M.R.O. 1—77,006—8-6-37.

(1) Number of pages 17

(2) Date of repair 7. 10. 39

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 560	Press / Mis.
604-606.	
Dated 4-12-	18 68.

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Not to be folded or roughly handled

No. 560.

FROM

THE HONORABLE R. S. ELLIS, C. B.,
Chief Secretary to the Government of Fort Saint George,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

SIR,

With reference to your Circular, dated the 18th August last, No. 1819, requesting to be favored with the opinion of this Government on the several questions therein proposed regarding the extension of the Money Order system, I am directed by His Excellency the Governor in Council to transmit copies of the replies received from the several Collectors in the Provinces, together with a copy of the Proceedings of the Board of Revenue reviewing these communications.

2. The Board of Revenue have entered fully into the several questions propounded, and I am to state that His Excellency the Governor in Council generally concurs in their remarks.

3. It will be observed that the Board advocate the establishment of a Money Order Office at every Tahsildar's station, observing that the loss to Government by the inoperativeness of any of the offices will be very trifling. The amount of work involved in the maintenance and control of an office does not simply consist of its money cost, and in the opinion of Government a minimum number of Money Orders should be fixed, and any offices not attaining to this minimum, after the experience of a year, should be given up.

4. The Collectors consulted are almost unanimous in favor of a reduction of the charge now made for the Money Orders, and the Accountant General at Madras is of the same opinion. The Board of Revenue do not concur in this view, having regard to the avowed object of the Money Order system, which is not intended to interfere with the Banking transactions of the country. The Board further think that the scale of rates is faulty, admitting, in some instances, of the evasion of the full charge by the breaking of the amount of remittance into several orders, and they recommend a uniform rate of 2 Annas for every 10 Rupees.

5. The majority of the Collectors are in favor of raising the maximum limit of Money Orders from Rupees 150 to Rupees 250. The Board do not consider that there is any necessity for raising the maximum, and in this opinion the Governor in Council concurs. The class for whose benefit the Money Order system is designed will seldom if ever require to make any remittance exceeding 150 Rupees.

6. The Board notice at some length the extreme inadequacy of the allowances at present enjoyed by the Agents, and their just claims to a larger share of the commission charged. The Government concur in the recommendation that 4 Annas per cent. on the amount of orders issued and paid will not be more than a fair and just remuneration. It will be impossible to induce the present Agents to continue in their offices without the increase recommended, which will still leave 50 per cent. of the commission to meet the expenses of the office of control. The Government further agree with the Board in the opinion that the demand of security from the Agents should be discretionary, and that when security is considered necessary the stamp papers for the bonds should be provided at Government cost.

7. The next important question discussed is the charge of commission on a graduated scale according to distance. This proposal is unanimously objected to by all the officers consulted as likely to lead to numerous mistakes and much additional trouble.

8. The Board next offer observations on the several rules proposed for the guidance of the Department, and their remarks are, in the opinion of this Government, deserving of consideration. I am to request particular attention to the Board's remarks in paragraphs 27 to 29 of their Proceedings on the general organization of the Money Order Department, in which the inconvenience of employing Revenue servants on these duties, under the control of a different Department, is noticed. It will be observed that the Board strongly recommend that the Money Order Office should use every effort to provide its own agency or abate its requirements from the servants of other Departments, and they further show that, whilst the Money Order Agents received during 1867-68 only 933 Rupees out of the annual commission, averaging 20 Rupees for each office, the expense of control was Rupees 7,900, absorbing the whole of the revenue and nearly two-fifths more.

remarks.

I am to remark that the opening of further Money Order Offices at necessarily less important stations is not likely to bring in much additional revenue, or mitigate the above condition of things, and that sufficient note has not been taken of the fact that the numerous Revenue Treasuries throughout the country afford natural facilities for the institution of Money Order agencies ; that these have hitherto been maintained by the almost gratuitous services of Revenue servants employed as Agents upon nominal allowances ; and that the employment of any different agency, whether Postmasters or others, is not calculated to ensure the success of the Money Order system. Having, therefore, regard to the needless correspondence and waste of labor which its maintenance as a separate organization involves, it may be worthy of consideration whether the simplest plan will not be to amalgamate it with the Treasury work of the districts under the control of the local Accountant General, and to embody its operations in the monthly Treasury accounts under a separate head of private remittances, a measure which will afford a solution of many of the difficulties regarding securities, absence of responsibility, &c., and obviate the necessity of weekly accounts and of references to Head Offices upon many trivial points which are likely to occasion inconvenience to the public. Fifty per cent. of the commission may be allowed to the Mofussil offices, and the remaining half to the office of control for the remuneration of any necessary ministerial agency required to be employed.

