M.R. O. 1—30,000—16-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2920 Press ~~Mis.~~

376-77.
Dated 21-11- 19 1868.

Not to be folded or roughly handled

2920/1868

Proceedings of the Madras Government, Revenue Department,
21*st November* **1868.**

No. 376. Read the following Proceedings of the Board of Revenue :—

Board's remarks on proposed extension of Money Order System in Madras Presidency. } (Here enter 11th November 1868, No. 7,953.)

No. 377. ORDER THEREON, 21st November 1868, No. 2,920.

Miscellaneous. Ordered to be recorded.

(True Extract.)

(Signed) F. BRANDT,
Under Secretary to Government.

To the Board of Revenue.

Exd.ª F. R. Bantleman.

Govt. of Madras.

REVENUE.

To

THE BOARD OF REVENUE.

Dated November, 21st.

Read.

G. O., 21st November 1868, No. 2,920.

NOVEMBER.

Nos. 376-377.

Money Order System.—Remarks of the Board of Revenue regarding its proposed extension in the Madras Presidency, recorded.

From D. F. CARMICHAEL, Esq., Collector of Ganjam, to the Acting Secretary to the Board of Revenue, dated Chetterpore, 5th October 1868, No. 1,081.

I HAVE the honour to submit my reply to the Circular Order of Government, Financial Department, No. 435, of 19th September ultimo, regarding the extension of the Money Order system.

Question 1st.—There are three offices in Ganjam, Chetterpore, Berhampore, and Chicacole. The three following places might be added, namely, Russelcondah, Nowpada, and Kimedy, where there is always a good supply of cash in the Treasuries.

2nd.—Present rate of per-centage much too high. The *maximum* should be 1 Rupee. This would encourage issues—See Question 7th.

3rd.—No doubt of it.

4th.—No objection to raise the limit to Rupees 250; likely to be advantageous.

5th.—Two annas per cent. to Money Order Agents is enough, if they are not plagued to find security, which is an expensive affair. Here, after some correspondence, the Controller dispenses with it; the Agent, who is always a Treasury Officer, draws what he has to pay each day on a formal Memorandum from the cash chest, and pays in each evening every pie of his receipts.

6th.—Provided for by Rule 9, with which I agree.

7th.—No; we have got rid of *distance* both in the Post Office and Telegraph Departme calculations would give endless trouble. I would charge half per cent. on all SUDDER Trea and one per cent. on all TEHSEEL ditto.

N. B.—The Controller should not use such thick paper in his correspondence. His repl applications for transfers and renewals come "bearing" two Annas always.

2. Mr. Lyons, the Deputy Collector, suggests "that if the Money Order system is to be ex "sively employed, no *private* remittance by means of public transfer receipts should be employ "at present the Commander-in-Chief and any Military Officer or Sepoy can get a bill without a "charge in the shape of premium. Further, no Government Officer should have the privilege "getting a bill from the Treasury for any sum not exceeding a month's salary, on paying a premiu "of one per cent.

"All these kinds of bills should be issued by Money Order Agents, and the proper commissio "paid by the Government for Soldiers' and Sepoys' bills, and by private persons for their own "bills.

"The Accountant General also should refrain from issuing bills, in favour of merchants and "traders on Mofussil Treasuries, for Rupees 1,000 and under.

"If bills for small sums cannot be had anywhere else than at Money Order Offices, the demand "for Money Orders would be great, and the commission to the Agents rise proportionately. At "present our three Agents don't get *each* more than 6 or 8 Rupees a quarter."

The same Officer has furnished me with a Memorandum on the proposed Rules, which I enclose: also one from the Head Serishtadar.

ENCLOSURE No. 1.

RULES.

1 and 2.—If the Agent must fill up a requisite form before he issues an Order, much of his time will be taken up uselessly. Better to open a Register of applications in this form:—

No.	Name and condition or rank of applicant.	Date.	Station.	Amount of Bill.	On what Station required.	Name and rank of Payee.	Date and number of Order issued.	Remarks.

3, 4, 5, 6, 7.—No remark.

8.—Half a Rupee per cent. for orders *beyond* the district, and a quarter Rupee per cent. for orders *within* the district, graduated thus:—

			Rs.
* Beyond the district. † Within the district.	2 Annas* or 1 Anna †	for sums not exceeding	25
	4 Annas or 2 Annas	for ,,	50
	6 Do. or 3 do.,	for ,,	75
	8 Do. or 4 do.,	for ,,	100

The same proportion up to 250 or 300 Rupees, the maximum sum to be granted, that is, for 125 Rupees, 10 Annas for beyond the district, or 5 Annas for within the district.

9.—Half rates for duplicates, etc., good.

10.—No remark. Vide answer No. 5.

11.—No remark.

12, 13, 14, 15.—No remark.

16.—This rule could be relaxed a little under the protection provided in Rule 19.

17 to 25.—No remark.

26.—If an Order is not paid within twelve months all claim to the money is lost. This is dreadful. The Order may be cancelled, but the money should be paid after special inquiry by some high Government Officer in the district and a new bill granted on payment of the full rate, or the money refunded minus the commission.

27 to 46.—No remark.

47 to 52.—No security has been given by the Agents in this district—See Collector's answer to question 5th.

53.—No remark.

54.—Berhampore Agency goes of course to the new Branch Bank.

(Signed) R. H. LYONS,
Deputy Collector.

(True Copy.)

(Signed) D. F. CARMICHAEL,
Collector of Ganjam.

Enclosure No. 2.

MEMORANDUM.

Rule No. 10.—The Commission to the Money Order Agent should be paid monthly instead of quarterly.

,, ,, 23.—The payee should affix his usual signature instead of giving his house or surname as given in the advice, with a view of its corresponding with his usual signatures.

,, ,, 26.—If the money be not drawn within twelve Calendar months all claim to the money will be lost, *unless a satisfactory account of delay be given.*

,, ,, 47 to 53.—For places where there is no Treasury and the Bank is situated at a distance, as is the case with Chetterpore, provision regarding remittance to and from Treasury will have to be made in the rules.

,, ,, 40.—The accounts should, in my opinion, be rendered monthly instead of weekly in order to reduce the labour of the Agents, who get an insignificant and trifling amount of Commission, and who have other business to attend to.

(Signed) T. SIVARAMIAH,
Head Serishtadar.

(True Copy.)

(Signed) D. F. CARMICHAEL,
Collector of Ganjam.

Ed. T. Cartledge.

From J. I. MINCHIN, Esq., Collector of Vizagapatam, to the Acting Secretary to the Board of Revenue, dated Camp at Vizianagram, 1st October 1868, No. 754.

I have the honour, as directed in the Government Order, dated 19th September, No. 435, to submit my views on the various points mooted in the Circular, No. 1,818, of the Government of India, on the extension of the Money Order system.

1*st*.—With regard to the opening of additional Offices, I beg to state that the only difficulty consists in finding proper Agents. The remuneration is far too slight to make it worth any non-official's while to accept the duty, while few officials, in this district at least, have the knowledge of English necessary to carry out the system.

At present there is only one Money Order Office in this district, at Vizagapatam, and if proper Agents could be found, Offices ought to be opened at Bimlipatam, Vizianagram, Parvatipoor, Ankapilly, Narsipatam, and Jeypore. I cannot, however, recommend that the Sub-Magistrates at these stations should be made Money Order Agents, as most of them are ignorant of English, while their Establishment generally consists of one badly-paid Gumastah, who has hardly ever any knowledge of the English language.

In ordinary Tahsildarry Districts, I should think that a Money Order Office might be opened in each Talook with convenience to the public, and without such difficulties as are met with here.

2*nd*.—I think the present rate of per-centage might be advantageously lowered to the scale proposed in the new Rules, and such lowering would probably increase the amount of business.

3*rd*.—There appears no doubt but that the increase in the number of Offices must lower the cost of control on each.

4*th*.—I see no reason why the limit of a Money Order should be Rupees 250; such a limit only imposes trouble on all concerned by requiring a number of Orders to be taken out instead of one, as is practically the result of the present system.

5*th*.—There is no doubt that the present commission of two Annas per cent. is quite inadequate, and should at least be doubled. The commission in the single Office of this district for the first year of its working, amounted only to Rupees 42-4-0, though it has increased to Rupees 51 in the eight months that have since elapsed. The paltry amount of remuneration is made worse by the delay in its payment. The commission is nominally paid after three months, but I believe it is nearer six before it is received by the Agent, owing to delays in the Office of Control. There is no reason why the commission should not be paid monthly, and without delay, as it is in the Registration Department.

6*th*.—The proposal to reduce the commission on a duplicate or renewed Order, appears to be a fair concession.

7*th*.—I would not advocate the charging of commission on a graduated scale according to distance. If an additional per-centage were charged for distance, such would be unpopular. There would, of course, be no objection by the public to a decrease of charge for short distances.

8*th*.—I have nothing to suggest concerning the proposed Rules, beyond the points above submitted.

Enclosure No. 1.

From W. E. JELLICOE, Esq., Deputy Collector, to the Collector of Vizagapatam, dated 30th September 1868, No. 64.

Referring to your endorsement, dated 28th instant, on the Proceedings of the Madras Government of the 19th idem, I have the honour to submit the following report:—

1. The extension of the Money Order system, by opening Offices at Vizianagram and Bimlipatam, would no doubt be a convenience to the general public; but, I doubt its feasibility, as the Sub-Magistrates who on many accounts would be the fittest persons to be appointed Money Order Agents, have already more than sufficiently onerous duties to perform. In the event, however, of a larger remuneration being accorded than that now sanctioned, possibly some respectable individuals, unconnected with the public service, might be found suitable for the post. This extension as regards the other Treasuries in the district I consider impracticable, as the Establishments attached thereto are generally unacquainted with English, a knowledge of which is indispensable.

2. The present rate of per-centage demanded for the issue of Money Orders is not in this district higher than the ordinary rate of exchanges on Hoondies; which varies from 1 to 1¼ per cent. I think the rate should continue as it is, as I do not believe that the loss in the per-centage consequent upon its reduction would be compensated by any great increase in the issue of Money Orders.

3. It seems clear that the greater the number of Money Order Offices, the less is the aggregate expense of control of each Office; but, for the reasons assigned in paragraph 1, I do not see the practicability of opening such Offices generally in the Talook Treasuries.

4. I think that the highest limit might be raised to Rupees 250 with considerable advantage. This would remedy the present inconvenience of being obliged to take several Orders, at one time in making a remittance.

5. The present commission of two Annas per cent. is a very insignificant remuneration for the amount of work required from Money Order Agents. I recommend its increase certainly to four, if not six Annas. This last was suggested by the late Acting Collector, Mr. Master, in his letter to the Controller of the Money Order Department, Madras, No. 14, dated 6th May 1867. I would also suggest that the commission should be paid monthly. The present practice of payment nominally in three months, but, actually, nearer six, is very objectionable. I cannot see why the Money Order Department should differ in this respect from the Registration Department, where the commission is paid monthly.

6. As the number of duplicate and renewed Orders would be very small, I would recommend that the second commission be fixed at half of that paid for the first.

7. Distance should not, I conceive, affect the scale of commission. Sowcars granting Hoondies make no difference in respect to distance.

8. In paragraph 10 of the proposed Rules some modification will be necessary as mentioned in a previous paragraph of this report in the commission payable to Money Order Agents, as I see regards the time of payment, beyond this I have no suggestions to offer.

Statement showing the transactions of the Money Order Office at this Station, since established, from 1st February 1867, to 30th September 1868, (i. e. 20 months.)

