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Government of Madras.

Financial DEPARTMENT.

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Proceedings of the Madras Government, Financial Department,

25th August 1868.

No. 47. Read the following letter from the Secretary to the Government of India, Financial Department, to the Chief Secretary to Government, Fort Saint George; dated Simla, 29th July 1868, No. 1335 (Circular).

Accounts.

The Government of India has, for some time past, had under its consideration the question of extending throughout India the system of Government Savings' Banks. Such Banks at present exist only at the Presidency Towns, where they have met with a certain measure of success. Hence, there arises a hope that such institutions may gradually be set up, and prove useful in the interior of the country.

2. The Secretary of State has inquired whether the Postal Savings' Banks system, which has worked with great success in England, might be introduced into India. But there is reason to apprehend that the Indian Post Office is not organized so as to enable it to undertake the duties of Government Savings' Banks.

3. The District Treasuries, whether under the charge of the Collectors or branches of the Presidency Banks, could, it is believed, initiate the measure without any difficulty or increased cost. With reference to this belief, I am directed to request that, with the permission of His Excellency the Governor in Council, you will favor the Government of India with an opinion as to the practicability of the measure, and the details necessary to put it in force.

4. I am directed for this end to forward a draft copy of rules which have been proposed for the management of the Savings' Bank, and to request that they may be carefully scrutinized, and that His Excellency in Council may be favored with any criticisms or remarks which may be suggested by their perusal.

5. Whatever arrangements may be adopted will be purely tentative. If, in cases where Government establishments were entrusted with the management, they should meet with such success as to cause undue labor to the Officers concerned, it will be then necessary to consider whether a special machinery for working the Banks might not be organized. At present it seems unnecessary to make any provision for additional establishment to perform the duties, since no conclusion can be formed as to its strength and cost until the experiment has been fairly tried.

6. His Excellency in Council is of opinion that there would be no difficulty in at once making use of the Presidency Branch Banks, wherever such agencies were available, and also that, at the commencement of the undertaking, the work might easily be performed by the District Treasury Officers, where there was no Branch Bank, with a payment, say, of one-eighth per cent. on all deposits to the Treasury Ministerial Officer employed in the duty, as a reward for his additional labor, and also as encouragement to him to promote the increase of the deposits.

7. As soon, however, as the business became sufficiently onerous, from the number of deposits, to employ a separate Officer, such an Officer might be appointed on a salary, say, of Rupees 50 per mensem.

8. No expenditure would, however, be incurred without the previous sanction of the Government of India, or, in other words, each Local Government could submit its scheme for general approval, at least as regards the aggregate proposed to be expended.

9. With a view to promoting public interest in the establishment of these Savings' Banks, wherever they showed any signs of success, a Local Committee might be appointed, consisting of influential European and Native gentlemen, who would form a Local Board to meet once a month, or more frequently as the case might be, to inspect the books and to note the due observance of the rules, and to make such suggestions as might tend to the more complete development of these useful institutions.

10. Special attention is requested to the rate of interest to be allowed, as mentioned in the rules; if any other rate in preference can be suggested, it should be stated. It should also be considered whether any portion should be kept back for payment of expenses.

11. It will be observed that the minimum limit proposed for deposits is one rupee. This is in analogy with the English minimum of one shilling; but if the rupee limit be considered too low, such amount as may appear preferable should be suggested.

12. In the event of the success of the Savings' Banks at District Treasuries, they might be ultimately extended to minor or Tehsildaree Treasuries.

13. It might be understood that the rules now proposed are only intended to embrace the main points. Each Local Government could frame and promulgate such additional bye-laws as might be necessary. Connected with this question of Government Savings' Banks, there is the important question of the establishment of a system for making Government loans to agriculturists on the security of land, to assist them either in making permanent improvements on their land, or in their ordinary agricultural operations.

14. If the Government Savings' Banks met with success, such an investment of a part at least of the deposits might be not inappropriate; but that question could, if necessary, be separately taken up, without reference to the success or otherwise of the Government Savings' Banks.

15. I am desired to request that these questions may be taken into early consideration with reference to the forgoing remarks.

16. His Excellency in Council will, no doubt, take the opinion of such gentlemen, official or non-official, whom he may consider competent to advise in this matter.

17. I am to add that Mr. Dickson, Secretary to the Bank of Bengal, some time ago favored the Government of India with a valuable note on the subject of Savings' Banks, dated 6th February 1867, and a further memorandum was obtained from him on the 5th of May last; and copies of both these documents are appended for information, and for consideration of the suggestions which they contain.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

PROPOSED RULES FOR THE MANAGEMENT OF SAVINGS' BANKS.

I.—Rules for the information of the Public.

1. The Government Savings' Banks now managed by the Banks of Bengal, Madras, and Bombay, will form the Central Savings' Banks in the respective Presidencies; the District Savings' Banks will be in connexion with the branches of the several Presidency Banks and the District Civil Treasuries throughout the country. All classes, European and Native, may invest their savings in the Central or District Savings' Banks.

2. The repayment of the exact sum deposited, together with the interest due thereon at the under-mentioned rate, is secured to the depositor under guarantee of the Government of India.

3. Any sum (not less than one rupee) will be received in deposit, provided that the deposit of any depositor during any one year do not exceed Rupees 1000. When the principal and interest together standing at credit of any depositor amount to Rupees 2500, the amount will, at the option of the depositor, be invested in Government Securities.

