be made to comprehend and supersede every other means by which small remittances of money are now made. The Accountant General has fully met the only difficulty which was likely to rise on this score,

Proviso in the case of Soldiers' remittances.

by recommending that in every case where a soldier desires to remit money at the expense of the State, he shall obtain his Money Order from his Commanding Officer, who will pay the usual commission fee to the Money Order Agent, and charge it in his Contingent Bill, as an item of Military Expenditure. It is not improbable that in the majority of cases, the soldier will prefer paying the small commission which will be demanded for a Money Order, to going through the form of applying to his Commanding Officer, and thus probably communicating details which he would rather keep to himself.

12. I would, in addition to the above recommendations, suggest that "Service Receipts"

Withdrawal of public service Transfer receipts.

also be discontinued. If they are permitted to have a co-existence with Money Orders, a door will be left open not only to the detriment of the latter, but by which confusion may occur. In lieu of such receipts, I would submit that in every case where one Treasury Officer desires to remit any sum of money to another on account of the public service only, he should simply inform such officer by letter (for which a printed form might be adopted of the transaction which should then be treated in both accounts as an ordinary "remittance.")

Receipt forms should be destroyed.

13. In order to prevent the possibility of any forms of transfer receipts, whether on account of the public service or on account of privilege remittances, being used after the introduction of Money Orders, Officers in charge of Treasuries from which, or in stations from which such orders may be directed to be issued, should receive instructions to destroy all forms which they may have in their possession and certify the fact to me. A circular order will be issued to this effect, if the sanction of Government be accorded to it.

Supply Bills not to be interfered with.

14. Supply Bills will, of course, not be interfered with by the operation of the Money Order system. These are negotiated for large

sums only (above Rupees 100) and are intended to meet the immediate requirements of the State in clearing or supplying its Treasuries and are sold in the market at such rates as may be found advisable from time to time. When so offered for sale, they may of course be purchased by any person, official or independent, but can only be granted by Collectors under express sanction from the Accountant General to the Government under which they are serving.

Caution in the issue of Supply Bills.

15. Stringent orders have from time to time been issued to adhere strictly to this rule, and it will be the more necessary under the present proposed system to observe strictness, and report to the local Government every case in which such Bills are issued in an unauthorized manner.

Special Officer to organize details.

16. Touching the second recommendation of the Accountant General, that a special Officer should be appointed to organize the details of the scheme; it has pleased His Excellency the Governor General in Council to depute the work to me; and I trust that I shall be able to carry out his instructions in a satisfactory manner. If the principles of this present report are approved, I would ask that a

Appointment of a Controller recommended.

"Controller" be at once appointed on such salary as the Government may deem fit to assist me in the preparing and issuing the letters, forms and general instructions which will be requisite on commencing the work of the Department. There will necessarily be heavy work to perform, and I fear that single-handed I should be unable to get through it satisfactorily in addition to my duties as Civil Pay Master, without neglecting the latter, and I would therefore be glad to have the aid of a Controller to assist me.

Establishment.

17. He will require no Establishment until the system is ripe for working, beyond an ordinary Copyist or two.

Additional Budget Grant.

18. It will be necessary upon determining the salary of a Controller to make a special grant in the Budget for 1862-63, and also to fix an allowance for stationary and printing unless the latter can be performed in your Office or in that of the Accountant General.

Duties in Provincial Offices by whom to be performed.

19. I concur in the recommendation of the Accountant General that the duties be entrusted in the first instance to Treasury Officers; but I would relieve them of all work beyond a general supervision. The ministerial Assistant under him should be styled "Money Order Agent," and his expenses should eventually be defrayed from the income of commission and fees. He should likewise sign all orders, receive all advices direct, render accounts, and in short transact all the business of the Agency, being only subordinate to the Collector as his Treasury or other clerk, and receiving for the present the pay only of his substantive appointment. It will be time enough to settle the actual remuneration by commission after a short experience of the working of the system.

Money Order system to be confined in first instance to Lower Provinces of Bengal.

20. The last recommendation by the Accountant General appears to be prudent, thus the experiment be for the present confined to the Lower Provinces of Bengal, and then extended as means and circumstances may justify.

21. It has been contended that the sum of Rupees 50 should be fixed as a maximum limit for Money Orders, and as this suggestion has apparently met the general approval of the Council, I have adhered to that limit in the "Description" and in the "rule" which are appended to this report. I would however with great diffidence venture to urge the substitution of a limit of Rupees 100 for that of Rs. 50, such a sum wouldin no way interfere with banking or exchange operations, and would have the advantage of meeting the minimum of Supply Bills, which should on no account be ever granted for a smaller sum. It may be observed that £ 10 0 0 is the sum now allowed in England.

Limit of Money Order Rupees 50 0 0.

Limit of Rupees 100 0 0 recommended.

22. So long as the limit of a Money Order is not sufficiently high to interfere with Banking operations, I do not see that any advantage will accrue by stopping short of that limit. If with a limit of Rupees 50 a person is desirous of remitting Rupees 100 he was but to purchase two orders instead of one at an equal cost to himself, but at the cost, to the Issue Office, of double labour and double expense.

23. I would therefore advocate orders up to 100, and a charge of 1 per cent. commission which appears to be a fair rate as follows :—

For Orders of 10 Rupees and under ...	...	2 Annas
" " above 10 Rupees and under Rupees 25	...	4 "
" " above 25 Rupees and under Rupees 50	...	8 "
" " above 50 Rupees and under Rupees 75	...	12 "
" " above 75 Rupees	...	1 Rupee

24. In the description and rules, however, I have (as before stated) provided for orders up to Rupees 50 only, and further that no order shall contain the fractional portion of an anna.