Months.	Issued.		Paid.		Commission to Government, at one per cent.	Commission to Money Order Agent, at 2 As. per cent.
	No. of Orders.	Amount.	No. of Orders.	Amount.		
		Rs. A.		Rs. A.	Rs. A. P.	Rs. A. P.
1867.						
February	19	1,546 13	3	83 2	16 12 0	2 0 7
March	24	1,521 12	6	177 0	16 4 0	2 2 0
April	29	1,750 4	5	281 4	18 12 0	2 8 8
May	31	1,871 5	9	208 13	20 10 0	2 9 3
June	37	1,844 4	12	444 11	21 6 0	2 13 0
July	41	2,145 1	12	354 11	23 12 0	3 2 7
August...	53	2,440 10	17	538 2	28 0 0	3 11 11
September	61	3,384 7	22	813 0	37 10 0	5 3 0
October	53	2,765 4	23	1,234 5	31 0 0	5 0 0
November	40	1,982 6	34	1,816 1	21 10 0	4 12 4
December	48	2,196 5	13	469 12	24 10 0	3 6
1868.						
January	62	2,976 7	31	1,003 14	33 10 0	4 15 0
February	48	1,648 2	22	559 2	20 12 0	3 12 4
March	42	1,680 3	42	3,187 14	19 8 0	6 1 5
April	43	2,097 8	36	1,322 11	23 0 0	4 4 5
May	53	2,546 9	26	704 2	29 2 0	4 2 10
June	78	4,017 10	24	898 12	44 2 0	6 2 4
July	55	2,357 6	33	1,178 12	28 0 0	4 6 0
August...	73	5,179 5	29	1,507 12	54 12 0	8 5 9
September	118	10,929 1	28	872 7	113 4 0	14 12 0
Total...	1,018	56,880 10	427	17,746 3	626 8 0	93 4 0

VIZAGAPATAM,
30th September 1868.

(Signed) W. E. JELLICOE,
Deputy Collector.

Exd. J. Wright.

From J. FRASER, Esq., Collector of the Godavery district, to the Acting Secretary to the Board of Revenue, dated Camp at Rajahmundry, 5th October 1868, No. 249.

I HAVE the honour to submit my replies to the queries in respect to the Money Order system, communicated with the Proceedings of Government, dated the 19th ultimo, No. 435.

1.—There is room for opening new Offices in the interior, but the difficulty will be to find well-qualified persons to carry on the work and correspondence in English, and able to find security. Proposals for extending the system to certain towns will be submitted to the Controller. In the Talooks, English-understanding Tahsildars and Serishtadars are exceptions. Tahsildars cannot hold the Office, because they must move about. Serishtadars are more stationary; but it is a matter for consideration, whether any new description of work, however small at first, may be added to their Treasury and Account duties, which are sufficient to occupy their time fully.

2.—A per-centage of one Rupee is certainly high compared with mercantile rates. A reduction may be advantageously made. No loss need be apprehended.

3.—Certainly the result would be such.

4.—The limit may be raised to Rupees 250, or even Rupees 500.

5.—The commission is a trifle compared with the labour and responsibility. The Money Order Agent at my Huzoor Station hardly ever got two Rupees in a month. If he were not on my Establishment, he would not have retained the Office. Now commission is paid both to the Issuing and Paying Officers at two Annas a hundred. This is equal to one-fourth of the present per-centage. I would raise the commission to one half the per-centage, whatever that may be.

6.—In the case of a duplicate or a renewed Order, half the commission may be charg ed.

7.—It would be simple to have three rates: one for Orders issued within the district: one for those beyond the district, but within the Presidency, and the third for those beyond the Presidency.

2. The following amendments are proposed in the Rules:—

I. *Rule* 16 may be amended so as to authorize the Issuing Money Order Agent to repay, transfer, or alter the names when requested by the remitter. To apply to the Chief Office, and wait a number of days will inconvenience parties.

II. *Rule* 28.—The amendment proposed in respect to Rule 16 should also be made in this Rule.

III. *Rule* 47.—This Receipt may be forwarded with the weekly Statement in support of the credit.

IV. *Rule* 48.—The above amendment.

Exd. J. Wright.

From W. McQUHAE, Esq., Acting Collector of the Kistna district, to the Acting Secretary to the Board of Revenue, dated Masulipatam, 30th September 1868, No. 288.

In obedience to the instructions contained in paragraph 2 of the Order of Government, dated 19th current, No. 435, I have the honour to submit my replies to the eight questions put in the Secretary to the Government of India's letter, dated 19th August last, Circular No. 1,818.

Reply to first.—There are now three Money Order Offices in this district, at Masulipatam, Guntoor, and Bezwada. Two more might be advantageously opened, one at Vinukonda, and the other at Jaggiapeta, both of which are large commercial places. The former is a Tahsildar's station. At Jaggiapeta there is no Treasury, but sufficient money may be kept in the Sub-Magistrate's Office, or the Tahsildar's station may be removed there from Nandigama, which is an insignificant place, and it is very desirable that a well-paid Tahsildar and Sub-Magistrate should be located at Jaggiapeta.

Reply to second.—The present rates of per-centage demanded for the issue of Money Orders may be advantageously lowered as follows:—

	Present rates.			Proposed rates.		
	RS.	A.	P.	RS.	A.	P.
Up to 10 Rupees	0	2	0	0	0	0
25 ,, ...	0	4	0	0	2	0
50 ,, ...	0	8	0	0	4	0
75 ,, ...	0	12	0	0	6	0
100 ,, ...	1	0	0	0	8	0
150 ,, ...	1	8	0	1	0	0
200 ,, ...	2	0	0	1	8	0
250 ,, ...	2	8	0	2	0	0

I think that a reduction of rates would induce the people to make greater use of the Money Order Offices, and that the loss would be compensated by a greater issue of Money Orders.

Reply to third.—As the number of Offices increase the income will be greater, and the aggregate expense of control of each Office must apparently diminish.

Reply to fourth.—It will be a great advantage to raise the highest limit of a Money Order to Rs. 250, and this can be done here without interfering with the banking transactions of the country.

Reply to fifth.—A small increase might be made in the rate of commission. At stations where the transactions are limited, the Agents now get very little. For instance, at Bezwada, for the last six months of 1867, the Agent's commission amounted to Rupees 2-1-0.

Reply to sixth.—Half of the original rate might be charged.

Reply to seventh.—A graduated scale, according to distance, would certainly be popular; when rates are too high the money itself is sent to places which are not distant, whenever it can be sent without employing a special messenger.

Exd. J. Wright.

From J. A. C. BOSWELL, Esq., Acting Collector of Nellore, to the Acting Secretary to the Board of Revenue, dated 28th September 1868, No. 3,404.

With reference to the Proceedings of Government, dated 19th September 1868, No. 435, Financial Department, I beg to submit the following replies to the questions offered as to the proposed extension of the system of Money Orders:—

1*st*.—At present there is only one Money Order Office in this district at Nellore. I have recommended to the Controller the opening of another at Ongole. The chief difficulty I experience in recommending a still further extension of operations is that it is hard to find persons willing to act as Agents. They are required to give security: the duties entail much work and responsiblity, and even in the chief town of a district like Nellore, the Agent's remuneration by commission does not yield more than Rupees 2 or Rupees 3 a month. What I would propose is that Money Order Agencies and the superintendence of Government Savings' Banks might be added to the duties of Deputy Postmasters. These same Officers might also be licensed to sell stamps. The combined emoluments annexed to the Offices would then enable Government to secure, for Postmasters, a better class of men than are procurable under the present rates of pay offered. In Nellore at present one of the Treasury Accountants is the Money Order Agent, and at Ongole the only individual I could nominate was the Postmaster. If it is considered undesirable to attach these agencies to the Office of Postmasters as in England, the alternative I would propose is to appoint the Talook Serishtadars Ex-Officio Money Order Agents. The only difficulty in the way of this would be that many of them do not know English as at Ongole. The work of the agency will be very small at each station at first; but as it increases, and the benefits of the system begin to more appreciated, it may be possible hereafter to appoint Money Order Agents, with no other official duties, to give their whole time to this special work. A Talook Serishtadar has scarcely the time to undertake these duties in addition to his own, but the prospect of an increasing commission may induce him to do so.

2*nd*.—The rates of per-centage demaded on the issue of Money Orders is, doubtless, felt to be high considering the ordinary rate of exchange on Hoondies, but it is necessary to provide for the remuneraiton of the Money Order Agents, etc.; and until the system is more generally appreciated, I doubt whether the lowering of the rates would be compensated by a greater issue of Orders.

3*rd*.—I think it is most desirable to increase the number of Money Order Offices. As the Agents are paid by commission, the increase of the number of Offices, while increasing the facilities of making remittances to the public, will not entail additional cost beyond a very small amount on Government.

4*th*.—I think the present limit of Rupees 150 for a Money Order is sufficient.

5*th*.—The present commission of two Annas per cent. to Agents is not remunerative. I would recommend, if possible, raising it to four Annas per cent.

6*th*.—A duplicate and renewed Order might, I think, be granted at half the charge made on the issue of the first Order.

7*th*.—I would deprecate charging commission on a graduated scale according to distance. As with the Post-office and now also with the Telegraph a uniform scale of rates is simplest and likely to be the most popular.

Exd. J. Wright.

From H. E. SULLIVAN, Esq., Collector of Bellary, to the Acting Secretary to the Board of Revenue, dated Camp at Royalcheru, Tadpatry talook, 30th September 1868, No. 235.

In compliance with the Order of Government of the 19th instant, No. 435, received by me on the 29th idem, I have the honour to enclose replies to the questions contained in Circular from the Government of India, Financial Department, No. 1,818, of the 19th August.

ENCLOSURE No. 1.

1*st*.—Whether the Money Order system can be further extended; in other words, whether more Offices for this purpose can be advantageously opened in addition to those already in existence. Such extension may be feasible owing to the number of Treasuries, Sudder and Tehseel, in the interior of districts, the machinery being thus ready at hand.	It might be extended with great advantage to every Cusbah town where there is a Serishtadar or other responsible resident Officer acquainted with English. In filling up the post of Serishtadar, I keep this in view.
2*nd*.—The present rate of per-centage demanded for the issue of Money Orders now ranges from $1\frac{1}{2}$ to $1\frac{1}{16}$ per cent. Considering that this rate is so much higher than the ordinary rate of exchanges on Hoondies, could it be advantageously lowered. In that case, would people be likely to make greater use of the Money Order Offices, so that the loss in the per-centage might be compensated by a greater issue of Money Orders?	One per cent. is the rate charged in Madras. I think that if the rate was lowered to three-fourths per cent. the people would avail themselves more largely of the privilege, but I would not lower the present rate till the system has been more widely extended.
3*rd*.—*Prima facie* it would appear that the greater the number of the Money Order Offices opened, the less would be the aggregate expense of control of each Office. This is borne out by the fact that in Bengal alone, where there are 180 Offices, the cost of each Office is but Rupees 96-8-7; whilst in Bombay, where there are but twenty-nine Offices, the cost is Rupees 289-3-6; and in Madras, where there are forty-eight Offices, Rupees 164-12-0.	There can, I think, be no doubt on this point.
4*th*.—The present limit in amount of a Money Order is from one Anna to Rupees 150. Would there be any great advantage in raising the highest limit to Rupees 250? it being borne in mind that the object of the Money Order system is not to interfere with the banking transactions of the country, but to give to the people of India a cheap and safe mode for the remittance to distant parts of small sums of money.	I do not think it necessary to raise the present limit of the Money Orders. If a person wishes to remit more he buys two or three Orders instead of one. I am not aware of any rule prohibiting this.
5*th*.—Is it desirable to raise the present commission of two Annas per cent. on the amount of Orders issued and paid to the Money Order Agents? If so, what sum would be remunerative to them, and at the same time would entail no undue loss financially?	Yes, certainly. The present rate cannot be sufficiently remunerative, but I have not sufficient data by me to reply to the latter part of the question. A great deal of responsibility rests on, and a good deal of work is expected from, a Money Order Agent. The transations are limited in many places, and one-eight per cent. is poor remuneration.
6*th*.—Would it be advisable to make any diminution on the second commission for a duplicate and renewed Order? At present this charge is the same as on the issue of the first Order.	Yes. Reduce it to one-half the commission charged on the original issue.

From F. B. MOLONY, Esq., Acting Collector of Cuddapah, to the Acting Secretary to the Board of Revenue, dated 9th October 1868, No. 200.

I HAVE the honour to offer a few remarks on the Money Order system, as directed in the Order of Government, No. 435, of 19th September.

2. As regards *Question* 1 propounded in the letter from the Secretary to Government of India, Financial Department, on this subject, I think that were the machinery available, there are two Towns in this District where Money Order Offices ought to be established, namely, Proddatur and Madanapalli. At present, however, I do not think that the Talook Cutcherries in those Towns offer the requisite machinery for the purpose, there being no one in those Cutcherries always present at head-quarters, with a sufficient knowledge of the English to do the work.

3. On the subject of *Question* 2, I should think a per-centage of one was quite as high as the nature of the convenience offered would bear. Hoondies are obtained with great facility payable almost everywhere for any amount. I should think it very probable that a reduction of the per-centage would have the effect of enlarging the business of the Money Order Office, and that the loss in per-centage would be more than compensated by the increase in the number of Orders.