4. Interest at five per cent. per annum will be allowed on deposits until further notice.

5. Interest will be calculated on a deposit from the first day of the month succeeding that in which it was received, and up to the last day of the month preceding that in which it was withdrawn. No interest will be allowed for broken periods of a month, or calculated on fractional parts of a Rupee; but a full month's interest will be allowed on deposits made within the first four working days of the month. The account of each depositor will be closed on the 31st March of every year, and the balance of interest due at that period will be paid to the depositor, or carried to account, thenceforward to accumulate at compound yearly interest.

6. No change in the rate of interest will be made, except after six months' notice to that effect in the Government Gazette.

7. No person will be allowed to deposit his savings in more than one Savings' Bank at the same time. All deposits will be regularly entered in the books of the Savings' Bank at the time they are made, and also in the Pass-book with which every depositor will be provided. This book must be presented, and the needful entry made, whenever any sum is deposited or withdrawn.

8. No person will be allowed to deposit any money without making known his name, designation, and address. These particulars, and (in the case of Natives depositing their savings in the District Savings' Banks), a descriptive roll of each depositor will be entered in the Pass-books.

9. No person will be allowed to deposit money for the benefit of any other person or persons, except parents on behalf and on account of their children, being minors. No trust will be allowed to appear on any deposit, provided, however, that this rule shall not be construed to prohibit individuals resident out of the Presidency towns from making deposits in the Central Savings' Banks through their Agents, or to prohibit females who, according to the manners and customs of the country, do not usually make their appearance in public, from making their deposits in their own names by the hands of other persons as agents in their behalf, either in the Central or District Savings' Banks.

10. Deposits will be paid or transferred only on the personal application of the depositor, except in the cases in which the preceding rule dispenses with personal attendance. When peculiar circumstances render a deviation from this rule necessary, the Officers in charge of the Central or District Savings' Banks will exercise their discretion in dealing with such cases on their merits, or, if needful, referring them for the orders of the Local Government.

11. Subject to the foregoing conditions, depositors will be at liberty at any time to withdraw their savings from the Savings' Bank in which they were deposited, receiving interest up to the end of the month preceding that in which the withdrawal is made.

12. A depositor wishing to receive back his deposit at a Savings' Bank other than that at which the deposit was made, will be required to submit an application to the Officer in charge of the latter Savings' Bank, who will cause the following entry to be made in the Pass-book:—

"The sum of Rupees being the balance, with interest to date, of 's account is transferred for payment at the Savings' Bank."

(Signed) A. B., in *charge of Savings' Bank.*"

Advice of this transfer will be made to the Savings' Bank concerned, where an account will be opened in the name of the depositor.

13. All receipts for savings withdrawn by depositors will be exempted from stamp restrictions and charges.

14. On the death of a depositor, the sum at his credit will be paid to his executors or assigns; or, in the absence of a will, according to the law on this head, or to the regulations of the Service, if the deceased belonged to the Army.

15. Military Officers and Soldiers, European and Native, will invest their savings in the Government Savings' Banks through the Paymasters of Corps and Divisions under the regulations at present in force.

16. In the construction of these rules, unless there be something in the subject or context repugnant thereto, every word importing the singular number only shall mean and include several persons or things, as well as one person or thing, and the converse; and every word importing the masculine gender only shall mean and include a female as well as a male; and the word month shall refer to a calendar, and not a lunar, month.

II.—Rules for guidance of Officers in charge of Savings' Banks.

17. At stations where there is only a District Treasury, the Officer in charge of the Treasury will conduct the business of the Savings' Bank; but at stations where a branch of the Presidency Bank conducts the Government Treasury business, that connected with the Savings' Bank will form a part of the Government business.

18. The Officers charged with the duty of receiving deposits, either in the Central or District Savings' Banks, will take care that the limitations prescribed in regard to the amounts of deposits are duly observed; but they are not to reject tenders of small silver pieces, if the amount of each tender be of the value of one rupee, or of some number of rupees.

19. The amounts of deposits will be carefully entered, as they are received, in the books of the Savings' Bank, and carried to credit of the respective depositors in the Savings' Bank

Ledger. A schedule of the deposits received in each month will be forwarded, with the month's Treasury account, to the Provincial Accountant General, the total amount of the deposits being likewise credited in the Treasury account under "Savings' Banks deposits and withdrawals."

20. The procedure in regard to withdrawal of deposits will ordinarily be as follows:—The depositor will present his Pass-book; after examination and allowance of his claim, it will be paid, and the payment will be entered in the Pass-book, and debited to the depositor's account in the Savings' Bank Ledger. A schedule of the withdrawals will be rendered monthly to the Provincial Accountant General, similarly with the monthly schedules of deposits mentioned in Rule 19, the amount of the withdrawals being likewise debited in the Treasury Account.

21. When a depositor wishes to receive back his savings from any Savings' Bank other than that in which they were deposited, he will submit a written application to that effect, with his Pass-book, to the Officer in charge of the latter Savings' Bank, who will verify the entries in the Pass-book, and then note in the Pass-book and in the depositors' account in the ledger the sum transferred.* Advice of the transfer will be duly made to the Savings' Bank concerned, where an account will be opened in the name of the depositor. The depositor will then present his Pass-book at the Savings' Bank where his deposits are payable, with a notice of withdrawal. The Officer in charge will carefully inspect the entries in the Pass-book, and compare the signature or mark in the Pass-book with the signature or mark to the notice of withdrawal; he will also check the note of transfer in the Pass-book with the advice thereof to himself; after satisfying himself as to the identity of the depositor, and the state of the latter's account, he will pay the sum claimed, noting it in the Pass-book, also in the register of withdrawals, and include the payment in the schedules of withdrawals rendered monthly to the Provincial Accountant General.