25. It is suggested by the Accountant General that on the extension of the Money Order system beyond the limits of the Bengal Provinces, a graduated scale of fee might be introduced by which the amount of commission will be made to depend upon the distance of the place to which the money is remitted. It will not be difficult to introduce such a plan, but I would respectfully urge that it will be preferable to adhere to an uniform scale unless a graduated one is found to be absolutely necessary as a financial precaution against loss. Undoubtedly as India is now circumstanced, it would not be prudent for the State to undertake to remit money from one end of the country to another at so small a rate of premium as 1 per cent., but it must be remembered that this position is daily altering, and that with the extension of rail and the improvement of other means of communication, the cost of such remittances will materially diminish, while an uniform scale has the advantage of simplicity—an advantage not only to the Department in the keeping of its accounts and the working of its system, but also to the public, and the argument which admitted of the introduction of the cheap postage system that small distances pay for the great ones, will apply with equal force to the Money Order system which it is now intended to establish.

Graduated scale of fees on extension of system.

Objections.

26. Touching the places where it would be advisable to establish Money Order Offices at first, I would suggest that they be opened at every present Civil Treasury in Lower Bengal. The business in Calcutta of paying and issuing will be performed at the chief office, and if experience should show that one or more additional offices are required, it will be easy to

Places where Money Order Offices are recommended.

All Civil Treasuries, Calcutta.

open them in the southern division of the Town at Sealdah or wherever it may appear that they are desirable, and likely to be self supporting. In like manner Collectors in the Mofussil may be invited to suggest any Towns or large marts in their districts where they think the establishment of Order Offices would be beneficial to the public and self-supporting in themselves.

Mofussil.

27. It will be observed on examination of the patterns which follow the "description," that they are much fewer in number than those contained in the English manual. I think however that they will be found to comprise every thing that is absolutely necessary in this country, while I have rigidly adhered to the English system in the account keeping and several rules of pay and issue.

Remarks in patterns.

28. I observe in the English manual that there is a printed form for every possible sort of letter that could ever issue from or be received at a Post Office, but it must be remembered, that in England these are very necessary, many Post Masters in, for instance, small towns and villages, are little better than illiterate, and to write an intelligible letter on a matter of business would, to many of them, be a work of hours, if it could be done at all. Again with the vast business that is transacted in England, it is a considerable saving of labor to the Chief office to receive only printed letters which experienced sorters and examiners can deal with very rapidly, should business increase in India as it has done in England. It will never be too late to print forms of letters for the sake of convenience and possibly as a matter of econonny, but I have not thought it advisable to introduce them at present.

Number of printed forms used in England.

Correspondence.

29. All correspondence except in a few exceptional cases may be carried on by the half margin memorandum (Pattern) or the counterfeit memorandum (see Pattern.)

I have already introduced these forms of correspondence elsewhere and have found them to answer successfully.

Accounts.

30. The accounts to be kept at the chief Office are made up on a plan precisely similar to that obtaining in England, and a quarterly statement shewing the general working and progress of the system will be submitted either to your office or to that of the Accountant General as you may deem most advisable.

31. The Commission fees on all renewed or duplicate orders are to be paid in to the Chief office by means of Postage Stamps. In England where the Money Order system is a branch of the Post Office, the Stamps so received are gummed on to a piece of paper, obliterated and periodically destroyed after crediting the amount of their value to the Department as "Commission."

Postage Stamps on account of fees for renewal, &c.

32. The same course may be pursued in this country, or if it is deemed preferable they might without obliteration be returned to the Post Office and their value credited to the Department on a receipt taken for their value, the stamps being thus available for re-sale.

33. As a matter of account the latter course would appear preferable, inasmuch as without some such system the value of every postage stamp paid into the Money Order Department on account of Commission, will be twice credited to the State, that is to say, first under the head of "sale of postage stamps," and again under that of "Commission on Money Orders."

Accounts, Estimates, Loans, Supplies, &c.

Limit of time.

34. I will only further observe that I have given *four* instead of *three* months as the limit of time for presentation of an order for payment, on the consideration that in India we have greater distances and less rapid means of communication than in England.

From the Secretary to the Government of Bengal, to the Secretary to the Government of India, Home Department,—(No. 775T., dated the 16th June 1864.)

In continuation of the letter from this Office, No. 2457, dated the 16th April last, I am directed by the Lieutenant-Governor to forward, for the information of His Excellency the Governor General in Council, the accompanying copy of the papers marginally noted, having special reference to the affray which took place at the Bagadangah Factory on the 25th February last.

Letter from Secretary, Landholders' and Commercial Association, dated 14th April last.
From Secretary, Landholder's and Commercial Association, dated 3rd ultimo, with enclosure.
From Commissioner of Nuddea, No. 70, dated 5th idem, with enclosure.
To Secretary, Landholders' and Commercial Association, No. 513T., dated 4th instant.
To Secretary, Agricultural and Horticultural Society, No. 515T., dated 4th idem.
To Commissioner of Nuddea, No. 514T., dated 4th idem.
To the Registrar, High Court, No. 2819, dated 5th ultimo.
From Commissioner of Nuddea, No. 67, dated 29th April last, with enclosure.
To Officiating Registrar, High Court, No. 3018, dated 18th ultimo.

2. The other papers noted in the margin, a copy of which is also enclosed, bear on the same subject in so far as it is connected with the general question of Indigo cultivation.

From Commissioner of Nuddea, No. 49, dated 6th April last, with enclosure.
To Commissioner of Nuddea, No. 2401, dated 14th idem.
From Commissioner of Nuddea, No. 73, dated 6th ultimo, with enclosure.
From Commissioner of Nuddea, No. 71, dated 5th ultimo.
To Registrar, High Court, No. 3126, dated 25th ultimo.

Report on the working of the Money Order system in Bengal for the year 1863-64.

From H. Sandeman, Esq., Civil Pay-Master, to the Secretary to the Government of Bengal,—(No. 6, dated the 14th June 1864.)

I have the honor, in reply to your letter No. 1913, dated 18th ultimo, to forward to you a copy of a Report drawn up by Mr. Ronaldson, Officiating Controller, upon the working of the Money Order system during the year ending 30th April last.