4. As regards No. 3, I have no remarks to offer.

5. *Question* 4.—I would not raise the limit of the amount of the Order, the object being strictly confined to facilitating remittances of small sums; it seems to me that extending the system to sums exceeding Rupees 150 would be going beyond the purpose proposed, and that such an extension would be an interference with the Banking transactions of the country.

6. *Question* 5.—I consider the present commission allowed to the Agent decidedly too low. The Money Order Agent in Cuddapah has, in six months from April to September 1868, received Rupees 9-9-7, as a remuneration for his trouble. For this paltry sum, he has had to conduct all the business of the office, forward the accounts, etc., and has, in addition, been obliged to deposit security to the amount of Rupees 500. I think the remuneration to the Agent should, at least, amount to one-fourth of the per-centage taken by Government. Even then, I question whether any respectable man would take the office in Cuddapah were he not holding another appointment, and in some sort obliged to be Money Order Agent as well.

7. *Question* 6.—It seems to me scarcely fair to charge as much for a renewed Order as for an original one; no money passes on these occasions. Perhaps half of the per-centage charged on an original Order might be taken on a renewed one.

8. *Question* 7.—I think it would not be advisable to charge commission according to distance, nor do I see on what principle it could be done; though the distance varies, the trouble and expense are the same in drawing an Order on an Office five miles off, as on one a thousand miles away.

9. *Question* 8.—The only alteration I would propose is one of practice. The advices are sent in such a manner that any one in a Post-office can read them just as they like, and by abstracting the Order, probably posted at the same place, he would be master both of the order, and of the information necessary to obtain payment. The advices should be despatched in closed covers.

Exd. J. Wright.

7*th*.—Would not the Money Order system be more popular if commission were charged on a graduated scale according to distance? By the present practice, the commission charged for an Order on a Treasury five miles off, is the same as that charged on a Treasury 1,000 miles away.

8*th*.—A copy of the proposed Rules for the guidance of Money Order Agents is herewith enclosed. Do any alterations, modifications, or additions suggest themselves.

I think not; the accommodation is just the same whether the person remitting has to send the order five miles or five hundred. Having an uniform scale, people know exactly what they have to pay; if graduated according to distance disputes might arise as to the distance.

Rule 48.—A surplus over what amount? It is not anywhere stated what limit there should be to the funds kept in hand by the Agent. This would, of course, depend very much on the amount of business usually done at the Office.

Rule 56.—"Business hours" not defined.

(Signed) H. E. SULLIVAN,
Collector.

Bellary,
30th September 1868.

Exd. J. Wright.

From T. A. N. CHASE, Esq., Collector of Kurnool, to the Acting Secretary to the Board of Revenue, dated on circuit at Nandial, 5th October 1868, No. 342.

With reference to Government Order, No. 435, dated 19th September 1868, received by me on the 29th September, I have the honour to submit replies to the questions, regarding the Money Order Office, put by the Secretary to the Government of India, in Circular No. 1,818, dated 19th August.

2. 1*st*.—I do not think the Money Order system can be further extended in this district. At present there are Offices at Kurnool, Nandial, Koilkunta, Sirwell, and Cumbum; at which, with the exception of Kurnool, hardly any work is carried on.

2*nd*.—The rates of per-centage might advantageously be lowered. In which case, after the people are more thoroughly acquainted with the system, I have no doubt but that the Offices will transact more business.

3*rd*.—Requires no answer.

4*th*.—I think the limit should be raised to Rupees 250.

5*th*.—If there is much work done in the Offices, two Annas commission is probably sufficient; but when the work is light, the commission, of course, is very small, and hardly worth the while of the Agent to hold the office.

6*th*.—If the Order has to be renewed owing to carelessness on the part of the Agent, the second commission should not be charged, unless to the Agent, when it would assume the shape of fine, when the same as the original commission should be charged. In other cases the renewed Order should be charged at a lower rate of commission.

7*th*.—I do not think a larger charge should be made for distance. It might cause confusion and complication in the accounts.

8*th*.—I have read the proposed Rules carefully, and would suggest the following alterations. With exception of the answers I have given to the above questions, I think the Rules will answer very well. With reference to Rules Nos. 47, 48, and 50, I beg to state, that, as regards funds required, the Collector or Treasury Officer appears to me to be considered as a check on the Money Order Agent. This applies well, in a limited way, in the case of the Huzoor station, where the Treasury Deputy Collector is the Money Order Agent, and the Cash-keeper the actual receiver and disburser of money. But even then it does not effctually act as a check, for the Cash-keeper can do nothing except under the orders of the Treasury Deputy Collector or the Collector, who is often at a distance from head-quarters.

In the Talooks it does not apply at all, for the Tahsildar is the Money Order Agent, and he is actually the Treasury Officer, and the Cash-keeper. Therefore the Agent's requisition and Collector's or Treasury Officer's note must be signed by the same person, so also the Memorandum and Receipt, according to Rule No. 50, the Agent's Memorandum and the Treasury Receipt will also be signed by the same person, the Tahsildar being Agent.

By Rule No. 56, the Agent must be always accessible to the public, and no delay must take place. This can hardly be the case always when Tahsildars are Agents, for their duty constantly takes them into their talooks, and often a considerable distance from their head-quarters, where they are the Money Order Agents.

I would suggest that all the Money Office Agents be made Privileged Officers as regards franking Money Office matters. At present a great confusion exists. Some Post-offices admit the Tahsildar's signature, or that of the Officer in whose division they are as a sufficient frank, but not all, for instance Gooty; the consequence is that all letters sent from the Agent at Koilkuntla are sent to me at Kurnool, a distance of 100 miles to be franked. This has had no bad consequence as yet, for the business at Koilkuntla is very light, but the effect might be serious, if the business increases, as may be expected, after the introduction of the new Rules.

In Rule No. 50, I would prefer a sealed box to a sealed bag.

From G. THORNHILL, Esq., Acting Collector of Madras, to the Acting Secretary to the Board of Revenue, dated Sydapet, 3rd October 1868, No. 322.

I HAVE the honour, with reference to the Order of Government, under date the 19th September, No. 435, to forward the Memoranda drawn by myself, the Sub-Collector,* and the Deputy Collector in charge of Treasury, which contain replies to the several queries propounded in connection with the subject of the extension of the Money Order system.

* Will be forwarded as soon as received.

ENCLOSURE No. 1.

MONEY ORDER.

THE system to be of real benefit should, I think, be extended, and offices opened at every Tahsildar's Station and at every Deputy Tahsildar's Station were there happens to be a Clerk who understands English sufficiently to conduct the duties. Every Post Office also, in stations other than those occupied by Tahsildar and Deputy Tahsildar, might be constituted a Money Order Office.

2. The present rates are far too high and should be reduced one-half. The table given by the Deputy Collector in charge of Treasury appears to me a fair and proper one.

3. The cost of control would no doubt decrease in proportion to the number of offices opened.

4. The convenience would no doubt be considerably increased by increasing the amount to 250 Rupees.

5. The commission at present paid is too small; four Annas per cent. would be a fair rate to fix experimentally.

6. One-half might be charged.

7. By no means. I can see no object whatever in increasing the charge for distant remittances. The postage is the same for 1,000 miles as for 5. The cost to Government would be the same in every way, whether the order were granted on a near or distant office. Any graduation of charge in this respect would go far to defeat the object of the system. The postage on letters has been equalized with the best effect. The charge on Telegrams is about to be equalized throughout India: in both these cases the cost to the State increases with the distance to which the letters and messages are respectively transmitted, and yet it is found desirable to equalize the charges.

In the case of Money Orders, the cost of transmitting the orders would be the same at all distances, and I cannot, therefore, see the object of increasing the charge with the distance.

8. The Rules, as now standing, are, I think, suitable.

It would be a great convenience to the European section of the community if the system could be so extended as to admit of the grant of orders on England, even if the issue of such orders were restricted to Head Quarter Stations of districts, and if London were the only place on which they would be drawn.

SYDAPET,
29th September 1868.

(Signed) G. THORNHILL,
Acting Collector.

ENCLOSURE No. 2.

MEMORANDUM.

THE Money Order system was instituted, I believe, for the convenience of the mass of the people, and to make it so, it ought to be extended by appointing all Tahsildars and Deputy Tahsildars as Agents.

2. Yes. I think Money Orders will be availed of to a large extent, if the per-centage were reduced to about one-half. The following might perhaps be substituted for the former rates with advantage:—

For all Orders of below 10 Rupees			1 Anna.
,,	from 10 to 20	,,	2 Annas.
,,	from 20 to 30	,,	3 ,,
,,	from 30 to 40	,,	4 ,,
,,	from 40 to 50	,,	5 ,,
,,	from 50 to 60	,,	6 ,,
,,	from 60 to 70	,,	7 ,,
,,	from 70 to 80	,,	8 ,,
,,	from 80 to 90	,,	9 ,,
,,	from 90 to 100	,,	10 ,,
,,	from 100 to 150	,,	1 Rupee.
,,	from 150 to 200	,,	1½ ,,
,,	from 200 to 250	,,	2 ,,

3. I would, therefore, make the following propositions:—

(*a.*)—That a Treasury Deputy Collector should not be made a Money Order Agent in the Huzoor station.

(*b.*)—That the Agency in the Huzoor should be given either to the Head English Clerk, or the Head English Accountant.

(*c.*)—That in the Talooks the Tahsildars should never be made Money Order Agents.

(*d*)—That in the Talooks the proper Officers for the Agency are the Talook Serishtadars.

(*e.*)—And that all the Money Order Offices, as regards Money Order business, should, with reference to the Post-offices, be made Privileged Offices.

Exd. J. Wright.

3. Certainly, because the work will be conducted by Officials.

4. The advantage will no doubt be greater, for if a person wishes to remit 250 Rupees to a friend or Agent, and can only obtain a Money Order for 150, he has to apply elsewhere for a Hoondie for another 100; so he gets the Hoondie for 250 at once.

5. The allowance to Money Order Agents is too low, and ought to be increased to at least four Annas per cent.; but whether this will entail a loss to Government or not, will have to be proved. I am of opinion, however, that it will not.

6. I think half Commission would be a fair charge for a duplicate order.

7. No. I do not think it would answer.

With regard to the Rules, I consider no alteration necessary except that the Money Orders should be printed in the diglot form, namely, in Tamil and English, for it must be remembered that the Tahsildars and Deputy Tahsildars are not all acquainted with English, and unless the services of these Officials are availed of, the Money Order system will be no boon to the people, neither can it be extended.

As the Controller of Money Order Accounts will probably have some difficulty in dealing with the numerous Agents, it would facilitate his work if the Deputy Collectors in charge of Treasuries were appointed District Controllers (in the same way as District Registrars of Assurances) for the purpose of preparing and submitting Monthly and other Periodical Accounts, and thus be the medium of communication between the several Agents and Chief Controller.

In the event, however, of its being absolutely necessary that the Money Orders should be in English only, the best plan will be for the Agents who are unacquainted with English to receive the amount and apply to the District Controller (Deputy Collector) for the requisite order, which he can hand over to the applicant on its receipt.

SYDAPET,
30th September 1868.

(Signed) H. RICHARDSON,
Deputy Collector.

Ex. T. Cartledge.

From G. VANSAGNEW, Esq., Acting Collector of North Arcot, to the Acting Secretary to the Board of Revenue, dated Chittoor, 23rd October 1868, No. 356.

As directed in Government Order, Financial Department, dated 19th ultimo, No. 435, I have the honour to forward copy of a letter from my Acting Sub-Collector, and to state that I concur in the opinion therein expressed upon the points mooted by the Government of India in connexion with the Money Order system.

2. There are but two Offices in this district, in both of which the transactions have been so limited that the system, as hitherto conducted, may be pronounced to have signally failed here. The commission received by the Agent at Chittoor has not averaged a Rupee a month since February 1867.

Question 1.

3. Without a radical alteration in the system, therefore, it would be useless to open more Offices.

4. I believe there is no chance of the system becoming popular here unless the rate of per-

Question 2.

centage is reduced to half per cent.; but whether

Question 5.

this loss in per-centage would be compensated by a greater issue of Orders, I think, is very doubtful indeed, and still more doubtful whether there would be any surplus profit whence suitably to remunerate the Agents.

5. If the per-centage were reduced as low as I have indicated the number of Offices might,

Question 3.