* See Rule 12.

22. The Provincial Accountant General will check the Dr. and Cr. entries in the Treasury Accounts with the schedules of deposits and withdrawals, and will certify on the schedules the fact of their agreement or otherwise with the Treasury account. The schedules will then be forwarded to the Central Savings' Bank at the Presidency, where the accounts will be finally examined and consolidated.

Forms of the books to be kept, and of the returns to be made, by the several Savings' Bank Offices, with detailed instructions for their preparation and check, will be issued hereafter.

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MEMORANDUM.

Savings' Banks should, in my opinion, be on a wider basis than that proposed. Local interest and voluntary efforts to induce members of both the European and Native community to become depositors are necessary to ensure success.

With this view, I would suggest that a Board of Patrons, composed of (1 Government Officials, ex-officio, (2) Clergymen, and (3) non-officials, as volunteers to bring depositors, be nominated at each station, to the number of, say, from four to twelve according to circumstances. It might be so arranged that part of their number taking up the duties in rotation) should meet daily, or on stated days two or three times a week, to receive and grant receipts for deposits, pass all cheques for withdrawals, and generally to watch progress in obtaining deposits, and discuss any suggestions likely to lead to an increase of the business; they would also have a general control over the Office. I would also suggest that a paid Actuary be appointed on a minimum salary of Rupees 50 per mensem, with a small percentage on the deposits beyond a certain limit—say, something like ⅛ per cent. for all above one lakh. As his duties must be very light—probably fifteen minutes before ten o'clock on the meeting days would suffice for the despatch of all business—the above remuneration would, I think, be considered sufficient, and the commission to be received on the deposits would have the effect of quickening his efforts to increase them.

Native gentlemen, I am sure, would heartily co-operate in the work.

Further, I hold that each Mofussil Branch *should be self-governed* under general rules drawn up by the Central Office; *should receive and pay deposits on the spot* (this is very essential—I have always found it so with Savings' Banks at Home); should use their own Pass-books, and sanction payments on their own cheques. All branches should, however, make stated and regular returns to the parent office, with whose general affairs they should be incorporated, and under the control of which the branches should be placed.

An annual meeting should be held at the Central Office, the abstract state of affairs published, and classified depositors, with other particulars of *each* sub-branch, shown. This would have the effect of keeping up public interest, and allowing an opportunity for enforcement of industrious and saving habits.

A supply of forms, cash-books, and ledgers (register alone is *not* sufficient) should be prepared for each office. Pass-books should be verified, and whole affairs audited every year *locally*, *not* by the Central Office.

All stamp restrictions and charges should be abolished, *e. g.*, on cheques above Rupees 20, and on powers authorizing another to act or sign.

I think vernacular books unnecessary.

Married women might be allowed to have drawing accounts, on production, when first opened, of written authority from their husbands.

A thorough revision of the existing system is necessary, which will entail much labor, care, and supervision, besides expense. New arrangements with the Banks are also necessary. In fact, I would suggest a separation from Banks *in toto*, and the appointment of an experienced Actuary by Government.

Taking the rate of interest to be allowed at 4 per cent., an additional 1 per cent. will be ample to pay all charges—stationery, salaries, and commission—making a charge of 5 per cent. on deposits received.

It is worthy of consideration whether the clause for investments should be optional only, and not obligatory, as I understand it is desired by Government to have the use of the money. Every withdrawal for investment consequently weakens the cash balances.

BANK OF BENGAL, (Signed) GEORGE DICKSON.
CALCUTTA, *6th February* 1867.

——

MINUTE by G. DICKSON, Esq., on the establishment of Government Savings' Banks in India.

The first carefully organized Bank for savings from the earnings of the poorer classes was established at Ruthwell, in Scotland, by the parish clergyman, Dr. Duncan, in 1817.

In the same year, Lord Medwyn, one of the Lords of Session, founded one in Edinburgh and in some of the neighbouring parishes. Their success soon attracted notice, and Government, by Act LVII, Geo. 3, Cap. 105 and 130, took Savings' Banks under its own protection. By Act IX, Geo. 4, passed in July 1828, the laws relating to Savings' Banks in England and Ireland were consolidated, and all former statutes repealed. The Trustees of Savings, formed in terms of that statute, were authorized to invest their deposits in the Bank of England or Ireland, on receipts carrying interest at the rate of 2½*d.* per cent. per diem, or £3-16-0½ per cent. per annum; but it was provided that the interest payable to depositors should not exceed the rate of 2¼*d.* per diem, or £3-8-5¼ per cent. per annum; the difference being retained by the Trustees to defray the expenses of the Bank. It also provided that all moneys paid into the Banks of England and Ireland on account of the Savings' Banks should be invested in Bank Annuities or Exchequer Bills. The highest deposit allowed was £150, and when the amount with interest reached £200, no further interest was to be allowed. Charitable or provident institutions were permitted to deposit sums to the extent of £100 yearly, provided the amount should not exceed £300 in all, exclusive of interest. The lowest deposit allowed was 1*s.* The above Act was extended to Scotland in 1835.