2. Mr. Ronaldson has left me but little to add beyond the general remark that the system has both worked well and been highly appreciated by the public. The greatly increased demand for orders on the part of remittance makers affords unanswerable testimony to the fact that every confidence is placed upon the security of the means thus afforded to them of sending small sums of money from one Station to another, while the facility with which the Orders are obtained and cashed is such as has never before existed in India, and can scarcely be maintained under any other system of remittance drafts. It is impossible, however, to expect that the system can be of any very material or extensive use, or that any important financial results can be obtained, while the Money Order system remains confined to its present limited circle; it is only when it is extended to the whole of the Bengal Presidency, and then to the Sister Presidencies of Madras and Bombay, that really beneficial results may be looked for. As facilities of communication by rail increase the cost transport of bullion will necessarily decrease, and the value of money become more and more equalized throughout the Empire; and even at present it is not reasonable to suppose that any loss can accrue to the State by allowing to the public the privilege of making, at a trifling cost, small remittances of money which can in no way touch the interests of the Banker or interfere with the exchange operations of the country. I have already suggested to the Supreme Government the advisability of permitting an extension of the Money Order system, but have not received any reply to my Report on the subject.

From H. Ronaldson, Esq., Officiating Controller, Money Order Department, to H. Sandeman, Esq., Civil Pay-Master, Bengal,—(dated the 10th June 1864.)

With reference to paragraph 3 of the letter from the Government of Bengal, No. 1135T., dated 9th October 1863, I have the honor to submit a Statement showing the operations of this Department for the year ending 30th April last.

2. From this Statement it will be seen that during the twelve months 26,032 Money Orders were issued, aggregating Rupees 15,61,897-6, and that 28,849 Orders were paid during the same period of a total value of Rupees 15,62,261-2. The amount of commission realized on the issue of Orders was Rupees 16,860-14.

3. Taking the total number and the value of Orders issued and paid the average value of each Order issued would be Rupees 60, and of each Order paid Rupees 54⅛.

4. Comparing these results with those of the first six months it appears that, whilst the total number of Orders issued during the year, and the amount of commission realized thereon, was more than double that of the first six months, the total value of the Orders issued was rather less, which demonstrates that the Department has been more largely availed of for the purposes for which it was primarily established, *viz.*, the remittance of small sums. On the other hand the total number and the value of Orders paid were both more than double the corresponding figures of the first six months.

5. With few exceptions the number of Orders issued by each Agent during the year was more than double that of the first six months. In eight Districts the number was trebled and quadrupled, and in a few Districts the increase was even more marked. As in Burdwan the Orders issued in 1863-64 were 270 as against 44 during the first six months; in Cuttack 2,558 as against 923; in Gya 1,417 as against 61; in Midnapore 304 as against 62; in Mymensing 1,018 as against 239; and in Pubna 284 as against 62.

6. Of the total amount of Orders paid during the year Rupees 9,51,800 was disbursed from the Calcutta Office on 16,639 Orders, giving an average value of about Rupees 57⅓ for each Order. The remainder of the payments, amounting to Rupees 6,10,461 on 12,210 Orders, were distributed amongst the Mofussil Stations, thus showing that the system has largely afforded the means of making remittances between Mofussil Stations that were previously wanting.

7. The foregoing results are exclusive of the transactions of the Money Order Offices at Mooteharee and Lohurdugga, the accounts of which are still outstanding, and therefore cannot be included in the present Statement.

8. In addition to the commission realized from the issue of Money Orders a further sum of Rupees 240-9 was received in Postage Stamps in this Office on account of second commission for the issue of duplicate Orders, transfers, re-payments, &c. A sum of Rupees 857-13 is also available on account of lapsed Orders, that is, Orders remaining unpaid more than twelve months, and to which all claim has been lost by the respective remitters under the Rules of the Department. These items added to the first commission give a total of Rupees 17,959-4, as shown on the margin, and which is available to meet the expenditure of the Department for the year.

	Rs. As. P.
First commission ...	16,860 14 0
Second Ditto ...	240 9 0
Lapsed Orders ...	857 13 0
Total ...	17,959 4 0

9. The charges of this Office for salaries and contingencies during the year amounted as follows:—

	Rs. As. P.
Controller's salary	3,600 0 0
Establishment	2,381 6 0
Contingent charges	328 4 0
Total Rupees ...	6,309 10 0

To this must be added the commission to Mofussil Agents, which at ¼ per cent. on both sides of the account will amount to Rupees 2,527-11-9, giving a total of Rupees 8,837-5-9, so that there remains a balance of Rupees 9,121-10-3 in favor of Government as the net receipts of the Department.

10. Many of the Collectors not having reported on the working of the system in their Districts, it is not possible at present to furnish any Report on the general working of the system, the extent of its popularity, and whether it might be further extended in any District by opening out new Offices. A Circular call has been made to Collectors, a copy of which is herewith forwarded, and when the replies thereto have all been received a further Report on the subject will be submitted. Meanwhile, however, it may be remarked that in some Districts where banking facilities exist the rate of commission charged on Orders is considered too high, and also that the remuneration allowed to Agents is quite incommensurate with the responsible nature of their duties and the amount of security they are required to deposit. These are points that will be more fully noticed when reporting on the working of the different Offices.

11. There can be no doubt from the results now shown that the introduction of the Money Order system into this country has been attended with immense advantages to the public having to make small remittances. It is only at large and important Stations that any facilities have hitherto been afforded for obtaining money drafts, few, if any, means having been available for sending monies between Stations in the interior. The introduction of Currency Notes has doubtless afforded means that did not previously exist, but the risk attending their transmission through the Post is great, and, judging from the constant intimations in the public papers, the losses must be heavy, as few, if any, of such Notes ever find their way back again to their legitimate owners. The recent decision also of the Small Cause Court that parties who receive lost or stolen Notes in good faith, even though such Notes may have been advertized and stopped at the Banks, cannot be made liable for the amount to their rightful owners, ought to make the public more cautious in adopting that mode of remittance.

12. Instances are not unfrequent of the loss of Money Orders in the Post, but it is hardly possible that any use can be made of such Orders by those into whose hands they may fall, the checks observed in paying Orders being generally sufficient to prevent others than the rightful owners obtaining the money. This security taken with the various means that are afforded in the Department of transferring Orders after once issued from one party to another, or from one Station to another, granting duplicate Orders, &c., are falicities that do not exist elsewhere, and that cannot fail to be appreciated by the public.