9. Should a Savings' Bank be established at each Taluq Treasury, as recommended by this Government in my letter, dated 9th ultimo, the clerk specially in charge of the Savings' Bank Department can without difficulty conduct the Money Order Agency.

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

Fort Saint George,
4th December 1868.

Rxd. J. Tulloch.

Remarks.

1868.

FINANCIAL DEPARTMENT.

From The Chief Secretary to Government, Fort Saint George.

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

Dated 30th November 1868.

Recd.

No. 550.
Enclosures.

NOVEMBER.
Nos. 104—106.

Transmitting copies of letters from the Reverend R. Caldwell and Mr. A. P. Streenevasa, expressing their views on the subject of extending the system of the Government Savings' Banks.

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dated 9/12 with 2 enclosures } Per P&O Steamer Ganges

No 560.

To the Secretary to the Govt of India. Fin. Dept.

Sir

With reference to your Circular dated the 18th August last No 1819, requesting to be favored with the opinion of this Govt on the several questions therein proposed regarding the extension of the Money Order System, I am directed by His Excellency the Governor in Council to transmit copies of the replies received from the several Collectors in the Provinces, together with a copy of the Proceedings of the Board of Revenue reviewing their communications.

2 The Board of Revenue have entered fully into the several questions propounded, and I am to state that His Excellency the Governor in Council generally concurs in their remarks.

3 It will be observed that the

The Board advocate the establishment of a Money Orders office at every Tahsildar's Station, observing that the loss to Government by the inoperativeness of any of the Offices will be very trifling But the amount of work involved in the Maintenance and Control of an Office cannot does not simply consist of be sufficiently represented by its Money Cost, and in the opinion of Government a minimum number of Money orders should be fixed, and any Offices not attaining to this minimum after the experience of a year ~~has~~ should be given up.

Yes. The money order system should be established with the Savings Banks. N.

4 The Collectors Consulted are almost unanimous in favor of a reduction of the Charge now made for the Money Orders,

Jam N.

and the Accountant General at Madras is of the same opinion. Revenue

~~But~~ The Board do not Concur in this view, having regard to the avowed object of the Money Orders System, which is not intended to interfere with the Banking transactions of the Country, and the Government in this view are disposed to ~~agree with them~~ concur.

The Board further think that the Scale of Rates is faulty, admitting in some instances of the evasion of the full charge of ~~remittance~~, by the breaking of the Amount of remittance into several orders, and they recommend a uniform rate of 2 annas for every 10 Rupees.

~~But it appears to the Government~~ that the defect can be removed Practically Less by striking out the ~~lowest~~ rate of 2 annas for 10 Rupees and so,

Interference with important banking transactions would not be intended by Government the amount remitted by Money Orders from Mofussil to Presidency towns is very small in this country as compared with the money order system of other countries, and the Hundies put by making no charges in a state favour to work also lower post for the benefit of the poor. N.

J.W.N.

72

and retaining the remainder of the scale as it now stands which provides a charge of 4 Annas for every 25 Rupees or 1 Per cent.

5 ~~The Govt agree with The Board in that they do not support~~ the opinion expressed by the Majority of the Collectors are in favor of raising the maximum limit of Money orders from Rs 150 to Rs 250, as it would be acceptable larger sums being placed in the hands of the Agents and Correspondents, larger Securities being demanded from them. But considering that the Money order offices are generally opened in connection with the Revenue Treasuries ~~which can readily provide the necessary funds~~, the objection ~~does not seem to~~ Government to be insuperable

I don't advocate it. N.

The Board do not consider that there is any necessity for raising the maximum and in this opinion the Govt in Council concurs. The class for whose benefit the Money orders System is designed will seldom if ever require to make any remittance exceeding 150 Rs

and if as proposed below the Money order agency is transferred to the Treasury officers in charge of them treasuries

raised by the Board will be remitted.

Yes. But I would not keep the agents allowances at present fixed - with the Commission charged.

and the Government are in favor of raising the maximum limit as proposed, the high rate of charge sufficiently protecting the Offices from being used for Mercantile purposes.

6 The Board notice at some length the extreme inadequacy of the allowances at present enjoyed by the Agents and their just claims to a larger share of the Commission charged. The Government Concur in the recommendation that 4 Annas per cent on the Amount of Orders issued and paid will not be more than a fair and just remuneration, and it will be impossible to induce the present Agents to continue in their Offices without the increase recommended, which will still leave 50 Per cent of the Commission to meet the Expenses of the Office of Control. The Government

further agree with the Board in the opinion that the demand of ~~receipt~~ security from the Agents should be discretionary, and that when Security is considered necessary the Stamp papers for the Bonds should be provided at Government Cost.

yes N.