Twenty years after their establishment, viz., on 20th November 1837, the following remarkable results were attained, viz. :—

Country.	Number of Banks.	Amount Deposited.	Number of Depositors.	Average for each Depositor.
		£.		£.
England	398	16,177,699	534,353	30
Wales	23	401,150	13,557	30
Ireland	78	1,775,911	63,298	28
Scotland	9	143,284	13,252	11*
	508	18,498,044	624,560	
Charitable and Friendly Societies in United Kingdom		1,125,971		
Total		19,624,015		

Relative to the proposed establishment of Savings' Banks in India on a wide basis, and although too much must not be expected, I am clearly of opinion that, in order to give the extended scheme a fair trial and ensure success, the proposal must be devised in a liberal spirit, treated as of imperial importance, and the superintendence and control of the Central Bank and Branches placed under charge of an Officer of high standing and appointed by Government. In order more effectually to carry out the proposal, I submit for consideration—

I.—That an Act of the Supreme Council should be passed similar to that of England, prescribing conditions for the good government of the Bank, and vesting the entire funds to be raised in names of certain high Officers, *ex-officio*—no emoluments.

II.—That a Government Officer should be appointed, whose special duty it shall be to enforce adherence to the Rules and Regulations laid down by the Act of Council, and to whom shall be referred for approval the Rules and Regulations of every District Savings' Bank throughout India, before such District Savings' Bank shall commence business.

III.—That in every chief station (say throughout Bengal, as an experimental measure), the Collector or other superior Government Officer shall, *ex-officio*, be patron of the local Bank in his district, and that along with him shall be associated, as Managers and Trustees, the chief inhabitants, Native and European, to the number of twenty (more the better), or any smaller available number; that every Local or District Bank, while under the general control of the Central Office, shall, nevertheless, be independent so far as the payment and receipt of money and the conduct of the general business are concerned; that they appoint their own office bearers, and frame their own laws and regulations, subject to the approval of the Officer to be appointed for revising rules and regulations of Savings' Banks in India; that they shall not, however, retain any balance of funds beyond their probable weekly requirements; that a paid Actuary be appointed on a minimum salary of Rupees 50 per mensem, provided he finds suitable security to an amount not exceeding Rupees 10,000, and that he be paid a commission, not under one-eighth per cent., for every additional Rupees 10,000 which shall be permanently added to the amount over the average of the preceding year; that in every district an unpaid Treasurer be associated with the Actuary.

IV.—That the list of Patrons, Managers, and Trustees, with the names of office bearers, be printed and prefixed to each Pass-book, and that the rules and regulations when approved by the Officer for that purpose shall, in like manner, be prefixed to each Pass-book.

V.—That the Bank shall not be open for the transaction of business, except on the day and days appointed by the Patrons, two of whom shall in rotation be in attendance during the hours appointed for the transaction of business, and they shall sign and docket the cash-book of each day's attendance; that no Trustee or Patron shall be liable but for his own acts and deeds, except where he shall be guilty of wilful neglect or default.

VI.—That the present rate of interest, apparently fixed at a time when the value of money was exceptionally low, be raised to at least 5 per cent. per annum, and that the *minimum* rate to be allowed to depositors be $4\frac{1}{2}$ per cent. per annum—$\frac{1}{2}$ per cent. being retained in payment of the cost of management, stationery, printing, office rent, &c.

VII.—That a public meeting shall be held at least once in every year in each district where a Savings' Bank has been established, presided over by the Patron, at which meeting shall be read abstract statements of the progress of the Bank, *i. e.*, exhibiting the amount lodged, the amount withdrawn, classified lists of depositors, whether Native or European, their respective callings and occupations. In practice it was found at Home to be of the greatest importance to the success of the Banks that these meetings should be held regularly, as the public interest is enlisted and kept alive thereby. Much depends on the zeal of the Actuary, who must be a thoroughly working-man. In India, if he can enlist the support of some of the leading Zemindars and chief Natives, who could exhort their dependents to become depositors, much good will result. All kinds of objections must be met and overcome. I had the good fortune to originate and establish successfully Savings' Banks in districts of Scotland widely separated. At first, the scheme was looked upon as an attempt to get at the amount of wages saved by the laboring classes, in order that their employers might reduce the rate of wages. That and many similar objections will soon disappear, and influential and willing volunteers will, I am certain, be found in every district to carry on the good work. But a paid agency, and a thoroughly good working-man as Actuary, is indispensably necessary.

Generally.—The provisions regarding deposits in names of minors, and payments of funds belonging to a deceased depositor, should be as liberal as possible—care, however, must be taken to guard against unexpected demands; that payment of deposits exceeding a certain amount shall

* The Scotch Banks allow interest on money lodged usually at higher rates than those given by the Savings' Bank, and they receive single deposits, and allow interest on sums of, and sometimes under, £10. By successive changes, the rate of interest has been reduced from £3-16-0½, as at July 1828, to £2-10 per cent. per annum, at which it now stands.

For the year ending 20th November 1857, the amount, including interest, had increased to £35,255,722; and in 1866, £36,219,771, exclusive of £6,526,400 (year 1865), or £42,746,171 in whole.

For further particulars connected with the present position of the Savings' Banks in the United Kingdom, reference is made to the following statements, viz. :—

STATEMENT No. 1 exhibits the progress made in each year since 1857—I say *progress* advisedly, because there is no doubt that the amount collected under the Act establishing Savings' Banks in connexion with the Post Office is, to a large extent, recruited from the older Savings' Banks.