Statement of the Number and Amount of Money Orders issued and paid and the Commission realized by Money Order Agents during the year 1863-64.

Names of Stations.	Number of Orders issued.	Amount of Orders issued.	Commission.	Number of Orders paid.	Amount of Orders paid.
		Rs. As. P.	Rs. As. P.		Rs. As. P.
Alipore ...	23	1,666 8 0	17 12 0	80	2,465 7 0
Arrah ...	157	5,779 11 0	69 12 0	422	22,129 14 0
Balasore ...	1,076	78,426 7 0	812 14 0	333	24,451 13 0
Bancoorah ...	134	7,669 0 0	83 4 0	80	3,307 3 0
Bauleah ...	379	15,629 0 0	174 14 0	204	12,451 15 0
Berhampore ...	443	13,665 4 0	167 6 0	358	16,718 0 0
Bhaugulpore ...	671	24,005 14 0	283 2 0	459	11,478 6 0
Bograh ...	355	17,659 14 0	192 8 0	54	3,183 5 0
Burdwan ...	270	7,701 2 0	97 6 0	371	13,889 15 0
Burrisaul ...	758	42,929 3 0	462 4 0	135	6,943 15 0
Cachar ...	149	27,382 15 0	311 6 0	99	7,279 5 0
Calcutta ...	1,798	1,50,168 14 0	1,537 2 0	16,639	1,799 15 0
Cherra Poonjee ...	426	14,670 0 0	178 2 0	69	2,893 1 0
Chittagong ...	722	32,116 1 0	362 12 0	371	25,842 10 0
Chuprah ...	338	5,868 8 0	85 10 0	453	25,591 14 0
Chyebassa ...	41	6,498 6 0	73 12 0	5	79 12 0

Names of Stations.	Number of Orders issued.	Amount of Orders issued.	Commission.	Number of Orders paid.	Amount of Orders paid.
		Rs. As. P.	Rs. As. P.		Rs. As. P.
Cuttack ...	2,558	1,89,581 14 0	1,964 12 0	343	20,662 11 0
Dacca ...	515	20,163 7 0	235 8 0	1,872	92,548 8 0
Darjeeling ...	596	33,022 4 0	360 14 0	706	64,002 4 0
Deoghur ...	254	14,564 10 0	152 10 0	19	1,309 4 0
Deebrooghur ...	481	21,820 1 0	247 6 0	84	5,036 13 0
Dinagepore ...	539	24,805 9 0	275 0 0	111	2,360 9 0
Furreedpore ...	772	46,989 7 0	495 0 0	208	8,899 2 0
Gowalparah ...	388	16,832 10 0	187 12 0	89	6,511 1 0
Gowhatty ...	562	22,348 4 0	257 6 0	352	18,273 3 0
Gyah ...	1,417	12,155 14 0	153 8 0	218	9,214 12 0
Hazareebaugh ...	357	12,416 11 0	152 0 0	78	4,651 6 0
Hooghly ...	122	4,209 9 0	50 2 0	492	15,032 11 0
Jessore ...	1,356	1,11,061 12 0	1,134 12 0	204	8,295 9 0
Kishnaghur ...	180	7,398 4 0	84 14 0	333	11,601 0 0
Maldah ...	318	9,858 14 0	115 2 0	64	2,058 13 0
Midnapore ...	304	10,617 5 0	126 4 0	160	8,419 13 0
Monghyr ...	230	8,022 11 0	97 10 0	201	10,077 6 0
Mozufferpore ...	277	7,552 3 0	94 6 0	241	10,722 2 0
Mymensing ...	1,018	59,608 12 0	630 2 0	172	8,180 4 0
Noakhally ...	675	45,175 0 0	467 8 0	70	3,462 14 0
Nowgong ...	397	23,449 7 0	253 4 0	196	15,369 5 0
Nya Doomka ...	73	20,003 8 0	204 0 0	6	81 13 0
Pakour ...	62	1,563 4 0	20 8 0	39	2,332 15 0
Patna ...	391	8,919 4 0	120 0 0	631	17,888 7 0
Pooree ...	340	23,610 13 0	246 0 0	97	3,251 8 0
Pubna ...	284	7,559 10 0	92 4 0	224	10,555 5 0
Purneah ...	711	32,706 15 0	398 8 0	181	7,713 5 0
Puruleah ...	358	21,625 2 0	228 12 0	61	2,403 3 0
Rajmehal ...	78	3,025 9 0	36 8 0	48	2,123 7 0
Rungpore ...	658	38,072 10 0	405 10 0	152	10,530 3 0
Sahebgunge ...	45	1,619 0 0	17 10 0	9	86 7 0
Seebsaugor ...	223	9,698 8 0	107 14 0	158	6,259 10 0
Sooree ...	284	8,456 5 0	104 14 0	219	9,929 13 0
Sylhet ...	714	33,372 0 0	373 2 0	391	16,802 9 0
Tezpore ...	246	11,544 12 0	132 12 0	114	8,631 9 0
Tipperah ...	2,431	1,84,166 1 0	1,897 2 0	164	6,101 8 0
Tumlook ...	78	2,462 14 0	29 12 0	10	373 12 0
	26,032	15,61,897 6 0	16,860 14 0	28,849	15,62,261 2 0

(Sd.) H. Ronaldson,
Officiating Controller, Money Order Department.

Printed by Thomas Jones, at the Bengal Secretariat Office.

Accounts, Estimates, Loans, Supplies, &c.

No. 141

From HUGH SANDEMAN, ESQ., Civil Pay Master, Fort William, to the Secretary to the Government of India, in the Financial Department, No. 17, d., Calcutta, 23rd July 1862.

WITH reference to the concluding portion of the 5th paragraph of the Resolution of His Excellency the Governor General in Council, No. 4573, dated 8th instant, on the subject of Money Orders, to the effect that the responsibility of Collectors should be accurately defined in their relations to the Money Order Agents, I have now the honor to submit for the consideration of His Excellency in Council a draft of a Circular which I would propose to issue with the sanction of Government to Collectors, in which I have endeavored to define the control which they will be expected to exercise over the Agents.

