

AN OUTLINE OF  
POSTAL HISTORY

AND

PRACTICE

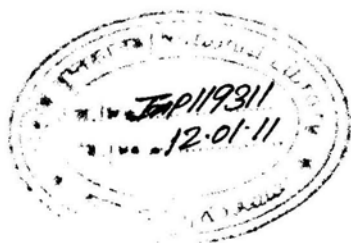
WITH A HISTORY OF THE POST OFFICE OF INDIA

IVIE G. I. HAMILTON

LATE POST OFFICE OF INDIA

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## PREFACE.

THESE pages were commenced with a view of instructing probationary Superintendents in the history, principles, and practice of their profession ; and were continued with the idea of commencing a history of the Post Office of India. No one has attempted this latter task, and it was found somewhat difficult to gather information regarding the early posts in India.

In the first three chapters the purely historical portion is dealt with as briefly as possible, the idea being to show the general causes which have contributed and led to change and development, and to point out the principles adopted in the carrying out and working of reforms.

I have to thank the Hon'ble Mr. C. Stewart-Wilson, Director-General of the Post Office, India, for kindly sending me for perusal some books and records from the Director's library.

DACCA,  
1910.

I. HAMILTON.

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## WORKS CONSULTED AND QUOTED.

*Her Majesty's Mails.* (Lewins.)

*L'Union Postale.*

*St. Martins-le-Grand.*

Annual Reports of the Postmaster-General, United Kingdom.

Annual Reports of the Director-General of the Post Office of India.

*Encyclopædia Britannica.*

The Imperial Gazetteer of India.

*History of the Post Office.* (H. Joyce.)

*The Jubilee of Penny Postage.*

*Forty years at the Post Office.* (F. E. Bains.)

"I have gathered a posy of other men's flowers,  
Nothing but the thread that binds them is my own."

# HISTORY OF THE POST OFFICE.

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## CHAPTER I.

### EARLY POSTS.

THE Post Office, as the term is understood in the present day, is a necessity of a highly civilised community and a remarkable development of modern civilisation, and did not exist in early times. When mankind began to develop gregarious habits and formed itself into large groups or states, it was found to be essential for the maintenance and existence of such group or state, to have a service for the communication of orders or news between the central administration and its outlying parts. The germs of the present Post Office had their origin in State services maintained purely for State purposes. This presupposes a language, and a medium for its communication. At first the medium was by voice ; and then later by ideographic and phonographic symbols during the initiatory stages of writing, and by phonetic writing during the final stage.

When a message is sent by mouth through several persons the human element of error is increased, and the chances of preserving secrecy greatly diminished. Next, if expedition is required and the distance is great, a little ingenuity would suggest relays of messengers ; and if the communications are frequent or regular, the advantage of maintaining messengers at fixed posts is obvious. Hence the derivation of the word *post* from *positus*, meaning placed or fixed. The Spanish and Portuguese designate the post by the words :—*correo* and *correio*, from the Latin *currere*, to run, which is more distinctly connected with the name of the Roman post.

Grote, in his *History of Greece*, maintains that the Spartans were almost entirely ignorant of written communications ;

that the heralds employed by Government were messengers and not postmen, and their object was to deliver messages and not letters. The Homeric Talthybius and Idoeus, with their successors in office, are the messengers of Zeus and of men, and Idoeus was a minister of the voice and the ear.

Prescott in his *History of the Conquest of Peru* described the remarkable roads that were found in the country, and says that along the principal one small buildings were erected for the post-runners or *chasquis*, stationed at these posts for the carriage of despatches. These were either verbal or conveyed by means of the *quipu*, an arrangement of skeins of twisted wool of different thickness and colour, with a thick cord as a foundation from which hung, in the form of a fringe, numerous threads more or less short or fine and knotted at irregular intervals. The variations of colours and knots formed the alphabet by means of which words and thoughts were transmitted. The Peruvians attained great skill and perfection in the preparation of these knotted letters. Father Acosta relates that an Indian once recorded the general confession of his whole life in such a combination of skeins and threads. With the help of the *quipu* which he held in his hand, he confessed as if he were reading the confession from written paper.

In Prescott's *Mexico* we are told that, communications in Mexico from the earliest times of which any record can be had, were maintained with the remotest parts of the country by means of couriers, post houses being established for the purpose at two leagues distance from each other; and that the couriers bore their despatches in the form of a hieroglyphic painting.

The Chinese, Persians, Romans, Arabs, Egyptians and the Moghuls all maintained extensive government posts. Three of these were in Asia, one in Africa, and one in Europe; and Asia is the birth-place and the continent where the early posts flourished. Greece at the time of her independence was only a collection of small communes, and therefore had no need

of such an institution. Each commune had messengers for its domestic wants, and for its relations with the other communes. When the messenger Phidippus was sent from Athens to Sparta to demand the help of the Lacedemonians against Mardonius, he had only to make a journey of two days.

The earliest organisation of which historians have given an account, is the regular courier service established about 550 B. C. by Cyrus, who erected post houses throughout Persia. This has been described by Xenophon and Herodotus.

Dr. R. P. Grenfell in a paper on the excavations by himself, and Dr. Hunt in the winter of 1907-08 at Oxyrhynchus mentioned among the papyri discovered a document, written 270 B. C., which consisted of the register of an intermediate Post Office on the Nile Valley, and which, he remarked, afforded a highly interesting glimpse of the postal arrangements of the ancients. Careful note was made of the day and the hour of the messenger's arrival, the number of packages he brought, the name and addresses on the exterior of the different missives, and the names of the messengers to whom they were entrusted for delivery. The registered letter department of the present-day Post Office, he commented, could hardly be more methodical and precise.

The Emperor Augustus was the first who introduced the institution among the Romans, about 31 B. C., and kept horses at post houses built on the principal trunk roads. Pliny tells us that this service was used only for government despatches, whereas some of the wealthier citizens maintained their own private messengers. The medium of communication now becomes the sealed tablet. Subsequently Hadrian improved this postal service by making it directly imperial, it had previously been maintained and paid for locally.