STATEMENT No. 2 gives very minute details regarding the thorough organization of the Savings' Bank system in Scotland, which contains a population by last census of only 3,062,294, and yet has in her 52 Government Savings' Banks £ 2,751,323, besides a sum exceeding seventy millions in the ordinary Banking Institutions.

STATEMENT No. 3 exhibits the particulars of the Banks in the United Kingdom as at November 20th, 1866, and is remarkable chiefly as regards the marked decline in the number of Banks and amount of deposits in Ireland, as compared with the Return of 1837. England and Scotland have maintained a steady progressive rate of increase.

STATEMENT No. 4 contains (1) the main provisions of the Act instituting Savings' Banks in connexion with the Post Office, and (2) the amount received throughout the United Kingdom from the date of their creation down to the end of 1865—the last Return accessible.

be made on some days' previous notice ; lastly, once in every year, the Central Bank should publish in the *Gazette of India* classified lists showing the progress of the entire institution, but distinguishing each branch, and giving the classified particulars referred to under Section VII.

That a very wide field exists in India for the successful extension of Government Savings' Banks is quite undoubted. The annexed Statement, exhibiting the particulars of the existing Government Savings' Bank for Bengal, clearly demonstrates that the system is inherently defective.

COMPARATIVE Statement showing the number of accounts and amount of deposits in Government Savings' Bank when transferred to the Bank of Bengal in 1863, and on 30th April 1868.

Depositors.	No. of accounts in 1863.	No. of accounts, April 1868.	Increase.	Amount of deposits, 1863.			Amount of deposits, April 1868.			Increase.		
				RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Presidency, European... ...	3,725	4,144	419	5,95,693	4	5	9,27,552	2	6	3,31,858	14	1
Do. Native...	3,237	4,223	986	2,81,824	9	0	5,19,587	5	4	2,37,762	12	4
Mofussil, European and Native.....	704	838	134	1,11,234	0	0	1,79,290	0	5	68,056	0	5
Security Depositors, principally composed of Public Works Department Officers.	200	511	311	54,372	4	11	90,329	10	6	35,957	5	7
Total ..	7,866	9,716	1,850	10,43,124	2	4	17,16,759	2	9	6,73,635	0	5

The Bank was established by Government in 1833.

SAVINGS' BANKS.

TABLE I showing the amount received from depositors in Savings' Banks not being Post Office Savings' Banks, the amount paid to them, and the amount of their capital, as well in Scotland as in the United Kingdom, in each of the ten years from 1857 to 1866.

Year.	Scotland.			United Kingdom.		
	Received.	Paid.	Capital.	Received.	Paid.	Capital.
	£.	£.	£.	£.	£.	£.
1857...	652,734	866,372	1,776,746	7,581,415	8,375,095	35,145,567
1858...	780,023	649,863	1,960,902	7,901,925	7,839,903	36,220,362
1859...	815,034	648,651	2,210,710	9,021,907	7,335,349	38,995,876
1860...	861,975	723,092	2,414,073	9,478,585	8,258,421	41,258,368
1861...	844,326	790,609	2,537,963	8,764,870	9,621,539	41,546,475
1862...	886,568	821,231	2,677,209	8,136,630	10,195,629	40,562,256
1863...	957,146	836,319	2,877,332	8,248,702	8,906,642	40,951,505
1864...	953,138	1,093,803	2,819,033	8,174,679	10,781,829	39,520,336
1865	967,663	1,007,652	2,859,377	7,684,637	9,557,072	38,745,298
1866...	945,945	1,134,046	2,746,071	7,225,809	10,052,993	36,207,619

In the year 1865, the amount received under heading "United Kingdom" includes £2521 transferred from Post Office Savings' Bank ; and in the same year, the amount includes £232,312 transferred to Post Office Savings' Bank. In the year 1866, the amount received includes £2307 transferred from Post Office Savings' Bank ; and in the same year, the amount paid includes £255,113 transferred to Post Office Savings' Bank.

TABLE No. II shows the number of Savings' Banks in each county of Scotland, the number of accounts remaining open, and the total amount owing to depositors on the 20th November 1866, together with the number and average amount of receipts from depositors, and the number and average amount of payments to depositors, during the year ended on the 20th November 1866. At the date of the Return, there were no Savings' Banks in the counties of Argyle, Ayr, Clackmannan, Haddington, Kinross, Linlithgow, Orkney and Shetland, Peebles, Sutherland, and Wigtown.