2. Should the Circular meet with approval, I would propose to send with it, to each Collector, a copy of the printed rules which have been prepared for the guidance of Money Order Agents.

3. I would observe that the instructions in the Circular are not intended to apply to the Chief Office in Calcutta, which will be immediately superintended by the Controller himself.

4. The balance of Rs. 500 would naturally be too small for him to work with conveniently, and it would also be inconvenient for him to transmit his sealed bag and cash balances every day to the Bank.

5. I would beg to propose therefore that the Chief Office be regarded as exceptional, and that the Controller shall pay to and draw from the Bank according to his discretion, under an ordinary pass-book and unstamped Cheques, or by the forms of receipts already prescribed for Money Order Agents and Collectors in the Mofussil.

6. I would also suggest that the Controller be furnished with a strong iron safe for the custody of his balance during the night, which should never exceed, say Rs. 5,000.

7. The iron safe should be furnished with double locks, and the cash be held under the joint responsibility of the Controller and his Head Cashier, each of whom should have a key to one of the locks only, so that the presence of both will be necessary to gain access to the chest.

8. Annexed is a list of the stations at which I would at once propose to establish Money Order Offices, and which is submitted for the favorable consideration of Government.

9. The date of commencing the system may, it is submitted, be fixed as soon as the Office is formed, and the requisite forms, which the Controller, Mr. J. C. Ross, is engaged in preparing, approach completion.

10. I would beg to suggest that instructions be issued to the Postal authorities to receive and carry, without frank, all Advices of Money Orders that are posted without envelope.

LIST of Stations at which it is proposed to establish Money Order Offices.

Backergunge	Cossiah Hills	Gowalparah	Mymensing	Rajmehal, S. P.
Beerbhoom	Cuttack, C. D.	Hazareebaugh	Moorshedabad	Rungpore
Bancoorah	Cuttack, N. D. Balasore	Hooghly	Maunbhoom	Sahebgunge S. P.
Behar	Do., S. D. Poree	Jessore	Nuddea	Sarun
Bhaugulpore	Chumparun	Jorehaut	Nowgong	Shahabad
Bhulooah	Dacca	Kamroop	Nya Doomka S. P	Singbhoom
Bograh	Dinagepore	Lukhimpore	Patna	Sylhet
Burdwan	Darjeeling	Lohardugga	Pakoor, S. P.	Sunderbuns
Cachar	Durrung	Maldah	Pubna	Tipperah
Chittagong	Deoghur, S. Pergunnah	Midnapore	Purneah	Tirhoot
Calcutta	Furreedpore	Monghyr	Rajshahye	24 Pergunnahs

No. 142

Circular from H. D. SANDEMAN, Esq., Civil Pay Master, Fort William, to the Accountant of Bengal, dated Calcutta, 1862.

I HAVE the honor to transmit for your information and guidance a set of Rules which I have drawn up under the authority, and with the sanction, of the Supreme Government, for the regulation of Offices under the Money Order System which His Excellency the Governor General in Council has been pleased to resolve shall be at once introduced into the Lower Provinces of Bengal.

2. The "Money Order System" is founded upon, and is in many respects exactly similar to, that which is known in Great Britain as the "Post Office Order System:" its object is to afford to the public the means of safely and economically transmitting small sums of money from one place to another, and

it is the intention of the Supreme Government, in the event of the experiment, which is to be for the present confined to the Lower Provinces of Bengal, proving successful, to extend the operation of the System to other parts of the country.

3. The Supreme Government have approved generally of the details for the working of the scheme, and the rules for the guidance of Officers connected with it, as set forth in the accompanying Pamphlet; and have instructed me to define accurately the extent of responsibility which will rest upon Collectors, a subject which was purposely omitted from the Manual itself, which was intended solely to guide Money Order Agents in the performance of their duties.

4. The object of the present Circular, therefore, is to supply that omission, and to define the duties of Collectors in their connection with Money Order Offices. The instructions which it contains have been approved by His Excellency the Governor General in Council, and the Circular is issued under his authority and sanction.

5. It is necessary, before proceeding to a definition of the control which you will have to exercise over Money Order Agents, to make a few observations on the different Forms of Bills which now exist, and to shew how they will be affected by the introduction of the new Money Order System.

6. Bills are now issued by Revenue Treasuries in three forms, viz. :—

1.—Privilege Remittance Transfer Receipts.

2.—Public Service Transfer Receipts.

3.—Bills of Exchange.

7. Of the first of these, it is sufficient to say that, within the range of the Money Order System, they will entirely cease from the date on which the new System may come into existence, so that all parties wishing to remit money must for the future apply to the Money Order Office, and all question of "Privilege" in the Civil Departments will cease to exist.

8. The question of Officers and Sepoys' Family Remittances is still under the consideration of Government, and separate instructions will hereafter be issued regarding them.

9. Public Service Transfer Receipts will continue to be issued as at present when required for *bonâ fide* public purposes.

10. The form known as the "Bill of Exchange" is only intended to be used for purposes of "Supply," and its use is restricted to those Treasuries which have the express permission of the Deputy Auditor and Accountant General to issue such Bills for sums of not less than Rupees 100.

11. As a strict adherence to this rule is essential to the success of the Money Order System, it will be an instruction to the Controller to report every instance in which the rules have been departed from.

12. I will now endeavor to define the control and check which you are expected to exercise over the Money Order Agent at your Station ; and here I may observe that, as the introduction of the System is, after all, a mere substitution of one description of work for another, it is expected that you will be able to introduce it into your District without any difficulty or increased expense.

13. The appointment of an Agent will rest with yourself, subject to the confirmation of the Financial Department. I would, however, beg to suggest the advisability of your delegating the work, in addition to his other duties, to the Clerk who now transacts your Treasury business, supposing always that you deem him capable of performing the duties of a Money Order Agent. It is the intention of Government eventually to remunerate the Agents by a percentage commission out of the fees received on issue of Orders ; but until the System is in full operation, and some practical idea can be formed as to the profits that will accrue from it, no calculation can possibly be made as to what that remuneration will be. In the meanwhile, therefore, the Money Order Agent whom you may be pleased to appoint must be a Clerk in Government employ, and he will receive for the present the salary attached to the office which he may hold, with such further liberal allowance from the Local Returns of the Money Order Office as the Government may see fit to prescribe.