Perhaps the most important of the early posts, and English writers of postal history are silent on the subject, was the institution maintained by the Califs, which belongs to a later date than the old Persian and Roman posts, and although quite equal to these in celerity, in the magnitude of its opera-

tions, and in its efficiency, is of more interest in possessing some features in common with the postal service of recent days. The first traces of the Arabian postal arrangements date from about 50 years after the death of Mahomed. Calif Moawija who died in 679, is regarded as the founder of the Arabian posts. Kodama, a native of Bagdad, who died in 959, gives an account of the service in his work, called *The Book of Taxes*. There were 930 postal stations on the six great high roads starting from Bagdad. At some stations there were relays of horses, but in Syria and Arabia the messengers rode on camels, and in Persia the letters were conveyed from station to station by messengers on foot. The postal service under the Califs was an independent branch of the administration, and in addition to the conveyance of despatches and travellers, was added the supervision of all the authorities in outlying possessions. Of the two classes of superior postal officers, the *nowagquim* was the postmaster who received the official packets and letters and attended to their conveyance, whereas the *farwaneggyur* was a kind of chief postmaster at the capital of a province, who controlled the work of the postmasters and made his own report on all the civil and military authorities to the central office in Bagdad. These reports were so valuable, that Calif Abu Djafar Manssur is credited with the statement :—"My throne rests on four pillars, and my power on four men :—A blameless kazi (judge), an energetic chief of police, an honest minister of finance, and a faithful postmaster who gives me reliable information on every thing." It has been said that the Roman *cursus publicus*, the *frumentarii*, the *agentes in rebus*, and the *curiosi* served a similar purpose, but the Arabian arrangement was more systematic. In the Post Offices of the Califs, the letters and packets posted as well as those received from other places, were entered in special lists where their number and address had to be stated. This practice was observed in India till a few years ago, and it will thus be seen that the letter bill of the modern posts was in use already among the Egyptians in 270 B. C., and also among the Arabs. From

the information that has been preserved it is inferred that the Arabian posts did, to a certain extent, transmit private letters, but this was not done officially, and the couriers and postmasters conveyed such correspondence along with the official despatches and on their own account.

Chenghiz Khan, the great Moghul sovereign (1154-1226), established a service on the Arabian pattern. Sultan Nureddin of Egypt who ascended his throne in 1146 organised an extensive pigeon post, and the Mameluka rulers of Egypt (1260—1517) had a postal service far in advance of the age.

Two Arabs, Soleyman and Abou Zeid Hassan who visited China in the ninth century, give a description of a post that existed there for the correspondence exchanged between the Emperor and the Governors of towns, being conveyed by mules which had their tails docked. Before the Christian era, China had extended her rule over Tibet and Tartary as far as the Caspian Sea, and her frontiers were conterminous with Persia. So many inventions have reached the West from China, that it is doubtful whether the institution of the post did not also reach Europe through the intermediary of the Persians and Arabs. After the conquest of China by the Mongol Yuen dynasty an extensive organisation was maintained for the rapid conveyance of government despatches. Marco Polo, the distinguished Venetian traveller who was born in 1256 and died in 1323, tells us there were about 10,000 post stations with 200,000 horses. When despatches had to be conveyed or news to be collected, two couriers were always sent together, and these had to traverse the whole of the distance. They changed horses at each station, and travelled at the rate of 200 to 300 miles a day. Traces of this service still survive. A few years ago, an express courier with his coat sealed on him, still rode, day and night, 800 miles to Lassa. These messengers were seen by the Pundit Nain Singh, with their faces all cracked by long exposure, their eyes bloodshot and sunken, their bodies raw with vermin.

## CHAPTER II.

### SECONDARY STAGE.

IN the previous chapter a brief description was given of the early posts, or of that primary stage in the development of the Post Office, which consisted in the maintenance of a State organisation for the transmission of State despatches. In the secondary stage the public are admitted to the use of the organisation with the result, generally, that when the carriage of private correspondence becomes lucrative a monopoly is claimed by the State, and that subsequently improvements in the service are necessary to meet the needs of the great and increasing volume of private correspondence.

The sending of a private messenger is expensive, and when there exists an established system of couriers for the government post, there is always the temptation to make use of this arrangement for private purposes. Permission may be granted in a few cases, then the demands of the public increase, and they are allowed to utilise the State arrangements on payment. This was the case in Rome when dissatisfaction began to be expressed at the exclusiveness of the government regulations. Then arose the granting of the *diploma*, by the emperor or any magistrate, by which Pliny says any person might command the use of the public horses or carriages or the service of the public couriers.

In the 10th century when the Moors had attained a marvellous civilisation in Spain, as illustrated at Cordova, reading and writing were practically unknown in England except to ecclesiastics. It has been stated with some truth that paper has contributed more to the advancement of the human race than any other material employed in the arts, and its manufacture constitutes an industry depending more closely than any other on the march of civilisation. The invention of paper

is attributed to the Chinese in 89 A. D. From China the invention spread to Samarkand about 751, Bagdad about 795, and then to Damascus, Egypt and the North Coast of Africa. The first manufactory in Europe was in Spain under the Moors, in 1154 there was a mill at Jative. Afterwards paper-making spread to Italy, France and Germany, and the first mill in England is said to have been established in 1460. The manufacture of paper became more general in England about 1558.

Printing brought reading and was the means of spreading education. It was only 1450-55 that Guttenberg established his press, and Caxton set up the first press in England at Westminster, 1476-77.

Before the introduction of paper and the printing press there was no great need for a public postal service. The first traces of a government post in *England* are to be found in the statutes of Edward III, but at what time and under what conditions the public were able to avail themselves of it is unknown. Mr. A. M. Ogilvie has pointed out in Volume II. of *St. Martins-le-Grand* that the desire for learning was one of the first impulses which in Europe led men to live away from their homes, and was the cause of the establishment of the earliest private posts. He says :—"The Universities of Oxford and Cambridge had organised public posts before there were any general public posts, and their right to maintain these was recognised by all the Post Office Acts affirming the Crown monopoly until the Act of 1837."