Question 4.

with advantage, be increased, and the highest limit of Orders raised to Rupees 250.

6. In any case a diminution on the second commission for a duplicate and renewed Order

Question 6.

Question 7.

would be advisable, and a uniform charge for distance probably more popular than one on a graduated scale.

ENCLOSURE No. 1.

From W. H. COMYN, Esq., Acting Sub-Collector, to the Acting Collector of North Arcot, dated Camp at Catiayarampoliem, 6th October 1868, No. 460.

As requested in the foot-note, appended to the Order of Government, dated 19th ultimo, No. 435, I have the honour to submit my opinion on the Questions and Rules circulated regarding the Money Order system:—

Question 1.—As far as this Sub-division is concerned, I do not think that, at present, any extension of the system would be likely to the advantageous. The Money Order operations at Vellore, the only place where an Office has been opened in this division, are very limited, and there are very few dealings between the merchants of that place and those of the Cusbah and other distant stations. There are, similarly, very few occasions for remittance of money by petty dealers, and other private parties from one station to another; and, in such cases, so little is the value which is attached to time that parties desirous of remitting money are accustomed to do so by sending a man with it to its destination. If they have no one to send, they would rather take it themselves, and there are certain inconveniences attending the loss or miscarriage of a Money Order which would be sufficient to preclude from the people the idea that it is a safer mode of conveyance than the one to which they have been accustomed.

Question 2.—If the rate were reduced to half per cent., (the ordinary rate of exchanges upon Hoondies,) the loss arising from the reduction, would probably, as a *general* rule, be made good by the greater number of applications for Money Orders.

Question 3.—The position assumed in this paragraph is self-evident.

Question 4.—Not, if, as per proposed Rule 8, the commission is to remain at the same rate. The only apparent advantage to the public would be the saving of postage.

Question 5.—The present rate of commission to Money Order Agents appears to be inadequate. The commission paid to the Money Order Agent at Vellore is no remuneration at all. It is difficult

From J. R. ARBUTHNOTT, Esq., Acting Collector of South Arcot, to the Acting Secretary to the Board of Revenue, dated Cuddalore, 30th September 1868, No. 242.

I HAVE the honour to submit my opinion on the questions referred for consideration by the Government of India, in their Proceedings, dated 19th September 1868, No. 435.

Query 1st.—I consider that it would be a convenience to the public if more Money Order Offices were established throughout the district. The extra work entailed by these Offices is trifling, and it could easily be carried on by the local Talook Establishments.

Query 2nd.—The amount of commission generally charged is about one per cent. I do not think that it is too heavy. Of course reducing it would make remittances by Money Orders more popular.

Query 4th.—I think it would be a useful change to raise the amount for which a Money Order might be issued to Rupees 250.

Query 5th.—I think the commission paid to Money Order Agents should be raised to four Annas for 100 Rupees.

Query 6th.—I am of opinion that the commission may properly be reduced to half when a duplicate and renewed Order is required.

Query 7th.—I do not think it expedient to make a graduated scale of commission according to distance, for the expense and trouble to Government is the same in all cases.

2. Money Order Agents should in all cases be allowed to frank Orders issued by them. The want of this power is often productive of delay and inconvenience to the public.

3. I have no suggestion to offer with respect to the Amended Rules.

Ed. J. Wright.

to say to what extent the commission should be raised so as to make it remunerative; but a sum o not less than 15 Rupees per mensem (the pay of an ordinary Gumastah) should be adequate remuneration. To form a correct opinion on the second point mooted would require an intimate knowledge of the general working of the system, which I do not possess, and a considerable amount of calculation of figures, which are not at my command.

Question 6.—It would be desirable to make a diminution. No more than one-half of the charge for the first Order, should, I think, be demanded.

Question 7.—A uniform rate appears to be more popular as in regard to postage.

Question 8.—I have very few remarks to offer upon the proposed Rules; but as regards Rule 19, I would observe that the object of the reference enjoined therein is not quite apparent; and in such cases, it would perhaps be better to pay the money to the payee, taking security from him to refund the amount, if such a course should be found necessary afterwards.

However, the reference, if not to the Collector, is probably intended to be made to a Sub, or Assistant Collector, or Deputy Collector; but by the use of the word "any" as applied to "Uncovenanted subordinates of the District Office," mistakes might arise, and it is possible that references might, in practice, be made to the Tahsildar, or even a subordinate of a lower grade. The Officers to whom reference may be made should, I think, be specified.

The application to the Chief Office at Calcutta ordered by Rule 28 must cause great delay and trouble to the applicant; and, if such applications be received at the Chief Office at Madras, these disadvantages, will, to a certain extent, be obviated.

As regards Rule 57, I would observe that, as the Officer privileged to frank letters and advices may often be absent from the Station, provision should be made to meet this difficulty.

(True Copy.)

(Signed.) G. VANSAGNEW,
Acting Collector.

Ed. J. Wright.

From G. L. MORRIS, Esq., Collector of Tanjore, to the Acting Secretary to the Board of Revenue, dated 30th September 1868, No. 192.

As directed in Government Order, No. 435, dated 19th September 1868, I have the honour to subjoin my replies to the several queries noted in the Circular of the Government of India, No. 1,818, dated 19th August last.

2. The Money Order Offices can be multiplied with great advantage to the mass of the people.

Answer to Query I.—Extension of Money Order system.

Every local Public Treasury in the district, whether it be a Talook, Sea Custom, or Salt, or Frontier Choukey Office, should, as a rule, be a Money Order Station; by this the advantage of the system can be made accessible to the general public.

3. All Government Officers in charge of District and Local Treasuries, should be declared Ex-Officio Money Order Agents, and should be entitled to the remuneration now payable to special Money Order Agents, such remuneration being actually disbursed to the subordinate charged with the work. The labour thus imposed will not appreciably add to the extensive cash payments with which the Officers are already charged; whilst, on the other hand, the implicit confidence of the people will be secured, and proper responsibility established.

4. The present system of appointing very low-paid Clerks in the Talooks is likely sooner or later to open a door for grave frauds, and the sooner it is done away with the better, no value can be attached to the Deeds of Security now taken from Money Order Agents. Any security short of cash down in the Savings' Bank, is worthless for all practical purposes, and none should be taken from the proposed Ex-Officio Agents, who will be men already trustworthy, and trusted with much more important interests of Government, than a few hundreds of Rupees.

5. The present rates of premium are certainly high and need reduction. If reduced sufficiently, I think that the effect would be a large increase of business in the Money Order Offices, which would, I dare say, eventually counterbalance any loss incurred by the lowering of premium.

Answer to Query II.—Rate of Premium.

6. There is at present a powerful competition between Money Orders and Currency Notes. But for the difficulty of easily cashing the latter, the insecurity of their transit through the Post-office, and the impossibility of settling accounts by their means of less than 10 Rupees, the Currency Notes would have long ago arrested the expansion of the Money Order system. Consequently the rates of premium on Money Orders should be as low as the cost of the Money Order Department to the State will admit of. A scale of rates as given in the margin, will find favour with the public, and induce them to make use of the Money Order Offices.

	Rs.	Rs.	A.	P.
Not exceeding	25.....	0	2	0
,,	75.....	0	4	0
,,	100.....	0	8	0
,,	125.....	0	10	0
,,	150.....	0	12	0
,,	175.....	0	14	0
,,	200.....	1	0	0
,,	225.....	1	4	0
,,	250.....	1	8	0

7. It would be a great advantage if the limit of Money Order was raised to Rupees 250; such a step will not in any appreciable manner interfere with banking transaction, while it will afford a great facility for settling amounts up to 250 by a single Money Order.

Answer to Query IV.—Limit of Money Order.

8. Judging from experience of the pittances which in many cases are paid quarterly to the Money Order Agents, I should certainly say that an improvement in the rate of commission is most necessary. The present rate should at least be doubled. But this point cannot be fairly discussed without a knowledge of the income and expenses of the whole Department, and the margin left for improvement.

Answer to Query V.—Commission to Money Order Agents.

9. No diminution is necessary on the second commission chargeable on duplicate and renewed Orders. Such a course would hold only out a premium for carelessness.

Answer to Query VI.—Second commission for duplicate and renewed Orders.

From C. T. LONGLEY, Esq., Acting Collector of Trichinopoly, to the Acting Secretary to the Board of Revenue, dated 3rd October 1868, No. 185.

As directed in paragraph 2 of the Order of Government, No. 435, dated 19th September last, I have the honour to submit my views regarding the Money Order system.

2. The Money Order system can be advantageously extended. This district, however, is not susceptible of any more offices being established, as the Money Order system is only used in the town of Trichinopoly; the people in the interior of the district, chiefly cultivators, use it but little.

3. The present rate of fee for Money Orders is, in my opinion, too high. It may be lowered with advantage. The public will then make free use of Money Orders, and the loss in the per-centage will thus be compensated.

4. No remarks to offer.

5. The limit in amount of a Money Order may be safely raised to Rupees 250.—Vide paragraph 11 of the Revised Rules.

6. It is desirable to raise the present commission to Money Order Agents of two Annas per cent. on the amount of Orders issued and paid. From the very small remuneration obtained according to the present rate of commission, people do not voluntarily offer themselves to undertake the office of Agent. I would, therefore, double the present rate of commission with due regard to its results on the finance.

7. Yes. Half the charge would be reasonable as laid down in paragraph 9 of the Revised Rules.

8. No. I would not advocate the system of introducing rates of commission varying according to distance. It is true that there is some incongruity in the present practice of charging an uniform rate of commission for all orders, irrespective of distances; but as Money Orders are generally taken on Treasuries at no great distance, the commission will materially suffer if a lower rate is demanded for such orders, while the higher rate of commission for orders on distant Treasuries will exceed the ordinary rate of exchange on hoondies. Again, under various rates of commission regulated on the distance, accounts will be rendered intricate.

9. No remarks; save the following alteration in the Table of Commission on Money Orders given in paragraph 8, with reference to my remark No. 2:—

			RS.	A.	P.
For any sum not exceeding Rupees	10	...	0	1	6
Above 10 and not exceeding ,,	25	...	0	3	0
25 ... ... ,,	50	...	0	6	0
50 ... ... ,,	75	...	0	9	0
75 ... ... ,,	100	...	0	12	0
100 ... ... ,,	125	...	0	15	0
125 ... ... ,,	150	...	1	2	0
150 ... ... ,,	175	...	1	5	0
175 ... ... ,,	200	...	1	8	0
200 ... ... ,,	225	...	1	11	0
225 ... ... ,,	250	...	1	14	0

10. In framing this table I have also had in consideration the fee received by the Bank for Orders granted on other Branch Banks, which is only half per cent.

Exd. J. Wright.

10. It would be highly unpopular and inconvenient to introduce the element of distance in regulating the premium, and also a backward movement in these days when even Telegraphic messages are about to be charged at uniform rates irrespective of distance.

Answer to Query VII.—Charge of commission according to distance.

11. No alteration is required except what may become necessary if the suggestion of appointing all Officers in charge of District and Local Treasuries' Ex-Officio Money Order Agents is acted upon.

Answer to Query VIII.—Any modification of present rules.

Exd. J. Wright.

From the Hon'ble D. ARBUTHNOTT, Collector of Madura, to the Acting Secretary to the Board of Revenue, dated Camp at Gunguvarputti, Periacolam talook, 5th October 1868.

In obedience to the Order of Government, Financial Department, bearing date the 19th September 1868, No. 435, I have the honour to submit the following replies, regarding the improvement of Money Order system.

1*st*.—The extension of the Money Order system would, in my opinion, be a great public convenience. Offices might be opened in all stations where there are Treasuries. If the Treasury Officer happens to be ignorant of English, any other Government Officer available at the Station could be appointed Money Order Agent. In each talook, the Tahsildar, Talook Serishtadar, or the Postmaster, where an Imperial Post-office is established, are Officers fit to be intrusted with the duty.

2*nd*.—The present rate of per-centage demanded for the issue of Money Orders for sums below 50 Rupees is not, in my opinion, too high, and I would, therefore, propose that the present rate of commission, charged on Orders for Rupees 50 and under, be retained, and that Annas 12 be demanded for Orders above Rupees 50 up to 100, and for sums above 100, the following rates might be adopted:—

					RS.	RS.	A.
For sums above	100	and not	exceeding	125...		0	15
,,	,,	125	,,	150...		1	2
,,	,,	150	,,	200...		1	8
,,	,,	200	,,	225...		1	11
,,	,,	225	,,	250...		1	14

3*rd*.—I have no doubt that the expense of control will be reduced as the number of Money Order Offices increases, but some time will probably elapse before the people fully understand and take advantage of the Money Order system.