14. You are requested therefore, at your early convenience, to acquaint me with the full name of the Agent whom you may appoint, in order that I may submit it to the Financial Department, for confirmation. When confirmed, the names of the Agents at the several Money Order Stations will be published for general information.

15. The Money Order Agent will be required to give his own Bond for Rupees 500, and that of one or more respectable parties for the same amount, as security for the faithful discharge of his duties.

16. It is intended that the Money Order Agent shall himself perform all the current duties of his Office. He will sign all Orders, receive Advices direct, render Accounts under his own signature, and in short transact all the business of the Agency, referring to you only in cases of difficulty or of doubt.

17. The control which you will be expected to exercise over the Agent may, therefore, be said to be of a general nature, although it will be to a certain degree absolute, and will apply to his issue and to his Cash Balance as well as to his office or establishment.

18. It was originally proposed to limit the aggregate issue of Money Orders in each office to say Rupees 500 in one day, but the advantage of any uniform rule on this point was deemed doubtful, inasmuch as the business

of different Money Order Offices must vary very much, and if any one given amount were fixed beyond which no office should issue in one day, it would probably be found that the amount, while unduly cramping one or two of the most important offices, would be much above what the general run of Offices might ever be called upon to issue, and, therefore, be practically inoperative. His Excellency the Governor General in Council has, therefore, deemed it advisable to leave the limit to the discretion of the Collectors.

19. You will have, therefore, to use your discretion in this point, and it will be in your option to refuse compliance with requisitions for Money Orders when you see sufficient reasons for so doing. For instance, should you see that requisitions for Orders are being made to such an extent as to embarrass you with more Coin than you deem it prudent to retain in your Treasury, or should you have reason to believe that they are made otherwise than for the purpose for which the System is established, viz., the means of safely and economically transmitting *small sums* of money without interfering with the exchange operations of the country, you would have good cause for refusing compliance.

20. All Orders drawn upon you must of course be cashed without any such considerations, but it would be your duty, in the event of any one Office drawing upon the Agent at your station for very large sums, which, if continued, it would be inconvenient for you to meet, to report the circumstance to the Controller as well as to the Deputy Auditor and Accountant General after cashing the Orders.

21. Your control over the Cash Balances is to a certain extent defined in the rules which govern Money Order Agents. It is provided that Agents are never at the close of a day's business to retain a larger sum in hand than 500 Rs., and that whenever their balance attains that sum, it is to be paid into the Treasury, and the Collector's receipt (prepared by the Agent) taken for the amount.

22. Should you be of opinion that 500 Rs. is too large a sum (with reference to the average daily amount passing through your Money Order Office) for the Agent to retain at any one time, it is discretional with you to fix a smaller amount for his ordinary reserve, acquainting the Controller that you have done so.

23. On the other hand, when an Agent is in need of funds, he is to draw upon the Collector, handing to him a receipt for the amount, and presenting with it a copy of the receipt to be attested by the Collector for the satisfaction of the Controller.

24. I would suggest that any advances to the Money Order Agent should always be made in sums of even hundreds of Rupees.

25. At the close of each day's business, the Agent is directed to deposit any Cash Balance that he may hold under 500 Rs., in your Treasury in a sealed bag for safe custody. This sealed bag you are at liberty at any time to open

and examine; indeed, you should make a point of doing so at uncertain intervals to avoid the invidiousness of making such an examination exceptional.

26. Your Cash-keeper should daily acknowledge the receipt of this bag; and again take a receipt from the Agent when he delivers up the bag in the morning.

27. For this purpose, a small Receipt Book might he kept up in the following form :—

Date.		Acknowledgment of Money Order Agent to receipt of sealed bag at commencement of business.	Acknowledgment of Treasurer to receipt of sealed bag at close of business.
Sept.	2	N. Joachim, M. O. A.	
	3	N. Joachim, M. O. A	Wooma Churn Roy.
	4	N. Joachim, M. O. A.	Wooma Churn Roy.

28. The Money Order Agent is also directed to hand you in his *whole* balance on the last day of each month, both above and under 500 Rs. before the hour of 4 P. M., in order that you may include the amount in your Monthly Cash Balance Report.

29. When the last day of a month happens to fall on a Sunday or a recognized Holiday, this must be done on the preceding day, at or before the same hour.

30. It will be your duty to supply the Money Order Agent with Copper or small Silver in exchange for Rupees or *vice versa*, according to his requirements.

31. It will also be your duty to keep the Deputy Auditor and Accountant General well informed as to the working of the Money Order System, as affecting your Cash Balances, especially informing him of any unusually large receipts or payments under that head.

32. You will receive instructions from the Auditor General as to opening a new head in your Treasury Account on account of Money Orders.

33. You are requested to furnish to the Controller on the 1st (or as soon after as possible) of each month a return shewing the amounts paid into, or drawn from, your Treasury by the Money Order Agent during the preceding

month, for comparison with the returns rendered by the Money Order Agent to the same authority. The account may be rendered in the following form :—

ACCOUNT *with the Money Order Agent for the month of September* 1862.

Date.		Paid to the Money Order Agent.			Received from the Money Order Agent.		
October	1	200	0	0	500	0	0
	5				500	0	0
	10				500	0	0
	16						
	17	100	0	0			
	18	100	0	0			
	,,	100	0	0			
	25				500	0	0
	31				365	4	9

ZILLAH ——, 1*st October* 1862.

A. B.,
Collector.

34. Your control over the Office of the Money Order Agent will be of a general nature. It will be your duty to see that the office is kept uniformly open during the hours usually devoted to public business; that the rules laid down in the accompanying Manual are generally adhered to; that every facility is given to the public both in obtaining Orders and receiving payment for them; that the blank Order Forms are kept in safe and proper custody, so as to preclude the possibility of loss; that the Agent keeps himself properly supplied with forms of all sorts; and so forth. In short, without defining your power of supervision, I would simply say that you are expected to see generally that the work of the Money Order Office is in every way properly and efficiently carried on.