Mr. H. Joyce, in his history of the Post Office, says :—"But the conveyance of the Sovereign's letters was not the only purpose which the posts, as originally established, were designed to serve. Another and hardly less important purpose was that there should be stationed, and in constant readiness, at given distances along the chief roads of the kingdom, a relay of horses by which persons travelling on their Sovereign's concerns, even though not the bearers of letters, might pass between one part of the country and another. Of this second purpose a few words implanted in the English language, such



as post-horse, post-boy and travelling-post, are all that we have now left to remind us. But long after the public had been admitted to the free use of the post, the two objects of providing for letters and providing for travellers continued to be treated as inseparable. Hence the history of the posts during the seventeenth century and far into the eighteenth becomes complicated with the history of travelling. Indeed, there can be little doubt that it was as a means of travelling, and not as a means of correspondence that the post first came to be used by others than those employed on affairs of State. Writing during the sixteenth century, was an accomplishment possessed by comparatively few, whereas any one might have occasion to travel; and the resources of travelling, so far as these partook of an organised system, were in the hands of the Sovereign."

In 1789, the monopoly of letting post-horses which the Post Office had enjoyed uninterruptedly since 1603, was taken away, and with the extinction of this monopoly there passed away one of the original functions of the postmasters-general.

A great development of trade commenced with the Tudors and consequently the volume of correspondence considerably increased. In 1632-33, W. Frizelle and Thomas Witherings were appointed Masters of the Posts. Witherings is the first of the great English postal reformers. The post had apparently got into a bad state, as it was said letters were "being now carried by carriers or foot-posts 16 or 18 miles a day, it is full two months before any answer can be received from Scotland or Ireland to London. " Witherings in his scheme of 1635 established eight main postal lines, and the journey between London and Edinburgh was performed within three days. The rates were, for a single letter if under 80 miles 2*d.*, between 80 and 140 miles 6*d.*, and above 140, 8*d.* In 1635, a monopoly of letter carrying was established with two exceptions :—the Universities of Oxford and Cambridge were allowed to continue having special carriers, and the Cinque

Ports to continue their ancient right of sending their own post to and from London. In 1644, Edmund Prideaux was made Master of the Posts, and was allowed to keep the profits, on condition of his bearing all the expenses, the government thinking they had made a good bargain as the charges then amounted to £7,000 a year. After five years' management, the revenue Prideaux derived from his office reached £5,000 a year.

About 1653 John Hill, an attorney of York, established a penny post between London and York—this being a part of his scheme for a general penny postage for England, a two-penny postage for Scotland and a four-penny postage for Ireland. John Hill's letter carriers were "trampled down" by Cromwell's soldiers, and the inventor had a narrow escape from severe punishment.

In 1683, Robert Murray, an upholsterer, started a penny post between the different parts of London, with six and eight deliveries near the Exchange and four in the outskirts. The interest in this scheme was acquired by William Dockwara, and it became such a success that it was closed as an infringement of the Post Office monopoly. Letters or parcels not exceeding a pound in weight, or any sum of money not exceeding £10 in value, or parcel not worth more than £10 could be conveyed at a cost of one-penny; or within a radius of ten miles from a given centre, for the charge of two-pence. For nearly 120 years the London penny post was carried on by the Post Office, and in 1801 this was converted into a two-penny post. Mr. Joyce has pointed out that 200 years ago there existed an ocean penny postage between England and America. He says:—"In 1698 it was the custom of the masters of ships bound for America to hang up bags in coffee-houses and any letters that might be dropped in these bags they carried, and were glad to carry, over for one-penny or two-pence a letter, according as it was a single for a double one."

During the Protectorate the monopoly was used to "discover and prevent many wicked designs, which have

been and are daily contrived against the peace and welfare of the Commonwealth, the intelligence whereof cannot well be communicated except by letters of escript." To such a degree had this espionage been carried, that it caused considerable discontent, and in 1711 a clause was added to the Post Office Act that "no one, except under the immediate warrant of one of our principal Secretaries of State shall presume to open any letters not directed unto themselves," and this Act established the following rates of postage, for single letters, 3*d.*, if under 80 miles, and 4*d.* if above, and 6*d.* to Edinburgh or Scotland.

In 1720 the post was farmed to Mr. Allen for £6,000 a year. Allen introduced the cross-posts, and much accelerated the service. The posts gradually organised by Allen between 1720 and 1760 remain to this day as the framework of the modern system in England. They were carried by mounted post-boys at the rate of 5 miles an hour, but John Palmer in 1784 introduced the mail-coach era in consequence of the frequent robbery of the mails. The growth of trade and the spread of commerce were the means of opening out the country. Good roads were made by Metcalfe, Telford and Macadam, and stage-coaches now plied between the principal towns. When the mail-coaches were started by Palmer, the rate of speed was six miles an hour, and so greatly was the improvement appreciated that the volume of correspondence at once increased, and the speed of the coaches was subsequently raised to eight, nine and ten miles an hour. In the first year of the introduction of Palmer's system the revenue of the Post Office was about £250,000, and thirty years afterwards it had increased six-fold, nearly a million being added to the annual public revenue.

The interval between Palmer's mail-coach era and the introduction of Rowland Hill's uniform penny postage is chiefly marked by the growth of the sea packet service, caused by the introduction of steam. The sea packet service was performed partly by hired vessels, and partly by vessels owned

by the crown. In 1788 this service attracted the attention of Parliament, and the "commissioners of fees and gratuities" reported that many officers of the Post Office were owners of hired packets, even down to the chamber-keeper. The commissioners recommended that the crown vessels should be sold, and the entire service be provided for by public and competitive tender. The "Rob Roy" in 1818 was the first steamer to ply regularly between Greenock and Belfast, and three years afterwards the postmaster-general established steam crown packet services.

*France.*—The earliest postal system in France that had any degree of permanency was established by the University of Paris. From the beginning of the 13th century this institution maintained couriers, who took charge of letters and money from the students collected in the city from almost all parts of Europe. This lasted till 1719 when the University was made to discontinue its service, but had assigned to it as compensation, 300,000 francs yearly from the revenue of the Post Office; which was paid till the beginning of the revolution.