4*th*.—The amount of a Money Order might be advantageously raised to 250 Rupees, as proposed. I am, however, in favour of raising it to Rupees 300.

5*th*.—The Agents should be paid four Annas per cent. on the amount of Orders issued and paid for sums not exceeding Rupees 50, and 2 Annas per cent. for sums above 50 Rupees. This rate would not be very remunerative, but it could be increased when the financial condition of Department was found to improve.

6*th*.—I see no objection to the reduction of the second commission for a duplicate, or transfer or repayment of an order, etc., as proposed in the new Rule 9.

7*th*.—The lower the commission charged, the more popular the system would become by whatever means effected; but I fear that commission charged on distance would not be readily understood by the bulk of the people, and might tend to complicate the accounts.

8*th*.—Regarding the proposed Rules, I would suggest only one modification.

Rule 28.—Money Order Agents should possess concurrent powers with the Controller to issue duplicate Order, or to order transfer or repayment, etc. The reservation of this power to the Controller would in most cases create great inconvenience and delay.

N. B.—To avoid delay I submit this letter direct, from my Circuit Camp without being numbered, but the office-copy of the letter will be entered in the Despatch Register as usual and numbered, and this will be intimated to Board's office by a Memorandum.

(Signed) D. ARBUTHNOTT,
Collector.

From T. RAM ROW, Deputy Collector, in charge of Treasury, Madura, to the Acting Secretary to the Board of Revenue, dated 8th October 1868, No. 266.

Referring to the foot-note to the Collector's letter, dated Gunguvarputti, 5th October, regarding the improvement of the Money Order system, I beg to report that the number of the letter is 265.

Exd. J. Wright.

From R. K. PUCKLE, Esq., Collector of Tinnevelly, to the Acting Secretary to the Board of Revenue, dated 2nd October 1868, No. 426.

I HAVE the honour to reply to some of the queries conveyed in Government Proceedings, No. 435, dated 19th ultimo.

1.—The Money Order system might be extended to every Government Treasury.

2.—The present per-centage fee is too high, and is prohibitory of Money Orders ever coming into general use.

4.—I can see no objection to raising the limit to 250 Rupees.

5.—The commission now paid to the Agent bring him in an income of but 2 Rupees or so a month, and does not remunerate him for the trouble incurred; the Agent might have all the commission he earns, *minus* a certain per-centage for stationery and supervision.

6.—A duplicate or renewed order might be charged half commission.

7.—The rate of commission might be graduated according to distance, as the convenience of sending a small sum to a distance by Money Order would be readily paid for at any reasonable rate, while a note, postage stamps or cheque are now preferred if the distance is not very great.

Exd. J. Wright.

From A. WEDDERBURN, Esq., Collector of Coimbatore, to the Acting Secretary to the Board of Revenue, dated 29th September 1868, No. 252.

1. With reference to the Proceedings of the Madras Government and their Order thereon, dated 19th instant, No. 435, I have the honour to submit my replies to the queries annexed to the letter from the Secretary to the Government of India, Financial Department, to the Chief Secretary to Government, Fort Saint George, dated 19th August 1868, No. 1,818.

2. *Reply to Query* 1.—The number of Money Order Offices, excluding the Neilgherries, in this district, was restricted to four, on account of the other taloks not being provided with Serishtadars, or other chief subordinates, who were acquainted with the English language. Were it not for this impediment the offices might be extended from four, the present number, to ten.

3. *Reply to Query* 2.—A reduction of the present per-centage would probably lead to a greater use of the Money Order Office. The Hoondie rate of exchange varies from one per cent. on small, to three-quarter or twelve Annas per cent. on large, amounts, which is below the Money Order rates, namely:—

	Rs.	Rs.	Rs.	A.	P.		Rs.	A.	P.
From	1	to 10	0	2	0	Average Per cent.	3	10	7
Do.	10	to 25	0	4	0	do.	1	8	0
Do.	100	to 125	1	4	0	do.	1	2	0

4. *Reply to Query* 3.—I presume the saving in the greater number of offices opened, is attributable to the cost of supervision of Controller's Office being lessened, when distributed over many, than over fewer, offices. Indeed, there seems to be no question of this, as the charges of local subordinate management are a per-centage on transactions, whereas the head office is a fixed charge, whether the transactions be small or great.

5. *Reply to Query* 4.—The present limit of Rupees 150 might well be raised to Rupees 250.

6. *Reply to Query* 5.—Two Annas per cent. does not pay the trouble, namely, if a Money Order Agent, as in the Coimbatore Hoozoor Office, gives and receives Orders for Rupees 2,000 per mensem, he gets Rupees 2-8-0. The average of eight months at Ootacamund also was, total transactions, Rupees 2,000 per mensem. The annual remuneration of Rupees 30 is not likely to be sought by any person of his free will, who has further to give Security of Rupees 500. Therefore, the services of such Agents are obtained at less than their market value. Probably eight Annas per cent. which would give four Annas per cent. to the receiving, and four Annas per cent. to the paying officer, would be more suitable. Still it cannot be called remunerative, and, possibly, an office of this description, involving a high salary for superintendence, would require to be carried on at first at a financial loss, until it had established itself over the country.

7. *Reply to Query* 6.—I would recommend a reduction on the second commission for a duplicate and renewed Order, say fifty per cent.

8. *Reply to Query* 7.—I do not see what effect a graduated scale, according to distance, would have in popularizing the system. I am given to understand that the letter postage rate, irrespective of distance, is greatly appreciated by the Natives. If the charge were increased, according to distance, no distant remittances would probably be made by the agency of the Money Order Office.

9. I have, in Answer 2, pointed out where the commission presses heavily on remitters. I would reduce the first rate to one Anna, the second to two, and, generally, not charge above one per cent. on the minimum sum of the scale.

	Rs.		Rs.		Rs.	A.	P.
From	1	to	10	.....	0	1	0
"	10	to	25	.....	0	2	0
"	26	to	50	.....	0	4	0

From the Acting Sub-Collector, dated 28th September 1868, No. 313.
From the Head Assistant Collector, dated 26th September 1868, No. 183.
From the Assistant Collector in charge of the Southern Division, dated 26th September 1868, No. 114.
From the Tahsildar of Palladum, dated 26th September 1868, No 30.
From the Tahsildar of Caroor, dated 28th September 1868.
From the Assistant Collector in charge of Treasury, dated 29th September 1868, No. 671.

10. I think it is not improbable that the rates being higher than the Hoondie rate, may have some weight, with persons careful of expenditure; but in any case, it will take some time longer, before the system is fully availed of. A file of original replies from subordinates, as per margin, is enclosed.

3. With reference to the proposed Rules, the only alterations that suggest themselves to me are the following:—

In Rule 13, I would not notify that Money Order Agents will be "fined" for neglect. The power of fining is of course inherent in the head of an office, as an expression of his displeasure. It is not punitive, and I would beg, therefore, to suggest that the wording of this part of the Rule be altered or altogether omitted.

In Rules 28 and 32.—I think that the powers vested by these Rules in the Chief Office at Calcutta alone should be extended to the Controller's Offices at each Presidency, in all cases where the remitting and paying offices are situated in one Presidency. If they are situated in different Presidencies, then the powers under these Rules should only be exercised by the Chief Office in Calcutta.

4. Although the security of remittance by Money Orders is apparent, some Native residents of this place have informed me that they would remit small sums by Currency Notes, could they purchase them from the Talook Treasury. This must not, however, be taken to show that the Money Order system is regarded with disfavour. There are no merchants here who grant Hoondies, and it is simply a question of an unsafe remittance without payment and a safe one with; or in other words, they prefer to ship their goods without insuring.

ENCLOSURE No. 2.

From C. A. GALTON, Esq., Acting Head Assistant Collector, to the Collector of Coimbatore, dated Pollachy, 26th September 1868, No. 183.

I HAVE the honour to submit my opinion regarding the extension of the Money Order system as requested in your endorsement on the Proceedings of Government, dated 19th instant.

2. In reply to the first question, I am of opinion that it would be advisable to establish a Money Order Office at every Talook Cusbah. There would probably be some difficulty in retaining a sufficient sum of money at a Sub-Magistrate's station to meet the requirements of a Money Order Office, but this difficulty would be easily obviated at a Tahsildar's station where there is a Treasury. The extension of the system so far is worth a trial and would be attended with little risk, as any office which is not found to answer could be easily abolished.

3. In reply to the second question, I am of opinion that the per-centage demanded for the issue of Money Orders is too high, especially on sums not exceeding 75 Rupees. I am unable to say whether in the event of the rate being lowered people would be likely to make greater use of the Money Order Offices, but I doubt whether the lowering of the rate alone would cause a large increase in the number of Orders issued. At present, as far as I can learn, Money Orders are used only by merchants and Government Officials. I doubt whether the Ryots are aware of the existence of such a mode of remitting money. If my surmise is correct, the reduction in the commission charged would not tend to produce an increase in the number of Orders issued to any great extent.

4. Perhaps if Money Order Offices are established at every Talook Cusbah, and the advantages of remitting money by that means are more widely published, the mass of the people may be induced to resort more freely to them.

5. In reply to the seventh question, I am not of opinion that the Money Order system would be rendered more popular if commission were charged on a graduated scale according to distance I do not feel myself competent to offer any opinion on the other points noted in the Proceedings of Government referred, as I am not sufficiently well acquainted with the working of the Money Order system, and the time does not suffice for extended inquiries.

ENCLOSURE No. 3.

From L. A. CAMPBELL, Esq., Assistant Collector in charge of Southern Division, to the Collector of Coimbatore, dated Pullachy, 26th September 1868, No. 114.

WITH reference to your endorsement on Government Proceedings, Financial Department, No. 54, I have the honour to inform you that as in this division there are no Money Order Offices, I have not lately seen anything of the working of the system.

ENCLOSURE No. 1.

From A. McC. WEBSTER, Esq., Acting Sub-Collector of Coimbatore, to the Collector of Coimbatore, dated Dharapuram, 28th September 1868, No. 313.

As requested in your endorsement of the 24th instant, I have the honour to submit my opinion on the proposed extension, etc., of the Money Order system.

2. *Question* 1.—I think the extension of the Money Order system to be in every way desirable. As stated in the letter from the Financial Secretary, we have the machinery available in our Talook Treasuries. My Sub-division is well off; indeed, I should think the best in the Presidency in this respect, for there is a Money Order Office at each of the Cusbah towns of the talooks. I would advocate the establishment of a Money Order Office at every Tahsildar's station. It would popularize the system which is still in its infancy, and has not yet laid firm hold of the people. As far as this district is concerned, even if you do not go so far as I, in advocating the establishment of a Money Order Office at each Cusbah, I think that there can be no doubt that they should be established at Collegal and Erode. The latter is a rising town, the former a thriving little place with a considerable trade in silk.

Question 2.—I believe that the present rate of an average of one per cent. on Money Orders does not generally operate to check the extension of business, as I am informed the rate for Hoondies is higher. If the per-centage could be lowered without entailing a loss on Government at the present amount of business transacted, I would say, by all means lower it, as the cheaper the rate at which Orders are granted, the more popular must they become. I think, however, that it would be better that the effect of the extension of offices at the present rates should be ascertained before the question of a reduction of rates is considered.

Question 4.—I do not think it would be any advantage to the general public to increase the limit for which a Money Order can be granted to Rupees 250. The present limit is a large sum to an uncommercial Native, and if more than that has to be remitted, the sender can always obtain additional Orders. I have not statistics to refer to, but I think it will be found that the majority of Money Orders are granted for sums of Rupees 50 and under; at least, that is the case in this place. In England I believe the limit for a single Order is £10.

Question 5.—I do not think the present commission given to the Agents is sufficient. In this place the Money Order Office has been open for fifteen months. The average monthly transactions are Rupees 713 worth of Orders sent, Rupees 42 paid. The commission received by the Agent has been Rupees 12-7-2 for that period, or about 13 Annas a month! He has out of this had to pay about Rupees 6 on account of expenses in furnishing Security. Even were the rate doubled, he would not at the present amount of business be remunerated for his trouble, but business will, I am sure, increase hereafter. If possible, without entailing a loss on Government, I would recommend that the Agents' fee be raised to 4 Annas per cent. This would make 8 Annas per cent. to the Agents at the receiving and remitting offices, and the balance would be the Government commission on the transaction. If the amount received from this rate of commission should hereafter be found to be more than sufficient for the expenses of Establishment, etc., the rate might be reduced, but the Agents' commission should remain unchanged.