35. In case of misconduct on the part of the Money Order Agent, you are authorized at any time to suspend him from his functions and appoint another Agent to act in his place, communicating your reasons in full to the Controller at the Chief Office. In the event of no person being available whom you consider competent to carry on the Agency, you will have to undertake the duties yourself until provision can be made in the Chief Office to supply the vacancy.

36. Money Order Agents will not have authority to frank letters. The rules provide that Advices shall be sent without envelope, and that no frank to them will be necessary. Any correspondence or returns made by the Agent, requiring a frank, should be franked by yourself, or your Assistant, or any other Officer under you possessing the requisite authority to do so.

37. You are requested to apply without delay for instructions upon any point regarding which you may entertain a doubt, and on the expiration of

six months from the date of commencement of the Money Order System, to report on the general working of the scheme, stating not only the number of Orders paid and issued, and the amount of commission received, and so forth, but also whether the system is one that meets with popular approval, as giving the public a facility which they have not yet possessed, viz., that of remitting small sums, in a safe and secure manner at a small and reasonable cost.

38. You will, in that report, also take the opportunity of offering any suggestions that you may wish to make for the improvement of the scheme, the establishment of offices in any large towns or marts in your District where you anticipate they will pay their own expense and be appreciated by the public, or the extension of the System to other parts of India which may have money dealings in small amounts with your station.

I have the honor to be,

SIR,

Your most obedient Servant,

Civil Pay Master.

No. 143

From the Hon'ble E. DRUMMOND, Secretary to the Government of India, Financial Department, to the Civil Pay Master, Fort William, No. , d. 30th August 1862.

I AM directed to acknowledge the receipt of your letter, No. 17, dated the 23rd ultimo, submitting for approval a draft of a circular letter of instructions to Collectors on the subject of their relations to Money Order Agents, and, in reply, to return for issue a copy of the draft as revised in this Department.

2. These instructions, it is observed, will not apply to the Head Office.

3. Orders will issue hereafter respecting the limit and custody of the Cash Balance in the hands of the Controller.

4. The list of Stations is approved, and the system should be commenced, if possible, on the 1st November.

A copy of the above, together with a copy of the revised draft, to the Government of Bengal, to the Auditor General of India, and the Deputy Auditor and Accountant General, Bengal.

No. 144

FINANCIAL DEPARTMENT, FORT WILEIAM, THE 30TH AUGUST 1862.

OFFICE MEMORANDUM.

THE Civil Pay Master, Fort William, having applied* for orders regarding the transmission, without frank, of all Advices of Money Order Agents that are posted without envelope, the undersigned has the honor to request that the Secretary in the Home Department will be good enough to issue the necessary orders on the subject to the Postal Authorities in Bengal. This will obviate the addition of Money Order Agents to the list of Franking Officers, and will prevent trouble to Collectors in franking the Letters of Advice.

*Letter, No. 17, dated 23rd July 1862.

Financial 1862 p. 77

№ 4217
Fort William
Financial Department
The 26th June 1862.

Read the following correspondence on the subject of introducing the English Money order system into India -

Office Memo: Financial Department № 9074. 20th July 1861 -
" " Home " № 1564 - 17th Augt "
Letter from Offg Account General. № 788 - 16th September "
" " Account General № 1534 - 25th Feby 1862
" to " " № 1721. 13th March "
" from " " № 1700. 29th " "

The scheme for adopting the Money order system to India has been matured, and as a mere financial measure there are no obstacles to it. The difficulty is in the treatment of the question of Privilege Remittances. These have been allowed to all officers of the Indian Army to the extent of their Military Pay and allowances, monthly, for more than half a century, and the privilege has of late years, been conceded to many other classes of Government employes, especially in the North Western Provinces and Punjab -

The privilege is valuable, and in

former

former times, when other means of remittance did not exist, it was almost a necessary accommodation; but with the extension of our territories, and of the Service, it has caused an enormous increase of work in the Treasury and Pay Offices, and in the present condition of the Country, with a paper currency, and a system of money orders it may be doubted whether there is any sufficient reason for its continuance.

Akin to Privilege Remittances are the Sepoy's Family Remittances which are also free, and have been extended to the new constabulary. This is a valuable and highly prized (privilege) with which it might not be wise to interfere; but there appears to be no reason why the money order should not be used for such remittances, when made from Regiments serving in the Provinces not beyond Sea; Commanding Officers being required to pay the fees and charge the amount monthly in a contingent bills.

The proposed substitution of money orders for the privilege of Family Remittance enjoyed by Corps serving in the Provinces, would not interfere with the indulgence of Family

money which is paid in the Provinces to the families of Native Soldiers serving beyond Sea, according to assignments made by the latter. This is a distinct question which is not now raised.

Ordered that the preceding observations be communicated to the Military Department with a request that the discontinuance of Privilege Remittances and the substitution of Money orders for Family Remittances in the manner proposed, be taken into early consideration.

J. E. Drummond
Secy to the Govt of India

Encd S.O.

No.

EXTRACT from the Proceedings of the Government of India, in the Financial Department, d. 8th July 1862.

READ again the following papers relative to a scheme for the introduction into India of "Money Orders" founded upon, and in many respects exactly similar to, that which is known in Great Britain as the "Post Office Order" system :—

Financial office memorandum, No. 9074, dated 20th July 1861.

Reply from Home Department, No. 1564, dated 17th August 1861.

Financial docket, No. 10271, dated 22nd Do.

Report from Officiating Accountant General to the Government of India, No. 778, dated 16th September 1861.

Financial Resolution, No. 13495, dated 22nd October 1861.

Letter from Accountant General to the Government of India, No. 1534, dated 25th February 1862.

Reply to Do. , No. 1721, dated 13th March 1862.

Report from Accountant General to the Government of India, No. 1700, dated 29th Do.

Read a letter from the Civil Pay Master, No. 13, dated 9th ultimo, on the same subject.