Louis XI established for his own use mounted messengers, and in 1468 instituted post stations at intervals of four leagues on the chief roads of France. It appears that in 1481 the King authorised private persons to despatch letters by the royal riders—*chevanceurs*—this privilege, however, had to be purchased at a high price. During the reign of Louis XIV a monopoly was established because the post had become remunerative, and it was first farmed out to a man called Potin.

In 1660, an international postal conference was summoned in Paris, to regulate the conditions under which the postal service between France on the one hand and Spain and the Netherlands on the other, should be conducted. The days of despatch, and the cost of conveyance were fixed and a special feature in the agreement was the recognition of the principle of reciprocal compensation, the postage on correspondence forwarded in the direct service between France and Spain, should only be paid at its destination, consequently by the

addressee. The result of this arrangement was that the accounts kept against each other by France and Spain were discontinued.

In 1760, Pierron de Chamousset set up a penny post in Paris. The chief office of the "petite poste" was in the Rue des Dechargeurs, with branches in each quarter of the city. There were two hundred boxes in all at different points and one hundred and seventeen postmen. Collections were made frequently, and there were nine deliveries a day in the city and three in the outskirts, the postage being from two to three sous. The postmen wore uniforms, and announced their approach by tapping on an iron plate.

In 1688, when the post was farmed out the third time the revenue amounted to 1,400,000 francs. In 1786, when it was leased for the 23rd time, the price paid amounted to 10,800,000 francs, and at the expiration of the last lease in 1791 when the establishment reverted to the King, it produced a clear income of more than 11,000,000 francs.

In *Germany* the first post was established in Tyrol in the latter half of the 15th century by Roger I, Count of Thurn and Taxis, and the next in 1516 between Brussels and Vienna. Charles V had a riding post established between the Netherlands and Italy. Even financial reasons would soon dictate a formal permission to Government couriers to carry letters for individuals, of course under regulation and restriction, although at the outset such a practice may well have been rather connived at than allowed. In the postal systems of Spain and the German Empire there is record of such permission in 1544, and within 15 or 16 years that permission had grown into a legalized and regulated monopoly, from whence the Counts of Taxis drew part of their profits as Postmasters-General.

*L'Union Postale* (Volume XVII, page 128), says:—"As in consequence of constant want of money, the Royal Exchequer was unable to fulfil its engagements towards Francis von Taxis, the latter had to fall back on postage receipts in

order to maintain his institution. The conveyance of private correspondence and of private persons by post was, therefore, allowed, on the condition that such conveyance did not interfere with the Royal service." Germany was a collection of small territories, each having its own post, so it was natural they should remain in a backward condition.

In 1867, the Thurn and Taxis system was abolished and a uniform rate of 1 silber-groschen or 3 kreuzers (about 1d.) for a single letter was fixed for the whole of North Germany. Since the establishment of the German Empire a uniform system has been organised, Bavaria and Wurtemberg still retaining the management of their posts.

*Austria-Hungary.*—Vienna possessed a local letter and a parcel post in 1772, at which date no city in Germany possessed the like; and in 1785 this was taken over by the imperial post. The separate postal organisations of the Empire of Austria and of the Kingdom of Hungary date from 1867. In Austria the post and telegraph offices are under the control of the minister of commerce, whereas in Hungary they are under the minister of public works.

The postal system in *Italy* arose in Piedmont. Until 1561 the transmission of letters was in the hands of the communes or private persons, who were authorised by the State to charge for the service which varied according to circumstances. In the year mentioned the posts were farmed out by Emmanuel Philibert, Duke of Savoy, to a Postmaster-General. This arrangement continued until 1697, when the profits of the Post Office were amalgamated with the revenue of the State, and since 1710 the Post Office was administered directly by the State. In 1816 the system of Piedmont was reorganised, and since the unification of Italy it was extended to the whole kingdom.

There is nothing requiring special mention as to the posts of North, South or Central America.

## CHAPTER III.

### FINAL STAGE.

THE third stage in the development of the Post Office is that in which the department is declared to exist for the convenience of the public, and it assumes a number of industrial functions, besides the carriage of letters. This stage may be said to commence with the introduction of a cheap and uniform rate of postage. The exorbitant rates of postage which existed at the time, were introduced in 1812, and were the highest ever attained in the country. If the following schedule is examined, it would seem to be ingeniously devised for the special purpose of being intricate, expensive, and difficult to work :—

### SCHEDULE.

					Single.	Double.	Treble.	Ounce.
					<i>d.</i>	<i>d.</i>	<i>d.</i>	
Not exceeding 15 miles ...					4	8	12	16
Above 15 and not exceeding 20 miles ...					5	10	15	20
20	15	25	30	...	6	12	18	24
30	21	31	41	...	7	14	21	28
50	32	42	52	...	8	16	24	32
80	43	53	63	...	9	18	27	36
120	54	64	74	...	10	20	30	40
170	65	75	85	...	11	22	33	44
230	76	86	96	...	12	24	36	48
300	87	97	107	...	13	26	39	52
400	98	108	118	...	14	28	42	56
500	109	119	129	...	15	30	45	60
600	120	130	140	...	16	32	48	64
Above 700 miles ...	...	...	...	...	17	34	51	68

It was calculated that the average charge on an inland letter was 6½*d.*, and these charges were grievously felt by the general community, and pressed heavily on its poorer members. It was forcibly brought home to Rowland Hill, a Worcester-shire schoolmaster, by the fact that, when engaged to his future



Sir ROWLAND HILL, K.C.B., D.C.L., F.R.S., F.R.A.S.,

Originator of the Uniform Penny Postage System. Born December 3rd, 1795. Died August 27th, 1879. Buried in Westminster Abbey.