Question 6.—I think that the commission on a renewed or transferred Order should be reduced to the amount of fees payable to the Agents. The Government only pass the money once, but the Agents have double trouble.

Question 7.—I do not think were a graduated scale of fees according to distance charged, that the results would show that the change was more popular. The Post Office is an example of the favourable results of an equalized rate, although some letters have to be carried a greater distance than others for the same amount of postage. In Money Orders, no additional expense is entailed on Government. No money is remitted in specie, and I cannot, therefore, see the necessity for having graduated rates, unless it be that by increasing the charge for long, an Order could be given at a cheaper rate for short distance. In practice, I do not think that the results of this system would justify its adoption. I hear that the rates for telegraphic messages are to be equalized throughout India, and surely if there is a case in which a graduated scale according to distance should be charged, this is one.

2. My own opinion is that taking into consideration the object of the system, namely, "to "give to the people of India a cheap and safe mode for the remittance to distant parts of small "sums," it must be regarded as a failure.

3. I attribute this to three things:—

Firstly (Question 1)—To the scarcity of offices and consequent prevailing ignorance of the existence of such an agency.

Secondly (Question 2)—To the scale of charges being too high for the small sums.

Thirdly (Question 3)—To a want of interest among many of the Agents, due probably to their considering the remuneration insufficient.

ENCLOSURE No. 4.

From VENCATACHELLUM, Tahsildar of Pulladum, to the Collector of Coimbatore, dated Pulladum, 26th September 1868, No. 30.

IN acknowledging the receipt of your endorsement dated the 24th instant, on the Order of Madras Government, No. 435, dated 19th idem, calling for an immediate opinion on the new Rules of Money Order system, I beg to afford the following information:—

Answer to Question 1.—The Money Order system can be further extended with advantage. One may be opened at Pulladum, as there is a Cotton Factory at the Cusbah, and a number of petty Merchants trading in different species reside in the interior. They all will no doubt avail themselves of the system to their great advantage.

Q. 2.—The ordinary rate of discount on Hoondies is not more than one per cent.; so if the rate on Money Order is brought to the level of the ordinary Hoondie rate, the public will no doubt resort more to the Money Order system to avoid the risk to which the Hoondies are liable.

Q. 3.—Omitted.

Q. 4.—The higher the limit in amount of the Money Order is raised, the greater will be the advantage, as Merchants trading to distant parts have occasion to remit large sums.

Q. 5.—Any amount less than one-half of the commission recovered will not be remunerative to Money Order Agents, inasmuch as Sub-Registrars of Assurances receive half of the fees collected, while the trouble and responsibility of both the offices seem to be equal, with the exception of maintaining establishment in the latter office.

Q. 6.—It is desirable that the second commission for a duplicate and renewed Order should be decreased; the amount may be fixed at half of the original commission in consideration of the uncertainty of Postal communication when letters are sent unregistered.

Q. 7.—Of course the system will be more popular if the commission charged for an Order charged on a Treasury fifty miles off is fixed at half of the amount to that charged on Orders on Treasuries situated beyond that distance.

Q. 8.—The new Rules appear to be complete.

ENCLOSURE No. 5.

From K. VENCUTRA MNIAH, Tahsildar of Caroor, to the Collector of Coimbatore, dated Caroor, 28th September 1868.

WITH all marks of respect I beg to submit, herewith, my replies to the various points mooted in the Proceedings* of the Government regarding the Money Order system.

* Herewith returned.

REPLIES.

1*st*.—Whether the Money Order system can be further extended; in other words, whether more offices for this purpose can be advantageously opened in addition to those already in existence. Such extension may be feasible owing to the number of Treasuries, Sudder and Tehseel, in the interior of districts, the machinery being thus ready at hand.

1*st*.—It would be most desirable for the interests of the public, if more Money Order Offices were opened in addition to those already in existence, as the system affords great facilities for remitting small sums of money from one station to another with perfect safety.

2*nd*.—The present rate of per-centage demanded for the issue of Money Orders now ranges from 1½ to 1$\frac{1}{16}$ per cent. Considering that this rate is so much higher than the ordinary rate of exchange on Hoondies, could it be advantageously lowered? In that case, would people be likely to make greater use of the Money Order Offices so that the loss in the per-centage might be compensated by a greater issue of Money Orders?

2*nd*.—A reduction in the present rate of per-centage is, in my opinion, likely to offer greater inducements to the public to avail themselves of the Money Order system, and any loss in the per-centage may be compensated by a greater issue of Money Orders.

3*rd*.—*Prima facie*, it would appear that the greater the number of the Money Order Offices opened, the less would be the aggregate expense of control of each office. This is borne out by the fact that in Bengal alone, where there are 180 offices, the cost of each office is but Rupees 96-8-7; whilst in Bombay, where there are but 29 offices, the cost is Rupees 289-3-6; and in Madras, where there are 48 offices, Rs. 164-12-0.

3*rd*.—For want of data on which to form an opinion, I am unable to state how far the aggregate expense of control of each office would be lessened by a greater number of Money Order Offices being established.

4*th*.—The present limit in amount of a Money Order is from one Anna to Rupees 150. Would there be any great advantage in raising the highest limit to Rupees 250? it being borne in mind that the object of the Money Order system is not to interfere with the banking transactions of the country, but to give to the people of India a cheap and safe mode for the remittance to distant parts of small sums of money.

4*th*.—There would certainly be a great advantage to the public in raising the highest limit to Rupees 250, as repeated demands of this kind have been made since the operation of the Money Order system in this talook.

5*th*.—Is it desirable to raise the present commission of two Annas per cent. on the amount of Orders issued and paid to the Money Order Agents? If so, what sum would be remunerative to them, and at the same time would entail no undue loss financially?

5*th*.—The present commission of two Annas per cent. is far from being remunerative to the Money Order Agents, considering the amount of work they have to discharge, and the heavy responsibilities they incur. A commission of not less than three Annas per cent. I consider a fair remuneration for their services.

6*th*.—Would it be advisable to make any diminution on the second commission for a duplicate and renewed Order? At present this charge is the same as on the issue of the first Order.

6*th*.—Yes; a diminution on the second commission for a duplicate and renewed Order is desirable, but the remitter in such a case should previously afford satisfactory explanation respecting the loss of the original Order.

7*th*.—Would not the Money Order system be more popular if commission were charged on a graduated scale according to distance? By the present practice, the commission charged for an Order on a Treasury five miles off, is the same as that charged on a Treasury 1,000 miles away.

7*th*.—I should think not. The present practice is by far the best, a graduated scale according to distance being likely to be attended with inconvenience to the Natives, who having no table of distance at hand to refer to, may not feel inclined to make use of the Money Order Offices to the same extent as they now do. I need only refer to the uniform rate of postage all over India to show how popular it is with the Natives of this country.

8*th*.—A copy of the proposed Rules for the guidance of Money Order Agents is herewith enclosed. Do any alterations, modifications, or additions suggest themselves?

8*th*.—The proposed Rules are so complete in every respect that no alterations, modifications, or additions suggest themselves.

(Signed) K. VENCUTRAMNIAH,
Tahsildar.

ENCLOSURE No. 6.

No. 671.

MEMORANDUM.

As directed by the Collector's endorsement, dated 24th instant, on the Government Order, 19th September 1868, No. 435, the Assistant Collector in charge of Treasury has the honour to forward, herewith, an expression of opinion on some of the points noted in the Circular of the Government of India, dated 19th August 1868, No. 1,818.

1. As regards the first point noted in the Circular, the Assistant Collector in charge of the Treasury is of opinion that the further extension of the Money Order system in this district must be confined to those stations where Officials can be found competent to conduct the business of a Money Order Office. A knowledge of English would seem to be indispensable in a Money Order Agent, and in some Talook Cutcherries in this district even the higher subordinate Officials are ignorant of English.

2. As regards the second point noted in the Circular, the Assistant Collector in charge of the Treasury is of opinion, on general principles, and from the analogy afforded by the great development in the postal system, consequent on lowering the price of postage stamps, that a lowering of the rate demanded for the issue of Money Orders, would be followed in time by such an increase in the use of Money Orders, as would at least fully compensate the loss in the per-centage.

3. On the third point noted in the Circular, the Assistant Collector in charge of the Treasury does not feel competent to give an opinion.

4. On the fourth point, the Assistant Collector in charge of the Treasury is of opinion that the *highest* limit for which a Money Order can be issued, might, with advantage, be raised in amount to Rupees 250.

5. As regards the fifth point noted in the Circular, the Assistant Collector in charge of the Treasury does not feel qualified, from his experience, to express an opinion.

6. On the sixth point noted in the Circular, the Assistant Collector in charge of the Treasury is of opinion that it would be advisable to make a reduced charge, say one-half the original charge on the issue of a renewed or duplicate Order.

7. On the seventh point noted in the Circular, the Assistant Collector in charge of the Treasury is not of opinion that any great benefit would arise from the introduction of a system of charging commission on a graduated scale according to distance. The postal system as now established throughout British India has already familiarized the Natives of this country with the principle of a uniform charge, irrespective of distance, for the transmission of letters. Such a system possesses the great advantage of simplicity, regularity, and intelligibility, and is, therefore, found to answer well in practice. To introduce into the Money Order system, the principle of charging on a graduated scale according to distance would be, in the opinion of the Assistant Collector, to introduce an element of complication into a system that ought to be characterized by simplicity. It would necessitate for one thing the preparation of tables of distance of all the different Money Order Stations throughout the country. These tables would have to be supplied to every office, and constant study and reference to the tables, before issuing an Order, would inevitably cause delay and a certain amount of complication.

8. The Assistant Collector in charge of Treasury does not feel competent to suggest any alterations, modifications, or additions in the Rules for the guidance of Money Order Agents, which accompany the Circular of the Government of India.

COIMBATORE,
29th September 1868.

(Signed) T. WEIR,
Asst. Collr. in charge of Treasury.

Exd. T. Cartledge.

21

From J. W. BREEKS, Esq., Commissioner, Neilgherries, to the Acting Secretary to the Board of Revenue, dated Ootacamund, 30th September 1868, No. 34.

GOVERNMENT Order, dated 19th September 1868, No. 435, referring copies of Circular and Rules regarding Money Order Offices, and calling for my views on the points noted in the Circular, has been received.

I. The Money Order system may be advantageously extended wherever there are Treasuries and Agents procurable. In this district there is but one Treasury, the Branch Bank at Ootacamund.

II. The branch of the Madras Bank here issues Money Orders on the Head Office at 1 per cent. The Money Order Office here charges the same rate. If the charge were lowered we should get more orders, and the increase of orders might cover the loss entailed by lowering the rate.

III. The more offices the less the cost of each office, will depend upon the nature of the items forming the cost. The paper in which many of the forms are now printed (like the journal for example) seems unnecessarily expensive.

IV. The limit in amount of a Money Order may very well be raised to 250 Rupees, I think, without interfering with the Banking transactions of the country. It would have the effect of raising the pay of the Agent which is miserably small here, not amounting to 2 Rupees a month, and involving a good deal of trouble.

V. It is certainly desirable to raise the present commission of 2 Annas per cent. on the amount of orders issued and paid, as far as the Agent is concerned, the two Anna rate bringing him in a sum per mensem quite inadequate to the trouble. He has asked me several times to be relieved of the work. If the rate were doubled, I question whether he would care to hold the office. The Returns to the Controller are so numerous. Whether if the rate were raised no undue loss would be entailed financially can only be determined by the Controller.

VI. I see no reason for making any diminution on the second commission for a duplicate or renewed order.

VII. If commission were charged on a graduated scale according to distance, it would be less popular in my opinion and would involve more trouble. People would not like to return to a graduated scale of Post Office charges.

VIII. The rules regarding issue and payment seem quite satisfactory. I can suggest no modifications.

Exd. T. Cartledge.

From C. N. POCHIN, Esq., Collector of Salem, to the Acting Secretary to the Board of Revenue, dated 5th October 1868, No. 231.

With reference to the Proceedings of Government, Financial Department, No. 435, dated 19th September 1868, I have the honour to forward my opinion on the several points noted in the Circular of the Government of India relating to the extension of the Money Order system.