RESOLUTION.—With a view to afford to the public the means of safely and economically transmitting small sums of money from any one part of the country to any other, the Governor General in Council is pleased to determine that the system of "Money Orders" in force in England be at once introduced, experimentally in the first instance, into the Lower Provinces of Bengal, where, if successful, the experiment may be extended to other parts of the country.

The details for the working of the scheme, and the rules for the guidance of Treasury Officers concerned, which have been prepared by the Civil Pay Master, Mr. H. Sandeman, are approved generally, with modifications as follow.

The limit for Money Orders will be fixed, as recommended by Mr. Sandeman, at Rs. (100) one hundred, instead of Rs. 50, as previously proposed.

It is proposed in Rule 4 to limit to Rs. (500) five hundred the aggregate of Money Orders which may be issued by a Money Order Office in one day. But the advantage of such a Rule would be doubtful, especially as the business of different Money Order Offices must vary so much that if one given amount

is fixed, beyond ~~what~~ which no Money Order Office is to issue in any one day, it will probably be found that the amount, while, perhaps, unduly cramping one or two of the most important Offices, will be much above what the general run of Offices will ever be called upon to issue, and, therefore, be practically inoperative. His Excellency in Council therefore deems it advisable to leave the limit to the discretion of Collectors.

That limit, however, must always be confined within the scope of the Money Order system. It will, therefore, be in the discretion of every Collector to refuse compliance with requisitions for Money Orders if he sees reason to believe that they are applied for otherwise than for the purpose for which the system is established, viz., that of affording the public the means of safely and economically transmitting *small sums* of money. In the subsidiary instructions for giving effect to this Resolution, the responsibility of Collectors should be accurately defined.

As the scheme is limited for the present to the Lower Provinces of the Bengal Presidency, the question of a scale of fees, varying according to distance, need not now be determined.

Pending further orders, the Privilege Remittances allowed in the Military Department will not be affected by the Money Order system.

The Civil Pay Master is entrusted with the general direction of the entire agency for working the Money Order system, and he will arrange all necessary details with the previous sanction of this Government.

To aid him in these duties, and with a view to the immediate introduction of the system, His Excellency the Governor General in Council is pleased to appoint Mr. J. C. Ross, late Inspecting Post Master at Cuttack, to be Controller of the Money Order Office.

ORDERED, that copy of this Resolution be communicated to the Accountant General to the Government of India, the Auditor General of India, the Deputy Auditor and Accountant General, Bengal, the Civil Pay Master, Fort William, and the Secretary and Treasurer to the Bank of Bengal.

(A true Extract)

Secretary to the Government of India.

2

Financial 62 of 1866

31

No. 4502

From The Secretary to the Government of India
Financial Department

To J. C. Ross Esquire
Inspecting Post Master
Cuttack

Sir,

I am desired to state that His Excellency the Governor General in Council having resolved to introduce the English money order System into the Lower Provinces, Bengal has been pleased to appoint you to the Office of Controller -

2 You will, in that capacity, act under the general supervision of the Civil Pay Master Bengal, arranging all necessary details under his guidance, and with the previous sanction of this Department - your Salary will be Rs. 300 Three hundred per month, in the first instance, increasing hereafter according to circumstances and the success of the experiment.

3 The Civil Pay Master will submit on your account a schedule of your Office Establishment not exceeding two Copyists and you will be allowed Stationery from the

the Government Stores – your printing work will be done at the Accountant General's Press. –

4 You are requested to take up your appointment at once. –

Council Chamber
The 8th July 1862

I have the honor to be &c
Sd E. Drummond
Secy: to the Govt of India

Ordered that a copy of the foregoing be forwarded to the Auditor General of India, the Accountant General India Dy: Auditor & Accountt General & the Civil Pay Master, Bengal. –

Sent 9/7/62

No 116
Fort William
Financial Department
The 8th July 1862. –

Notification. –

Appointment – His Excellency the Governor General in Council having resolved to introduce the English Money Order System into the Lower Provinces, Bengal, Mr. F. C. Ross, has been appointed to the Office of Controller. –

Sd Edmd Drummond
Secy: to the Govt of India –

Fin/1862 No 915

No 915 A

From

The Honble Edmund Drummond,
Secretary to the Government of India

To

The Chief Secretary to the Government
of Fort Saint George.

Financial Department Sir,

I am directed to acknowledge the receipt of your letter, No 715, dated the 10th ultimo, and in compliance with the request contained therein, to forward copies of the papers noted in the margin, having reference to the introduction of the Money Order System in Bengal.

Financial Department
Account Proceedings of
July 1862 Nos 16A to 16M.
—Do— —Do— —Do— —Do— of
August 1862 Nos 14 to 14A.

I have the honor to be,
Sir,
Your most Obedient Servant,

Fort William,
The 22d November 1862

Ed. R. Drummond

Secy. to the Govt of India.

Financial Deptt

No. 452.

To The Secretary to the Govt. of India,
Financial Deptt.

Sir,

I am directed by the Governor in Council to request the permission of the Supreme Govt to adopt measures for introducing into this Presidency the Money Order System now in force in Bengal.

2. The privilege of making small remittance in this manner would be as convenient to the Public in Madras as in Bengal. Similar rules can be adopted without the ~~least~~ difficu[lty] and

dexpd. 15

Mis. 10th Octbr 62 715

Financial Dept

From
The Secy to Govt
Public Dept

L. No. 452

915-62.

$22nd Aug = 62
Rg = Decr = 62.

Govt Order

Forwards Copies of certain Letters and Enclosures regarding the introduction of the Money Order System in Bengal.

and there seems no reason why the experiment of a system which has been in successful operation for years in England should not be tried in this Presidency also.

3. The Govt seek no more at present than permission to make the necessary arrangements subject to the approval of the Supreme Govt.

4. I am to request that any recent orders, &c on the subject may be communicated to this Govt.

Fort St George
11th July 1863

12 Copies

Fwk 1863. Despatch

№ 452

To

The Secretary to the
Govt of India
Fwk Departt

Fk 269 of 18

Dd 11 July 1863.

23 & 24