The next important question discussed is the Charge of Commission on a graduated scale according to distance. This proposal is unanimously objected to by all the Officers Consulted as likely to lead to numerous mistakes and much additional trouble. Distance rates may be provided for Orders given within and beyond the Presidency. But the advantage will be so trifling that the present system of one uniform rate

Certainly not. The rate must be uniform. N.

if it be considered necessary, Incident under existing rates N. talk.

for all places & distances seems to be the simplest

& The Board next offer observations on the several Rules proposed for the guidance of the Department, and their remarks are in the opinion of this Govt deserving consideration. ~~But the Government would especially~~ Same to request particular ~~desire to draw~~ attention to the Board's remarks in Paras 27 to 29 of their Proceedings on the general organization of the Money Order Department, ~~The Board~~ in which ~~point out~~ the inconvenience of employing Revenue Servants on those duties, under the Control of a different Department ~~and~~ is noticed ~~under which~~ It will be observed that the Board ~~strongly recommend that~~ the Money Order Office should use every effort to provide its own agency or obtain its requirements from the Servants of other Departments,

Yes. The same agency as the Savings Banks N.

and they further show that
whilst the Money order Agents ~~who did duty~~
during 67/68 ~~the month~~ received only 933 Rs
out of the annual Commission,
averaging ~~to~~ 20 Rupees for each
Office, the Expense of Control
was Rs 7,900, absorbing the
whole of the Revenue and
nearly two-fifths more. I am to remark that
~~The Government trusts that~~ the Revenue of further Money
" "
Order Offices at necessarily less
important Stations, is not
likely to bring in much addi-
tional revenue, or mitigate
the above Condition of Affairs;
~~to state that in the opinion of~~ and that
~~and in the Opinion of Govern-~~
~~ment~~, sufficient note has not been
taken of the fact that the nu-
merous Revenue Treasuries,
~~throughout~~ in the Country afford the
natural
~~the~~ facilities for the institution of Money order agencies

135

that the Revenue has hitherto been main-
tained by the almost gratuitous
services of Revenue servants
employed as Agents upon nomi-
nal and allowances, that the
employment of any different
Agency, whether Post Masters
or others, is not calculated to
insure the success of the
Money order system
~~institution~~, and the Revenue
therefore regard to the needless
correspondence and waste of
labor which its maintenance
as a separate organization
involves, it may be worthy
of consideration whether
the simplest plan will not be
to amalgamate it with the Revenue
Treasury work, and for the
control of the local Accounts

yes N

of the Districts (this includes the Tribal Treasuries as well as the Sudder Treasuries) Wood N

General, and to embodying its operations in the monthly Treasury Accounts under a separate head of private remittances, a measure which will at once a solution in part to many of the difficulties regarding securities, absence of responsibility &c., and obviate the necessity of weekly accounts and of references to Head Offices upon many trivial points which are likely to occasion inconvenience to the public.

50 Per cent of the Commission may be allowed to the outside Offices and the remaining half to the Office of Control for the remuneration of any necessary Ministerial Agency required to be employed.

Should a Savings Bank be established at each Taluq Treasury as recommended by this Govt in my letter dated 19 ult. the Officer in charge of the Savings Bank department can with without especial difficulty conduct the Money Order agency.

R.E

Fort St. George
4 Dec 68

I have availed myself of the expression of Mr. Rungachariar to suppress the publication of these Proceedings.

R.E

Fort St George
30 Nov 68.

dated 2nd inst.
a. Memo: —

Financial Department.

No. 550. 15

To

The Secretary to the Government of India.

Financial Department.

Sir,

In continuation of my letter of the 9th instant No. 506, I am directed to transmit copies of letters from the Reverend A. Caldwell and Mr. A. P. Shrinivasa, two of the several gentlemen to whom your Circular of the 29th July 1868 No. 1335 was communicated, expressing their views on the subject of extending the system of Government Savings' Banks.

Letters dated 18

7007

1868.

Financial DEPARTMENT.

From

The Chief Secretary to Government,
Fort Saint George.

To

The Secretary to the Govt. of India,
Financial Department.

Dated 4 Decr. 1868.

No. 560
Enclosure.

~~1868.~~
Decr.
4 45

Comng. the opinion of this Govt. on certain Questions in regard to the Extension of the Money Order System

Agency requisite for Employés.