Counties.	Number of Banks.	Number of Accounts remaining open.	Total amount owing to depositors.	Annual number of receipts from depositors.	Annual number of payments to depositors.	Average amount of receipts from depositors.			Average amount of payments to depositors.		
			£.			£.	s.	d.	£.	s.	d.
Aberdeen...	7	22,828	279,687	15,025	12,750	3	8	9	6	4	1
Banff...	3	1,022	15,541	725	667	3	2	9	6	2	9
Berwick...	1	259	3,308	283	97	1	18	6	8	6	2
Bute...	1	1,700	16,997	1,694	1,341	4	8	0	5	17	7
Caithness...	2	1,015	18,872	617	701	3	12	1	6	1	0
Dumbarton.	2	1,019	5,720	1,775	665	1	16	9	6	4	8
Dumfries	2	892	9,404	930	527	2	2	9	7	6	10
Edinburgh.....	3	35,702	578,591	71,589	49,306	2	14	10	5	1	10
Elgin	2	1,470	23,111	1,002	905	2	1	3	10	17	9
Fife...	4	8,079	117,646	11,180	5,850	2	12	0	5	2	8
Forfar.	4	13,477	209,524	46,115	18,101	2	2	4	5	10	2
Inverness.	2	3,251	40,321	3,566	2,969	2	15	0	4	8	10
Kincardine.	4	2,184	52,769	1,696	1,427	4	14	4	7	15	1
Kirkcudbright...	1	708	9,755	802	355	2	7	11	9	19	4
Lanark...	2	52,591	1,126,272	136,656	78,999	3	1	6	5	17	7
Nairn.....	1	655	6,666	454	456	2	15	0	5	10	8
Perth.....	1	1,701	17,262	714	793	3	15	3	8	9	10
Renfrew...	1	3,729	59,276	9,233	4,917	2	12	6	6	3	11
Ross & Cromarty....	1	331	4,802	187	251	4	3	2	9	15	9
Roxburgh...	4	4,206	81,546	5,352	2,833	3	3	4	8	19	0
Selkirk.....	1	342	6,828	418	314	3	19	1	7	18	1
Stirling...	3	5,569	67,417	8,774	3,093	1	19	7	6	16	9
Totals (1866)...	52	162,730	2,751,323	318,697	187,317	2	16	6	5	16	2
Totals (1865)...	52	162,094	2,859,539	300,743	183,619	3	1	0	5	5	1
,, (1864)...	54	159,319	2,819,201	297,195	177,422	3	1	0	5	16	9
,, (1863)...	51	155,298	2,877,508	274,189	167,939	3	5	7	4	13	6
,, (1862)...	52	147,865	2,677,209	260,364	174,351	3	5	5	4	10	3
,, (1861)...	53	142,906	2,537,963	224,752	166,735	3	3	2	4	9	2
,, (1860)...	51	139,114	2,414,073	252,092	155,492	3	8	5	4	13	0
,, (1859)...	51	132,812	2,211,001	240,328	142,558	3	7	9	4	10	9
,, (1858)..	47	123,273	1,960,609	220,395	140,580	3	10	10	4	12	5
,, (1857)...	46	114,735	1,776,901	205,368	145,087	3	3	6	5	19	5
,, (1856)..	46	119,281	1,936,495	222,922	147,407	3	4	9	5	15	3

The 52 Banks on the 20th November 1866, had 52 unpaid and 156 paid Officers. The amount of security given by the unpaid Officers was £13,800 ; by the paid Officers £33,005. The salaries and allowances of the paid Officers amounted to £10,252, being at the rate of 7*s.* 5*d.* per cent., on the capital of the Banks. The total amount invested with the Commissioners for the reduction of the National Debt (exclusive of the surplus fund) was £2,724,741 ; the balance in the hands of the Treasurers, £35,298 ; the surplus funds in the hands of the Commissioners, £2,255. The average rate of interest paid to depositors was £2-19-4.

The following Table III shows the number of Savings' Banks in each province of the United Kingdom, the number of accounts remaining open, and the total amount owing to depositors, as well on the 20th November 1866 as on the 20th November 1865.

Country.	Number of Banks on 20th November.		Number of accounts remaining open, 20th November.		Total amount owing to depositors 20th, November.	
	1865.	1866.	1865.	1866.	1865.	1866.
					£.	£.
England and Wales.....	459	449	1,227,490	1,164,712	33,586,505	31,473,182
Scotland.....	52	52	162,094	162,730	2,859,539	2,751,323
Ireland.....	49	48	59,733	51,538	1,836,861	1,540,578
Islands in British Seas...	2	2	19,178	19,366	463,229	454,687
United Kingdom.....	562	551	1,468,495	1,398,391	38,746,136	36,219,771

The number of Savings' Banks which, under the provisions of 26, Vic., Cap. XIV, or otherwise, have been closed in the United Kingdom, and have transferred their funds, or any part thereof, to Post Office Savings' Banks, up to 30th November 1866, was 100 (87 in England and Wales, six in Scotland, and seven in Ireland). The number of depositors' balances on 20th November, previous to date of notice to these Banks to close, was 95,726 (92,352 in England and Wales, 2034 in Scotland, and 1340 in Ireland). The amount of such balances was £2,001,356 (£1,950,689 in England and Wales, £19,944 in Scotland, and £30,722 in Ireland). The number of accounts transferred to Post Office Savings' Banks was 50,835 (50,834 in England and Wales, 238 in Scotland, and 213 in Ireland). The amount of the accounts transferred, viz., transfer certificates, excluding £170,000 estimated to have been paid in *cash* by about 8000 of the depositors in these closed Banks to the Post Office Savings' Banks, was £1,105,066 (£1,099,935 in England and Wales, £634 in Scotland, and £4496 in Ireland). The amount of compensation paid to Officers of these closed Banks, under the Act 26 Vic., Cap. XIV, was £13,095. A few of the Banks, though closed, have not yet finally settled their accounts with the Commissioners for the reduction of the National Debt.

Abstract of Act passed, 24th and 25th Vic., Cap. XIV. relating to Post Office Savings' Banks, "to grant additional facilities for depositing small savings at interest with the security "of the Government for due payment thereof"—May 17th, 1861.