(From *Graphic*, 6th September, 1879.)



wife, he and she found it necessary from motives of economy, to sacrifice sentiment, and to restrict their correspondence to a letter once a fortnight. This turned his attention to the subject, and for some years he went exhaustively into the study of the rates. The result was, that in 1837 he published his remarkable pamphlet, entitled *Post Office Reform : its Importance and Practicability*, in which he demonstrated : (1) that the Post Office revenue had remained stationary from 1815 to 1835, *i.e.*, for 20 years, although the population had increased, and there was a great increase in trade and commerce ; and that the postal revenue ought to have shown an increase of £507,700 a year in order to have simply kept pace with the growth of population ; (2) that the average charge per letter was 6½d., whereas the expenses in connection with its disposal he divided into two heads, those for handling in the office of despatch and its delivery, and the cost of transit, and these amounted to two-thirds, the total cost of the management of the Post Office. And proceeding with his investigations he showed that the *average* cost of transit was one-tenth of a penny, and from this he argued that if the charge was to be made proportionate to the distance, it must clearly be *uniform*, as it was impossible to collect one-tenth of a penny ; (3) that the existing system resulted in a complicated and expensive system of accounts, involving great waste of time, and offering inducements to fraud ; and that if the rates were made uniform, and pre-payment by means of stamps or stamped covers introduced, there would be an economy of labour (*e.g.*, as the staff could distribute four or five times the number of letters they were then able to deliver), and the accounting could be done away with or greatly reduced. He showed the cost of collecting postage by money payments on delivery, would be six times as great as the cost of collecting postage by stamps. In conclusion he advocated the rate of one-penny per letter weighing not more than half an ounce. The pamphlet created a great sensation. The subject was warmly taken up by the mercantile community, and petitions began pouring into Parliament

from various public bodies that the scheme might be considered. The pressure became so great that the Ministry appointed a Committee of Enquiry, which concluded its deliberations in August 1838. The evidence was clear and most convincing that the high rates were responsible for a vast amount of illicit letter conveyance, and the report said :—" The means of evasion are so obvious and frequent, and the power of prevention so ineffectual, that the post has become only the *extraordinary*, instead of the usual, channel for the conveyance of letters." The committee approved of Mr. Hill's scheme and said that the existing rates were so high as materially to interfere with and prejudice trade and commerce. They recommended :—" that the principle of a low, uniform rate is *just in itself*, and when combined with prepayment and collection by stamp, would be exceedingly convenient and highly satisfactory to the public," and that in their opinion " the establishment of a penny rate would not, after a temporary depression, result in any ultimate loss to the revenue. As, however, the terms of their appointment precluded them from recommending any plan which involved an immediate loss, they restricted themselves to suggesting a uniform two-penny rate." Accordingly in the session of 1839 a bill was passed for a uniform rate of postage, which conferred temporarily the necessary powers on the Lords of Treasury, and in 1840 a uniform rate for half an ounce and a system of prepayment by stamps was adopted. It may be interesting to note how the scheme was nearly wrecked. The Parliamentary Committee adopted the vital principle of uniform postage by the casting vote of Mr. Robert Wallace, its Chairman. The Government were reluctant to move in the matter, but a series of fortunate incidents aided the scheme. Lord Melbourne's Government having only escaped defeat by a narrow majority of five votes on the second reading of the Jamaica Bill, the Ministry resigned, and Sir Robert Peel was sent for to form a new Government, but was unable to do so owing to the " Bed-chamber difficulty." So Lord Melbourne was recalled, and in the nego-

tiations with the radical members for future support, the bargain was struck that the support would be given, provided penny postage was conceded. It will thus be seen that one of the greatest social reforms ever conceived was introduced as bribe by a tottering Government to secure political support. Mr. Lewins has pointed out in his book on *Her Majesty's Mails*, that the scheme should be contemplated in two aspects, the one to its social, moral and commercial results, and the second its financial results. "When the system had been in operation two years, it was found that the success of the scheme in its first aspect had far surpassed the most sanguine expectations ever formed of it by any of its advocates." The success in its financial aspects was longer in its attainment. In the first year the number of letters had more than doubled, but there was a deficit in the revenue, and it was not till 1850-51, the twelfth year of penny postage, that the old gross revenue was passed, and in 1863 that the net revenue was reached. In his pamphlet Mr. Hill had expressed an opinion that the maintenance of the revenue depended upon the carrying out of *all his plans*. These included increased speed in the delivery of letters, greater facilities for their despatch, and simplifications in the operations of the Post Office, besides the uniformity of postage, and with the exception of the latter they had not been attempted. Trade was flourishing when the uniform Postage Bill was passed, but for some years afterwards it was greatly depressed. It was contended that the reduction in postage was a reduction in taxation, and the capital thus relieved was employed in other and probably more legitimate channels. In 1842, although there was a loss on Post Office revenue of £900,000, yet there was no serious deficiency in the general revenue of the country, notwithstanding the great depression in trade. Then the carriage of mails by railway, because of the greater speed, had increased, in some cases doubled, and even quadrupled the expenses of transit. Mr. Hill had calculated that the number of letters might be increased twenty-fourfold without any material addition to

the sums paid to the contractor. In 1842, on a petition presented to the House of Commons by Mr. Hill, a committee was appointed "to enquire into the measures which have been adopted for the general introduction of a penny rate of postage, and for facilitating the conveyance of letters; the results of such measures as far as relates to the revenue and expenditure of the Post Office and the general convenience of the country, and to report their observations to the House." This committee (1843) also reported favourably on the principal recommendations placed before it by Mr. Hill, and the latter was given an appointment in the Post Office, so that he could supervise the various measures. The report showed that the vast amount of illicit letter conveyance, prevalent before the introduction of the scheme, had been stopped, and in cases where breaches of the law continued, it was simply in matters where the question of speed was involved. Twenty years afterwards Mr. Hill received the honour of Knight Commander of the Bath, and when he retired in 1864 from his duties as Secretary of the Post Office he was granted his full salary as a pension, and a Treasury minute referred to him as not "merely a meritorious public servant, but a benefactor of his race." The author of *The Jubilee of Penny Postage* has shown that it was the courage, the sturdiness and tenacity, as well as the inventive faculty of Sir Rowland Hill, that demonstrated, that, in point of fact, the distance travelled was almost an infinitesimal element in the cost of the transmission of a letter. That was the great point that had to be established. This is the most important reform ever introduced in the Post Office, and has been adopted by all the postal administrations of the world. It is now nearly seventy years since the introduction of penny postage and the British Post Office still leads in the simplicity and liberality of its letter rate, which in 1897 was made one-penny for a quarter of a pound (4 ounces), and the sample post was consequently abolished.