2. I adopt the numbering given in the Circular—

1st.—It is quite possible to extend the Money Order system in this district by opening other offices in addition to those already in existence, and I am of opnion that if an office were opened at every station where there is a Treasury it would be a great convenience to the public; but the difficulty is to procure qualified persons to occupy the Agent's post. It is not possible for either the Tahsildar or any of his subordinates to take up the business as they cannot spare time to attend to any other than their legitimate work, and in many instances they do not understand English. It, however, seems to me that the business might very well be made part of the duties of Postmasters, who, I fancy, have ample time to attend to the work, and all of whom do or ought to understand English. The Money Order system in England is carried on in the Post-offices, and why then should it not be here? The present practice of indirectly forcing the appointment on a person, is a great hardship; as the unfortunate individual is put to the expense of furnishing a Security Bond; but if the work devolves on a Postmaster, there will be no necessity for furnishing any other security as he already provides one for his office, which might conveniently be made to answer both purposes.

2*nd*.—It is very desirable that the rate of per-centage on the issue of Money Orders should be considerably reduced. The present rates are so much higher than the ordinary rate of exchange on Hoondies that they could be advantageously lowered, and the loss in the per-centage would, in all probability, in that case be compensated by a greater issue of Money Orders. The existing high rates is the principal drawback to the advancement of the system, and I believe that a reduction would give rise to a considerable increase in the number of Orders issued, and would, taken with an extension of the system, render it more popular.

3*rd*.—The expense of control of each Mofussil Office is very small, while that of the Chief Office at Madras is considerably higher; consequently it stands to reason that the greater the number of Mofussil Offices the aggregate expense of each Office must necessarily be less.

4*th*.—There is no doubt that the public would derive a greater advantage if the maximum amount of a Money Order were raised to Rupees 250, provided the per-centage is at the same time reduced. The petty merchants would materially benefit by it, and it would be more profitable to them, than to those who deal largely, who would prefer one Hoondee for a large sum to several small Orders for the required amount.

5*th*.—There is no doubt that the Agent's commission should be raised, (unless the business is handed over to the Postal Department,) as, what they at present obtain for their labour and responsibility, is no remuneration at all; but it is impossible to say what sum would be remunerative to them, and would at the same time entail no loss to Government, unless I have before me accurate information connected with the whole transactions of the system in the Presidency. It is necessary to know what income is derived so as to ascertain how much could conveniently be spared for the Agents. It seems to me that the Controlling Authority would be the proper Officer to furnish this information.

6*th*.—It would certainly be advisable to diminish a second commission for duplicate Orders, etc., as provided in Rule 9 of the proposed Rules; but it seems hardly fair that a man should be compelled to pay for a fresh Order when the original is lost, or miscarries in transit, through no neglect or want of care on his part.

7*th*.—I believe the Money Order system would become more popular, if commission were charged on a graduated scale regulated by distance. The scale of commission on Money Orders might be something as follows:—

Miles. Up to 100		Miles. 250		Miles. 500 and over.	
Rs.	Commission.		Commission.		Commission.
Up to 10	A. 1		As. 2		As. 2
,, 25	,, 2		,, 2		,, 4
,, 50	,, 3		,, 4		,, 8
,, 75	,, 4		,, 6		,, 12
,, 100	,, 6		,, 8		R. 1

From H. S. THOMAS, Esq, Acting Collector of South Canara, to the Acting Secretery to the Board of Revenue, dated Mangalore, 29th September 1868, No. 921.

In pursuance of the Order of Government, dated 19th September 1868, No. 435, Financial Department, I have the honour to submit replies to the several questions *seriatim*:—

2. *First Question.*—The Money Order system can, in my opinion, be advantageously extended by the opening of Offices in every place in which there is a District or Talook Treasury; and even in large commercial towns, where there is no Government Treasury, merchants might be found who would undertake the position of Money Order Agent, giving any necessary security.

3. *Second Question.*—I am decidedly of opinion that greater use would be made of Money Orders if the per-centage thereon was lowered. I would suggest the following table which is simple, being one Anna for every Rupees 10 over Rupees 20:—

			Annas.
For every sum not exceeding	Rupees...	20 ...	2
Do. exceeding 20, and not exceeding	,, ...	30 ...	3
Do. do.	,, ...	40 ...	4
Do. do.	,, ...	50 ...	5
Do. do.	,, ...	60 ...	6
Do. do.	,, ...	70 ...	7
Do. do.	,, ...	80 ...	8
Do. do.	,, ...	90 ...	9
Do. do.	,, ...	100 ...	10

4. *Fourth Question.*—I see no objection to the maximum for any one Order being made Rs. 250, instead of Rupees 150 as at present.

5. *Fifth Question.*—Certainly it is desirable to raise the commission payable to Money Order Agents, on whom much trouble and responsibility is cast for very inadequate remuneration. I would suggest three Annas per Rupees 100 This would leave four Annas per Rupees 100 for the Central Office. I have here no means of calculating whether the result would be a financial loss or not. The result must also depend much on the increased use of Money Orders consequent on an increased number of Offices, together with decreased premium.

6. *Sixth Question.*—Certainly one-half commission is quite as much as is equitable, and advisabl , and, if it could, it should, I think, be still further reduced. It should be borne in mind that for renewal much money is spent in postage, irrespective of commission, and such payments are incidental advantages accruing from the Money Order system, and swelling the general revenues of Government, as well as pressing upon the money sender, though they may not appear in the Money Order Accounts.

7. *Seventh Question.*—I do not think a graduated scale according to distance would be popular, but very much the reverse. It would be unintelligible to most, because complex, and not being in a position to make the calculation themselves, parties would never be sure they were not being imposed on. I think one general rate for all India would be the most popular and simple.

8. Rule 11 will not be required if the per-centage table I propose is adopted.

9. I should like to see the Money Order system extended to remittances to England and the British Colonies in which the Money Order system m y be in force. It would be convenient for the payment of shop bills, etc., and would, I imagine, b largely availed of. The rate of exchange would have to be added, it being fixed for the year or half year as in the case of payments of Military and Naval pensions, etc. In connexion with the packet post, it would, I think, advantage trade and swell the Postal returns.

10. The Money Order forms in use in the Madras Presidency are unnecessarily large, and the paper needlessly thick. The cheque margin also is not perforated to facilitate ready tearing. The Bombay forms are much better.

Exd. J. Wrigh.

8th.—The proposed Rules seem to be somewhat an improvement on those now in existence. If the rates of commission on Money Orders and that paid to Agents be changed, Rules 8 and 10 will have to be modified. In Rule 28 the second commission on "Duplicate Orders" might be dispensed with, as such will only be applied for in cases of loss of the original, but applications for "transfers, re-payments, alterations of names, etc.," should require a second commission of half the original or actual rate.

Rev. 3596

Enclosing three Orders of the Board of Revenue to the Govt. of India dated 11 Nov. 1868 No. 7953.

Nov.
Proc. 21 May 18 No. 376

File of replies about Money order System.

26

No. 7,953.

Proceedings of the Board of Revenue, dated 11th November 1868.

Read the following Proceedings of the Madras Government, dated 19th September 1868, No. 435, Financial Department:—

Abstract.—Communicating to the Board of Revenue and to the several Collectors, a Circular from the Government of India, regarding the extension of the Money Order system, and requesting their opinion thereon.

The questions put by the Supreme Government are:—

I. Whether the Money Order system cannot be "advantageously" extended by opening additional offices.

2. From the Controller's report for the official year 1867-68, it appears that, including the Central office at Madras, there were forty-seven offices open in this Presidency in that year. Every Sudder station has an office, and there are offices at twenty-seven minor stations.

3. The District Officers generally are in favour of establishing an office at every Tahsildary, and some advocate still greater extension. The only limit, in fact, with most, is the difficulty, indeed almost impossibility, of procuring competent persons willing to accept the office of Agent on its present terms.

4. So far as the convenience of the public is concerned, the more offices that are opened the better. In his Annual Report for 1867-68, Mr. Grigor states that "the cost of opening a Money "Order Office, with an average supply of forms and stationery for six months, may be estimated at "Rs. 30." This, however, as he explains, includes Rupees 16 for a Seal, which lasts for four years. The average annual cost of an office would thus be Rupees 32. Appendix F. of the Madras Controller's report gives the "Contingencies" of the year—which are in fact the only disbursements of Government money, as the Agents' commission comes out of the fees realized from the public—as Rupees 242-15-11, of which the Central office absorbed Rupees 130-5-11. The average cost of the Provincial offices is thus only 2½ Rupees per annum. The loss to Government, by any of the new offices proving to be little resorted to, is consequently very trifling, and an office should, the Board think, be established at every Tahsildary, where a competent Agent can be procured willing to accept the office.

5. The second question is, whether the present charge for Money Orders can be advantageously reduced.

6. The officers from whom replies have been received on the subject, are almost unanimously in favour of a reduction. This the Accountant General also strongly advocates.

7. The Board are unable to concur in this view. The objections are—

1*st*.—That the present rates do not suffice to meet the legitimate requirements of the Department, or to enable it to pay its Agents properly.

2*nd*.—That if the price charged does really exceed the usual premium on Hoondies and Bills of Exchange, the greater, indeed absolute, safety of remittance by means of Money Orders justifies and compensates for the excess.

3*rd*.—That as the avowed object and unquestionable policy of the Government is "not to interfere with the banking transactions of the country," it ought not to underbid the Banker or Merchant unless it can do so at least without loss, and the present rates do not cover its expenses.

4*th*.—That on all Orders above 20 Rupees, the Government loses the Stamp duty payable on Hoondies and Inland Bills of Exchange.

5*th*.—That the loss by reducing the rates is not likely to be made good by increased business, because the mass of the population are not deterred from using the Money Order Office by the rates but simply do not use it because they have no occasion to do so. The great bulk of the Agricultural community, for instance, have no pecuniary transactions beyond the neighbourhood of their own villages. If they had, the circumstance of the Orders being all in English and the precautions necessary to ensure their safety, would be far greater deterrents than the rates.

nate and unaided clerk; and that the argument, whatever it may be worth, applies only to the Sudder Offices, twenty in number, and not to the minor offices, already more numerous, which never issued Transfer Receipts.

15. The proposed arrangement, while more equitable in itself than the present plan, will not, the Board think, entail "undue loss financially." The State will still retain twelve Annas per cent., and this would just suffice for the expenses of management. Mr. Grigor's report already alluded to shows that the aggregate of Orders issued and paid in 1867-68, amounted for all India to Rs. 134,46,760. Four annas per cent. on this sum would be Rupees 33,617. The fees or commission realized amounted in that year to Rupees 76,056, so that paying the Agents on the scale the Board propose would have left the Government Rupees 42,439. Adding to this Rupees 4,202 for lapsed orders, the Government would have had Rupees 46,641 to meet charges amounting to Rupees 46,483. The surplus is small no doubt, but on the other hand the system admits of extension without proportionate outlay, and Mr. Grigor, in his report, advocates the abolition of the Office of Controller at Bombay, which would apparently cause a saving of Rupees 5,000 per annum.

16. As regards the Madras Presidency, *per se*, the proposed rate of payment would have raised the loss on the year's transactions from Rupees 4,171 to Rupees 6,167, but this is owing to the heavy charge for "control." The total actual charges of the year were Rupees 10,106, of which Rupees 8,158 were on account of the Controller and his establishment.