(First Office opened September 16th, 1861.)

(1.)—*Post Master General*, with consent of Treasury, may direct Officers in the Post Office to receive deposits for remittance to the principal Office, and to repay the same under such rules as may, with consent foresaid, be prescribed.

(2.)—No deposit to be less than 1*s.* nor of any sum not a multiple thereof. Every deposit to be entered in Depositors' Book, and the entry attested by the Officer and stamped with the date Office Stamp. Amount to be reported same day to Post-master General, whose acknowledgment is to be transmitted to the depositor, which is to be conclusive evidence of his claim for re-payment with interest. The entry in the book to be evidence for ten days. If no acknowledgment received within ten days, and a demand be then made therefor, the entry to be evidence for ten days more, and so on *toties quoties*.

(3.)—Depositors, or parties authorized by them, entitled to re-payment of any deposit, either in whole or in part, within ten days after demand.

(4.)—Names of depositors and amounts paid in or repaid not to be disclosed to any one, except the necessary officials.

(5.)—Moneys deposited to be paid over to the Commissioners for reduction of the national debt. Re-payments to be made through the Post Office.

(6.)—Confers on depositors the security of the national funds.

(7.)—Allows interests on deposits of 2½ *per cent. per annum.* Interest not to be calculated except on £1, or a multiple thereof, not to commence till the first day of the calendar month after deposit, and to cease the first day of the month after withdrawal.

(8.)—Interest to be calculated to the 31st December each year, and added to principal.

(9.)—Commissioners of National Debt to invest moneys received in the same securities as Savings' Bank Funds are invested; to keep separate accounts; to balance these at 1st January, and lay the balance sheet before Parliament not later than 31st March.

(10.)—Regulates the transfer of deposits from Post Office to Savings' Banks, and *vice versa*, which is done by certificates to be got respectively from the Office of the Post Master General, or from the Managers or Trustees of the Savings Bank. Nothing in this Act to require the rules of any certified Savings' Bank to be again re-certified.

(11.)—Post Master General, with consent of Treasury, to make rules for carrying this Act into execution. Copies of such rules to be laid before Parliament within 14 days after it meets.

(12.)—An annual account of the sums received and paid within the year, and of the expense incurred, to be laid before Parliament by Post Master General not later than 31st March.

(13.)—Accounts of Post Master General and Commissioners for National Debt in regard to this matter to be audited before 31st March annually by the Audit Commissioners.

(14.)—Provisions of Savings' Banks Acts, in so far as not repugnant to this Act, to be held to apply, if not otherwise provided for in this Act.

(15.)—Expenses incurred in executing this Act to be paid out of the moneys received.

Table. IV showing the progress of The Post Office Savings' Banks since the passing of the foregoing Act, and showing the total amount received from and paid to depositors, and computed capital from 1863 to 1865 inclusive.

		England and Wales.	Scotland.	Ireland.	United Kingdom.
		£.	£.	£.	£.
1863...	Received...	2,500,421	86,649	117,663	1,704,733
	Paid...	938,951	35,899	51,357	1,026,207
	Capital...	3,131,535	29,359	145,934	3,376,828
1864...	Received...	3,242,088	89,219	121,044	3,452,351
	Paid...	1,685,730	64,831	85,494	1,836,055
	Capital...	4,687,893	123,747	181,484	4,993,124
1865...	Received...	3,630,432	94,645	126,810	3,851,887
	Paid...	2,156,781	70,670	91,160	2,318,611
	Capital...	6,161,488	147,775	217,137	6,526,400

Bank of Bengal,
5*th May* 1868.

(Signed) GEORGE DICKSON.

No. 48. ORDER THEREON, 25th August 1868, No. 338.

Resolved that copies of the foregoing letter, and of the Rules received with it, be transmitted to the gentlemen named in the margin, with a request that they will be so good as to favor Government with a brief expression of their opinion as to the practicability of extending the system of Government Savings' Banks to the stations in this Presidency where Branches of the Madras Bank and District Treasuries are established.

Mr. G. L. Morris.
,, R. K. Puckle.
,, D. F. Carmichael.
,, J. I. Minchin.
,, H. S. Thomas,
Captain T. Weldon.
V. Ramiengar.
T. Mutusawmy Iyer.
Mr. A. P. Streenevasa.
Revd. R. Caldwell, LL. D. Tinnevelly.
,, L. St. Cyr, Madura.

(True Extract.)

Chief Secretary.

To

Exd, J. H. Burns.

Circular

No. 1335.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Accounts.

To

The Chief Secretary to the Government of Madras

SIMLA, *the 2d July* 1868.

SIR,

The Government of India has, for some time past, had under its consideration the question of extending throughout India the system of Government Savings' Banks. Such banks at present exist only at the Presidency towns where they have met with a certain measure of success. Hence there arises a hope that such institutions may gradually be set up and prove useful in the interior of the country.

2. The Secretary of State has enquired whether the Postal Savings' Banks system, which has worked with great success in England, might be introduced into India. But there is reason to apprehend that the Indian Post Office is not organized so as to enable it to undertake the duties of Government Savings' Banks.

3. The District Treasuries, whether under the charge of the Collectors, or branches of the Presidency Banks, could, it is believed, initiate the measure without any difficulty or increased cost. With reference to this belief, I am directed to request that with the permission of His Excellency the Governor in Council you will favor the Government of India with an opinion as to the practicability of the measure, and the details necessary to put it in force.