It was in 1635, that the rates were fixed according to distance, so it took just two hundred years before it was demon-

strated that they were exorbitant, injurious and oppressive socially as well as to commerce, and that they had been levied on a practically wrong principle. And this was demonstrated by an outsider who had no connection with the Post Office, and who devised the machinery for carrying out the reforms. Postal progress was slow in the earlier stages. Up till and including the introduction of uniform postage nearly all the more important reforms had been initiated and proposed by outsiders. Since then there has been a great improvement, and dating from about the middle of the nineteenth century may be said to commence the period of the great postal renaissance, nearly all the reforms being initiated and the machinery for their working being devised by departmental officers. This period may well be termed the Victorian era of the Post Office, as the principal events took place during the reign of our late great Queen, to whom alone the law gave supreme control over the posts (I Vic., cap. XXXIII, sec. 8, although her ministers might perhaps claim to act on her behalf), who took such an interest in postal matters, and who on the introduction of penny postage cheerfully volunteered to resign the privilege of franking and to pay postage like all her subjects.

Although the chief object of the department is the prompt and rapid transmission of letters, no institution perhaps has undergone so much revolution since the introduction of uniform postage. By its extensive organisation and numerous agencies it was found to be capable of infinite extension and growth if adapted to some of the minor needs of the community, and in this light was made to subserve the best interests of the state. In fact, it has become a collection of different, though connected industries, and is so indispensable an agent in human affairs, that the slightest irregularity in its working causes the greatest confusion in social life. During the Victorian era just mentioned, full advantage has been taken of the power obtained from steam in increasing the speed of mails both on land and on water, and arrangements made for sorting during transit. To the carriage of letters has been

added the carriage of parcels, and in India and some other countries the collection of the value of their contents. The transmission of remittances is undertaken by the Money Order Branch. In the Savings Bank Branch the Post Office has not only become the banker of the poor, but acts as broker for investments in Government stock, and as assurance agent for annuities and life insurance.

The inventions of the telegraph and telephone are worked by the State, except in the United States of America. In India, Government revenue and dues are remitted by a special system of Money Order ; indents for the supply of salt from the Government factories are received ; Government quinine is sold in small quantities and at a price within the reach of the poorest individual and practically at every village by the village postman ; and the department has successfully undertaken the payment of native military pensioners in the Punjab.

The Old Age Pension Act, 1908, provided for the payment of the pensions weekly by the post offices of the United Kingdom. The first payments were made on New Year's Day, 1909. By the Finance Act of 1908, certain local taxation licenses previously issued by the Inland Revenue Department have been issued exclusively by the Post Office.

A brief description will now be given of those functions which are common to most postal administrations, and those which are peculiar to India will be treated of in the chapter on the Post Office of India.

Before closing this chapter it may be interesting to trace the growth of the penny postage movement and the advance it has made towards a universal penny post.

After the introduction of uniform inland penny postage in 1840, the next reform pressed on the Post Office was for *ocean* penny postage. This was by Elihu Burritt, the promoter of the first International Peace Conference, in a pamphlet published in 1851, entitled *An Ocean Penny Postage. Will it pay ?* An *ocean* rate of one-penny was advocated for a letter from any

port in the United Kingdom to any port at which British mail packets might touch. "It would meet the terms of our proposition if every letter under half an ounce, from any port in Great Britain to any town in the Colonies, should pay *three-pence*; one-penny for the home inland rate, another penny for the ocean, and the third for the Colonial inland rate, and *vice versâ*. The Government now charges one shilling for these rates."

The agitation for *ocean* penny postage was extended and merged into one for a *universal* penny postage by Mr. William Hastings, who introduced the matter to the Huddersfield Chamber of Commerce in 1864, and in 1866 published his pamphlet, *Universal Penny Postage*, in which he contended that the cost of transit of a single letter from the United Kingdom to Japan was under two-fifths of a penny, and to New York under one hundredth.

The next form adopted by the agitation for the extension of the penny post was in the direction of *Imperial* penny postage. This measure was pressed by Mr. H. Fawcett, Postmaster-General, in 1880 upon the Colonies, but the latter did not respond. As the idea of a closer connection with the Colonies advanced under the efforts of the Imperial Federation League, and such advocates as Mr. Arnold Foster, Mr. Henniker Heaton and Mr. James Hutton, an Imperial penny post was established in 1898 with the exception of Australia and New Zealand.

*Universal* penny postage has not yet been achieved. It was advocated by Sir J. Ward, Postmaster-General of New Zealand, at the Universal Postal Congress at Rome in 1906, and is bound to be advocated again in the next Congress to be held at Madrid. In the meantime, a penny post has been established between the United Kingdom and the United States, and similar arrangements are under negotiation between the United Kingdom and France. The memorable dates showing the advance of the movement are given below:—

1840. Uniform penny postage established in the United Kingdom.

- 1898. Penny post established in the Empire, with the exceptions of Australia and New Zealand.
- 1900. Penny post with the Transvaal and Orange River Colony.
- 1901. Penny post with New Zealand.
- 1905. Australia adopted penny postage from the United Kingdom, but maintained the rate on letters from Australia at 2d. per half ounce.
- 1905. Penny post between the Empire and Egypt including the Soudan.
- 1908. Penny post between Great Britain and the United States.
- 1909. Penny post between Germany and the United States.

There is also a penny post between the United States and Canada, and between Austria and Germany.