	Rs.
Controller's Salary	5,350
Do. Office	2,808
	8,158
Total charges inclusive of the above	10,106
Total Receipts	5,936
Commission paid to Agents	934

17. The following table shows the average monthly remuneration actually paid in 1867-68, and that which would have been paid at the proposed rate in Madras, at each of the twenty-four stations which were open throughout that year. A glance at it is sufficient to show how paltry the remuneration is, even at this rate:—

Stations.	Average monthly Commission paid to Agents in 1867-68.			Commission payable to Agents at the rates proposed by the Board, per mensem.		
	Rs.	A.	P.	Rs.	A.	P.
Bellary	2	6	8	4	13	4
Berhampore	1	12	6	3	9	0
Calicut	0	11	4	1	6	8
Cannanore	2	13	2	5	10	4
Chetterpore	1	2	9	2	5	6
Chittoor	0	9	11	1	3	10
Cocanada	1	9	1	3	2	2
Coimbatore	2	12	4	5	8	8
Combaconum	2	5	5	4	10	10
Cuddalore	3	8	0	7	0	0
Cuddapah	1	15	8	3	15	4
Cumbum	0	11	6	1	7	0
Kurnool	3	9	6	7	3	0
Madura	5	3	3	10	6	6
Mangalore	3	7	4	6	14	8
Masulipatam	4	8	1	9	0	2
Negapatam	2	7	9	4	15	6
Nellore	1	14	8	3	13	4
Salem	2	13	2	5	10	4
Sydapet	0	7	5	0	14	10
Tanjore	3	8	2	7	0	4
Tinnevelly	3	1	5	6	2	10
Trichinopoly	4	9	11	9	3	10
Vizagapatam	3	14	8	7	13	4
Total	61	15	8	123	15	4

8. The Board think, however, that the scale of rates is faulty. At present the charge is 2 Annas for 10 Rupees, 4 Annas for 25 Rupees, 8 Annas for Rupees 50, and so on, as in the margin. Consequently there is a direct inducement for a person who wishes to remit (say) 30 Rupees, to take out an Order for 10 Rupees and another for 20 Rupees, costing together 6 Annas, instead of a single Order which would cost 8 Annas; the Department being thus put to the trouble, etc., of preparing two Orders in lieu of one. The Board would suggest the uniform rate of 2 Annas for every 10 Rupees, the unit in the scale. This would enhance the charge for Orders above Rupees 50, but the Board hold that taking the circumstances of the people and the value of money in this country into consideration, these are not the "small sums" for the remittance of which it is the sole object of the system to provide facile means.

Present Commission on Money Orders.

		Rs.	Rs	A.	P.
For any sum not exceeding		10	... 0	2	0
,, ,, above 10 and not exceeding		25	... 0	4	0
,, ,, 25	,,	50	.. 0	8	0
,, ,, 50	,,	75	... 0	12	0
,, ,, 75	,,	100	... 1	0	0
,, ,, 100	,,	125	... 1	4	0
,, ,, 125	,,	150	... 1	8	0

9. The third question is, whether there would be "any great advantage" in raising the maximum limit of Money Orders from Rupees 150 to Rupees 250;" it being borne in mind that the object of the Money Order system is *not* to interfere with the banking transactions of the country, but to give to the people of India a cheap and safe mode for the remittance to distant parts of small sums of money."

10. The majority of officers consulted are in favour of raising the limit. The Board are of opinion that the present limit is quite high enough. In England the maximum is £10. If the limit be raised, it would probably be necessary to increase the sums in the hands of the Agents, and to increase also the amount of their Security, which is already so high as to deter acceptance of the office. As to interference with the Banking transactions of the country, the Board observe that so long as the fee charged for a Money Order exceeds the premium charged by the Banker, no apprehension need be entertained on this score. The maximum fixed for the amount of each Money Order evidently does not affect the question, as a person may take out as many of that amount as he requires.

11. The fourth question is, whether it is "desirable to raise the present commission of two Annas per cent. on the amount of Orders issued and paid to the Money Order Agents? If so, what sum would be remunerative to them, and at the same time would entail no undue loss financially?"

12. The district officers are almost unanimously in favour of raising the remuneration, the present inadequacy of which, combined with the demand for security, the responsibility incurred and the work to be performed, renders it a matter of the utmost difficulty to procure *willing* as well as competent Agents.

13. The insufficiency of the present allowance to the Agents can hardly be doubted. Appendix F. of the Controller's report shows that their total emoluments in 1867-68 were under Rs. 900, or on the average less than Rupees 20 per annum to each office. One Agent appears to have received one pie or half a farthing sterling as a month's remuneration; two others received each two pies or one farthing in the same period. A few annas per mensem is a very common rate of payment. These allowances are paid quarterly in arrears. And out of this pittance, it appears from Mr. Grigor's report that the Agents have to pay the Stamp duty of Rs. 6 on their Security Bonds. The Board would recommend that the present rate of Commission be raised from 2 to 4 Annas per cent., on the amount of Orders issued and paid. The Board do not think that less than twice this rate even would constitute more than a fair and just remuneration for the responsibility and work of the office, but this is all that the Department, constituted as it now is, can afford to give.

14. From the Controller's report it appears that former recommendations of this nature were negatived by the Bengal Accountant General on the ground that "the issuing of Money Orders was "merely the substitution of one work (namely, that of issuing Transfer Receipts) for which they were "not paid, for that of another for which they received payment;" and in this view the Controller states that he "entirely" agreed. On this the Board would remark that the issuing of Transfer Receipts did not involve either the labour or responsibility which the Money Order system entails; that such labour and such responsibility as it did entail, devolved on the Treasury Officer, a well paid servant with an office establishment and *not* on the Money Order Agent, almost invariably a subordi-

Rule 28.—There seems to be no necessity for requiring persons needing a duplicate of an Order, to apply to the Central office. If plainly and indelibly marked "Duplicate" and duly advised, there can be no risk.

Rule 31.—The same remark applies to this Rule. This excessive centralization of all power must be most inconvenient to residents in the Provinces, must cause delay, correspondence, and expence; and can hardly fail to render the system unpopular.

Rule 35.—There seems no particular necessity for, or advantage in, apprising the officer originally drawn up on of the transfer of the Order. It would be enough for all his purposes to cancel it.

Rule 37.—This seems a very circuitous method for a simple transaction.

27. On the Rules generally it may be remarked that they are evidently adapted to a special establishment. At present the Agent is usually a subordinate in the Sudder or Talook office, having other more important duties to perform. It is for the due performance of these that he is employed, and he cannot neglect these, or render them subordinate to the minor and supplementary business of the Money Order Department. The Revenue offices of this Presidency have been carefully revised and reduced to the minimum absolutely required for the performance of their own proper duties. The imposition of miscellaneous work appertaining to other Departments, not only renders the establishment inefficient for its own work, but each of these Departments expects its own business to take precedence of the employé's legitimate duties. The Money Order Office should use every effort to provide its own agency or abate its requirements from the servants of other Departments. It appears from Mr. Grigor's Report, that the expediency of employing Post Masters as Money Order Agents has been mooted in Bengal, and that the Collectors and Deputy Commissioners replied "almost unanimously in the negative." The main objections appear to have been that these officials are not sufficiently intelligent and trustworthy, that the public have not the same confidence in them, and that collusion between the Issuing and Paying officers would be easy. In this Presidency the Controller states that many of the Collectors are favourable to the scheme. It may, therefore, be assumed that Post Masters here are not generally open to the objections urged in Bengal. The risk of collusion is not very great; the orders are not to bearer, and do not even show the name of the payee, which is separately advised to the Paying Officer. There is very little more, security at present as the advices are merely gummed, are superscribed "Money Order Advice," and can be opened without much difficulty. The real safeguard consists in the character of the Agents and the certainty of detection. The Board would not advocate that Post Masters alone should be Money Order Agents, but they ought certainly to be eligible for the office.

28. The Government of India remark that "*prima facie* it would appear that the greater the number of the Money Order Offices opened, the less would be the aggregate expense of control of each office," and they instance the case of Bengal where there are 180 offices, and the cost of each office is but Rupees 96-8-7, whereas in Bombay, where there are only twenty-nine offices, the cost is Rupees 289-3-6, and in Madras, where there are forty-eight offices, it is Rupees 164-12-0. There would seem to be some misapprehension here. Of course the larger the number of offices over which the "expense of control" is distributed, the less the share of each, but there can be no real reduction thereby in the item. The charge of "control" alone in Madras is Rupees 7,908; this distributed over the forty-eight offices gives as the share of each Rupees 164-12-0. If the number of offices were doubled, the share of each would be only Rupees 82-6-0. But obviously, so long as the item Rupees 7,908 remains unaltered, there is and can be no reduction in the item "expense of control."

29. This item in Madras bears a very heavy proportion to the receipts and the gross charges. The former were only Rupees 5,932, the latter aggregated Rupees 10,106. It will thus be seen that "control" absorbed the whole of the Revenue, and nearly two-fifths more, and constituted four-fifths of the entire charges. The Executive Agents who did all the work of the Department received but Rupees 933* among them, while to "control" their proceedings cost Rupees 7,900.

Appendix 4 of Mr. Grigor's report.

* NOTE.—Some addition has to be made to this sum for the Agent at Madras, probably not more than Rupees 500.

18. The Board think Government should provide the stamp paper for the Agents' security Bonds. In many cases this preliminary charge is out of all proportion to the receipts of the Agent, who probably has also to pay his sureties for the responsibility they undertake. The Board cannot see the necessity of any security being taken from Government Officers, whose substantive appointments are the best guarantee for their honesty. There is something anomalous in requiring an Officer holding a post worth 20 or 30 Rupees a month, to give security in respect to another office which adds perhaps another Rupee to his income.

19. The fifth question is, "would it be advisable to make any diminution on the second commission for a duplicate and renewed Order."

20. The Collectors are almost unanimous in favour of reducing the commission to one-half the original rate.

21. The Board think a fixed charge of (say) one Anna on each duplicate would be preferable. A transferred Order is in fact a fresh Order, and should be charged as at present.

22. The last question is, whether the Money Order system would not "be more popular, if commission were charged on a graduated scale, according to distance?"

23. The District Officers are almost unanimously against this plan.

24. It seems to the Board that the proposed plan would simply be approved by those who had to pay less and disapproved by those who had to pay more than at present, and, as far as popularity goes, the Department would be much in its present position. The Board do not understand on what principle the proposal is based. If the Department had to send money along with the Order, it would be intelligible, as of course the expense would increase according to distance. But funds are provided for it everywhere without charge or expense. Or if it carried its own orders there would be an apparent reason, but the Post Office does this for it, without charge, and irrespective of distance. On the other hand, the trouble it has to take, the expense it has to incur, and the risks it encounters, are just the same, whether the Order is on a Treasury 5 miles or on one 1,000 miles distant.

25. The system of charging according to the amount of the Order, and also according to the distance it goes for encashment, would involve numerous mistakes and much additional trouble. The very low rate of commission would alone render the scheme impracticable.

26. As regards the Rules, the Board would make the following observations:—

Rule 4.—They would omit this. The requirements of the Department should be limited to what is essentially necessary for the safety of the remittance, and no departure from these terms should be permitted.

Rule 10.—The commission should be paid monthly. The amount is very small.

Rule 11.—The proposal to charge two Annas for every 10 Rupees would render the latter part of this Rule unnecessary.

Rule 12.—At the minor stations there is neither Collector nor Treasury Officer for the Agent to be guided by. If any limit is to be imposed on the *issue* of Money Orders, it should emanate from the Officer drawn upon, who has to provide the funds, not from the issuing officer, who only receives the money, or the Collector who has no means of knowing to what extent the Officer drawn upon can meet drafts. It may be said that the object is to prevent mere mercantile remittances, but the best and the only effectual way of attaining this object is to charge a higher Commission than the ordinary market rate.

Rule 16.—The Board fail to see the necessity of requiring a reference to the Chief Office, which must entail delay, expense, and correspondence. If the person who has taken out a Money Order returns it (as well as its duplicate, if any,) in its original condition uncashed, there would seem to be no reason why the issuing Officer should not cancel it and refund the money, or transfer it, or make any alteration in it, at once advising the other Offices concerned, and levying the prescribed fees.

Rule 26.—Six months seems much too long a period for the currency of a Money Order without renewal. The Board consider that three months would be ample.

Rull 27 seems to the Board much too broadly worded. The Agent should be liable for wrongful payments, as he only knows the name of the remitter and the payee.

This naturally suggests the question, whether there is anything in the business of issuing and paying Money Orders which necessitates its being treated as a matter of Imperial concern, and constituted a "Department" under the direct control of the Supreme Government. It seems to the Board to merit consideration, whether it might not be made over to the care of the Local Governments without any sacrifice of efficiency and with considerable saving of expense. The Board have no doubt of the perfect possibility of this arrangement.

(A true Extract.)

Acting Secretary.

To the Chief Secretary to Government, Public Department,
wite file of Collectors' replies.

Copy to the Acting Secretary to Government, Revenue Department,
with file of Collectors' replies.

" to all Collectors.

Encl. 1

Exd. T. Cartledge.

BOARD OF REVENUE, MADRAS.

1868.

PROCEEDINGS, 11TH NOVEMBER 1868, No. 7,953.

NOVEMBER.

No. 7,953.

Money Order System in Madras Presidency—Board's remarks on proposed extension of,