4. I am directed for this end to forward a draft copy of rules which have been proposed for the management of the Savings' Bank, and to request that they may be carefully scrutinized, and that His Excellency in Council may be favored with any criticisms or remarks which may be suggested by their perusal.

5. Whatever arrangements may be adopted will be purely tentative. If in cases where Government establishments were entrusted with the management, they should meet with such success as to cause undue labor to the Officers concerned, it will be then necessary to consider whether a special machinery for working the banks might not be organized. At present it seems unnecessary to make any provision for additional establishment to perform the duties, since no conclusion can be formed as to its strength and cost until the experiment has been fairly tried.

6. His Excellency in Council is of opinion that there would be no difficulty in at once making use of the Presidency Branch Banks, wherever such agencies were available, and also that at the commencement of the undertaking the work might easily be performed by the District Treasury Officers, where there was no branch bank, with a payment, say, of one-eighth per cent. on all deposits to the Treasury Ministerial Officer employed in the duty as a reward for his additional labor, and also as encouragement to him to promote the increase of the deposits.

7. As soon, however, as the business became sufficiently onerous, from the number of deposits, to employ a separate Officer, such an Officer might be appointed on a salary, say, of Rs. 50 per mensem.

8. No expenditure would, however, be incurred without the previous sanction of the Government of India, or, in other words, each Local Government could submit its scheme for general approval at least as regards the aggregate proposed to be expended.

9. With a view to promoting public interest in the establishment of these Savings' Banks, wherever they showed any signs of success, a local committee might be appointed, consisting of influential European and Native gentlemen, who would form a local board to meet once a month, or more frequently as the case might be, to inspect the books and to note the due observance of the rules, and to make such suggestions as might tend to the more complete development of these useful institutions.

10. Special attention is requested to the rate of interest to be allowed, as mentioned in the rules, if any other rate in preference can be suggested, it should be stated. It should also be considered whether any portion should be kept back for payment of expenses.

11. It will be observed that the minimum limit proposed for deposits is one rupee. This is in analogy with the English minimum of one shilling; but if the rupee limit be considered too low, such amount as may appear preferable should be suggested.

12. In the event of the success of the Savings' Banks at District Treasuries, they might be ultimately extended to minor or tehsildaree Treasuries.

13. It might be understood that the rules now proposed are only intended to embrace the main points. Each Local Government could frame and promulgate such additional bye-laws as might be necessary. Connected with this question of Government Savings' Banks, there is the important question of the establishment of a system for making Government loans to agriculturists on the security of land, to assist them either in making permanent improvements on their land, or in their ordinary agricultural operations.

14. If the Government Savings' Banks met with success, such an investment, of a part at least, of the deposits might be not inappropriate; but that question could, if necessary, be separately taken up without reference to the success or otherwise of the Government Savings' Banks.

15. I am desired to request that these questions may be taken into early consideration with reference to the ~~pressing~~ foregoing remarks.

16. His Excellency in Council will no doubt take the opinion of such gentlemen, official or non-official, whom he may consider competent to advise in this matter.

17. I am to add that Mr. Dickson, Secretary to the Bank of Bengal, some time ago favored the Government of India with a valuable note on the subject of Savings' Banks, dated 6th February 1867, and a further memorandum was obtained from him on the 5th of May last; and copies of both these documents are appended for information, and for consideration of the suggestions which they contain.

I have the honor to be,

SIR,

Your most obedient Servant,

E. C. Buckland

Secy. to the Govt. of India.

1225

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following ~~letter~~ Circular
from the Secretary to Govt. of India, Fin. Dept.
Rec'd enter 29 July 1868 No 1335
Order thereon No 388 of 25 Augt 1868

Resolved that copies
of the foregoing letter and
of the Rules received with
it, be transmitted to the
gentlemen named in
the margin, with a request
that they will be so
good as to favor Govt.
with a brief expression of
their opinion as to the
practicability of extending
the system of Govern-
ment Savings' Banks
to the stations in
this

M. G. L. Morris.
" R. K. Puckle.
" D. F. Carmichael.
" J. J. Minchin.
" P. Thomas.
Subrayan T. Welsford.
" Rangiengar.
" Muttusawmy Iyer.
W. A. C. Stevenson
Revd C. Caldwell, L. L. D, Tinnevelly
" L. Sharp, Madura

Financial Department.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Accounts.

Circular.

From C. Beadon, Esq., C.S.I., Secretary to the Government of India,
To the Secretary to the Government of Madras.

No. 1935.

Dated Simla, the 22 July 1868.

Received 29 July 1868.

Sir,

I am directed to forward, for the information of the Madras Government, copies of the accompanying letter from the Secretary to the Government of India, Financial Department, and of the Rules which accompanied it, and to request that the Madras Government will favour the Government of India with a brief expression of their opinion as to the practicability of extending the system of Government Savings' Banks to the stations in Madras.

I have, &c.,
(Signed) C. Beadon,
Secretary to the Government of India.

No. 250—27-7-68.—50.

this Presidency where
Branches of the
Madras Bank and
District Treasuries are
established.

7
No. the Officiating above named. dup 21/9

Jul 1868. Department

No. 380.

PROCEEDINGS OF GOVERNMENT.

Dated 25 Aug 1868.

P. 440-447-452-453-487-504
528-529-591-595

47. 48.