In 1908, the Government of India intimated their willingness to introduce penny postage between India and the United States, but the American Post Office was not prepared to accept this offer. There are certain difficulties at present regarding the introduction of penny postage between the United Kingdom and France. If each of the 12,500,000 letters sent from the former to the latter was under an ounce, the loss on each would be 1½d., and the total loss would be £78,000. But many of them are over an ounce, and on each such letter there is an additional ½d. of loss for each additional ounce, bringing the total gross loss up to £82,000. The number of letters would have to be increased at least six-fold before that additional cost could be wiped out. The problem becomes still more serious from a financial point of view when it is remembered that if letters could be sent to France for 1d., it would become almost impossible for 2½d. to be charged for the postage of each letter sent to Brussels or Berlin. When a penny post is introduced to France, it would soon have to be extended to other European countries, and this would mean a loss of £325,000 per annum. The introduction of penny postage



between the United Kingdom and the United States cost between £120,000 and £130,000 in the first year, and as there is a stringency of funds the present Liberal Government does not consider this an opportune moment for undertaking a contingent liability which might amount to £325,000.

By the end of 1909 penny postage existed in the international relations of more than twenty countries.

## CHAPTER IV.

### THE VICTORIAN ERA.

*Registration.*—France was apparently the first country that established a system of cheap registration for letters, and this was introduced in 1627 by the philanthropic Postmaster Pierre d' Alméras, a man of high birth.

In the United Kingdom an Order in Council dated as far back as July 1556 had ordained "that the poste between this and the Northe should each of them keepe a booke and make entrie of every letter that he shall receive, the tyme of the deliverie thereof unto his hands with the parties names that shall bring it unto him, whose hands he shall also take to his booke, witnessing the same note to be trewe." In 1630 another Order in Council passed, requiring that "every post shall keepe a large and faire leger paper booke, to enter our packets in as they shalbe brought unto him, with the day of the moneth, houre of the day or night, that they came first to his hands together with the name of him or them, by whom or unto whom they were subscribed and directed."

In 1680 Dockwara, when establishing his penny post, was careful to provide that letters on reaching any one of his seven sorting offices should be "entered."

In 1787 a Commission of Inquiry was held on the Post Office, and Mr. Joyce says:—"On the subject of registered letters addressed to places abroad the Commissioners merely expressed the opinion that the registration fee, instead of being any longer treated as a perquisite, should be applied to the use of the public; but they nowhere stated, and perhaps had not been informed, what this fee was. It may be interesting if we supply the omission. The fee for registering a packet of value was, outward 21s., and inward 5s. It seems incredible, and yet such is the unquestionable fact. For every letter

registered abroad the controller of the foreign office received 10s. 6d., the deputy-comptroller 4s. 6d. and six clerks 1s. a-piece. One guinea for registration ! And it was all the more monstrous because there can be little doubt that at one time letters had been practically registered without any fee at all." In 1814 the fee for the registration of a foreign letter was still one guinea, but in this year receipts had to be given to the senders of registered letters.

Immediately previous to uniform postage all inland letters containing, or supposed to contain coin or jewellery, were registered gratuitously as a security against their loss ; but under the new system it was considered impracticable to continue this gratuitous service, which was dropped altogether. It was soon found that, as the number of letters increased, the number containing coin had also increased, and there was a considerable increase in the number of complaints of theft. Formerly a postman was given so many letters on which amounts had to be collected and it served as a certain check, but when pre-paid letters were made over to him this security was discontinued, and he had unbounded opportunity for dishonesty with no check.

Mr. Hill while at the Treasury had recommended a system of registration, which was somewhat similar to the plan adopted by the Post Office in 1838, but the charge, 1s. per letter, rendered it nugatory. In 1841 a proposal for the compulsory registration of letters supposed to contain coin was referred to Mr. Hill, who considered the principle of compulsory registration quite fair, but pointed out that the high rate of 1s. deterred the public from registering their letters voluntarily. He suggested that the fee should be lowered to 6d. to be reduced still further as soon as practicable. He considered :—" The public, under a lower rate, would have little excuse for continuing a bad practice ; but if it was continued, restrictive measures might then be tried, as the only remaining method of protecting the public from the consequences of their own imprudence." It was not till 1862

that the fee was lowered from 6*d.* to 4*d.*, and the compulsory registration of letters containing coin was introduced. In the United Kingdom a double fee is charged for ordinary letters found to contain coin, whereas in the Netherlands a treble fee is inflicted, and in France the posting of an unregistered letter containing money or other valuable articles is treated as a penal offence. "Lead us not into temptation" forms a part of the daily supplication of the Christian, and the French have acted quite in the spirit of Christianity by making it a penal offence to send valuables in an unregistered letter. The benefit and blessings of compulsory registration as far as the staff is concerned may be judged from the fact that the convictions for letter-stealing have been reduced more than ninety per cent. In India the famous Ambala Sweep of olden times was stopped by Government because of the theft of letters containing ten-rupee currency notes addressed to the Sweep Secretary.

The registration fee in the United Kingdom is now 2*d.*, and when there was a proposal for its reduction, Sir James Fergusson, then Postmaster-General, replied that to reduce it from 2*d.* to 1*d.* would be impossible, as the present fees only paid expenses. Switzerland is probably the only country having so low a registration fee as 10 centimes.

Registration is merely an arrangement by which in return for a fee the Post Office agrees to take special care of an article. The plan adopted is based on the principle that every registered letter must be signed for in passing from hand to hand. This system affords almost absolute security of transmission, and under-writers testify that the registered post is the safest means of conveyance they know.

Let us now consider the amount of security afforded. The Postmaster-General, United Kingdom, in his 8th Report, says, 1 registered article was lost to about every 90,000 and this is almost the same proportion as in the United States of America, which is one piece in every 86,156 (*L'Union Postale*, Volume XXIX); and regarding this the Postmaster-General of the latter country proudly remarks:—"It is doubtful if

there is a private enterprise in the world doing business of half the magnitude of the registry system, that can boast of such a record for safety and efficiency."

It was calculated (10th Report of Postmaster-General, United Kingdom) that one letter in every 23,000 goes astray, so that the relative security conferred by registration is about four times that of unregistered articles.

In consequence of the great security the International Postal Congress held at Washington decided that unless *prima facie* evidence is produced that a registered letter has actually failed to reach the addressee, no enquiry concerning it shall be undertaken until a fee of 2½*d.* for the acknowledgment of the delivery of the letter has been paid.

During 1680 Dockwara introduced the principle in the English Post Office of giving compensation for the loss of a letter or a parcel, and this continued till about 1760, when the practice was rescinded, and was not revived until adopted by the Universal Postal Union, and made applicable to the registered correspondence exchanged between all the countries forming the Union. The ordinary registration fee in 1886, entitled the sender in the event of loss to claim £2; for an additional insurance fee of 1*d.* the limit was raised to £5; and for 2*d.* to £10.

In 1891 in the United Kingdom the separate system of insurance was abolished, and an amalgamated system of registration and insurance introduced, whereby compensation was paid in case of loss or damage according to the amount of registration fee affixed to the article. The rates are, a registration fee of 2*d.*, entitles to compensation up to £5; 3*d.*, £10; and each additional penny to a further £10 up to a maximum of £120.

In India previous to 1877 coin was not allowed to be sent by post owing to the danger of the mails being stolen, and since then has only been permitted when insured. Registration is resorted to more largely in the Madras Presidency than in any other part of India, and this is attributed to the fact that

currency notes are used for remittances, whereas hundies are more used for this purpose in other provinces.

In India also free receipts are given to the senders of all registered articles, both letters and parcels, a voluntary procedure which is not accepted by any other administration, and which causes much unnecessary expense both in books and in establishment. If a person requires a receipt for a registered letter or parcel, it is not understood why he should not pay for a certificate of posting as in England. A reduction in the registration fee, 2 annas, was proposed by a Chamber of Commerce, and should this concession ever be granted, the privilege of giving free receipts for registered letters and parcels would probably be withdrawn, and any person wishing for a receipt could obtain a certificate of posting, as is done at present for ordinary letters.

Both in England and in India letters are registered by the rural postmen on their rounds.

Insurance was introduced in India in 1878 and the system had its origin in a desire to separate between the valuable and non-valuable portion of the mails.

The Post Office does not entertain any claims, when an insured article is delivered in the state in which it was originally posted. The Post Office cannot ascertain what are the contents of a sealed article, and there is no guarantee that the sender's statement of the contents is true. If claims for compensation were entertained, as a matter of course, the Post Office undertaking to pay up at once the whole amount insured, there would be an opening for fraud which would soon be systematically worked. In one case when an insured letter was opened and found to contain pieces of paper instead of currency notes, which the sender had written to say were enclosed, the addressee prosecuted the sender on a charge of cheating and obtained a conviction, though the prisoner persisted in saying he had sent the notes.

Articles of gold and silver, precious stones, jewellery and other articles of a like nature, which are prohibited for trans-

mission in insured letters may be sent in the letter mails as "insured boxes" between the following countries:—Austria, Belgium, Bulgaria, Denmark, Egypt, France, Germany, Holland, Italy, Luxemburg, Montenegro, Portugal, Roumania, Switzerland, and the United Kingdom. These boxes are subject to the customs regulations in the country of destination, and must be accompanied by customs declarations prepared by the senders.

Probably the most intrinsically valuable single article ever intrusted to the Post was the "Cullinan" diamond when despatched from South Africa to London, for which the ordinary postage and a registration fee of 4*d.* was paid. Had the article been lost, compensation to the extent of £2 only would have been paid. This has been claimed as an example of "public confidence in the postal service of the Empire," and a writer in *St. Martins-le-Grand* cynically adds, the fool-hardiness of the possessors of valuable property."

*The Parcel Post.*—Besides being able to claim the first introduction of a registration and a money-transmission system, the French Post Office can claim the first introduction of a parcel post. Mazarin's edict of 1643 shows there was a parcel post as well as a letter post, and both were in operation at a later date according to the regulations framed in Fleury's edicts of 1728.

In the United Kingdom when Robert Murray started in 1683 his penny post in London, the service was not confined to letters. It extended also to parcels, the only condition being that neither parcel nor letter should exceed one pound in weight or ten pounds in value. The Post Office, when it organised a supplementary parcel service, undertook the duties of common carriers. Mr. Hill often said that the carriage of parcels without limit as to weight, and at a lower rate than even a penny per half-ounce, was a feature of his postal scheme, but it remained to his successors to introduce a parcel post into England. This did not come into operation till 1883, whereas several European postal administrations and India had a parcel

service long prior to this date. Even now the United States Post Office has no parcel post. Mr. Bains in his *Forty Years at the Post Office* has given an account of the numerous difficulties that had to be met and anticipated in the introduction of a parcel post in the United Kingdom. He explains that "postal parcels, for good reasons, are required to be brought to a post office. The apertures of the letter-boxes are, for the most part, too small to admit of parcels being posted in them; and there is less risk under this rule of such articles being sent—a paper bag of ripe damsons, or a bottle of vegetable oil, for example—as would be harmful to letters..... Again, prepayment is an essential condition of cheap postage." The rates were :—1 lb., 3d.; not exceeding 3 lbs., 6d.; 5 lbs., 9d.; and 7 lbs., 1s. The limits of size were, 3 feet 6 inches in length or in length and girth combined 6 feet. Parcels were to be prepaid in adhesive stamps, and might not exceed 7 lbs.

One of the effects of the parcel post was a check on railway abuses, both of over charge and of excessive delays, which had become great evils. For a four-ounce parcel from Cornwall to Inverness the railways charged four shillings, and it was proved in 1848 that the railway profits on small parcels were eighty per cent. The scheme was not at first a financial success. The Parcel Post Act of 1882 secured to the railway companies 55 per cent. of the inland postage on all parcels tendered to them by the Post Office for conveyance, whereas it was calculated afterwards that the work done by the Post Office represents more nearly two-thirds than one-half of the total expenses. As the full postage on parcels conveyed wholly by road was retained by the department, many road services were organised, although there was railway communication. These road services besides being an advantage financially, were found to afford greater security from injury as the handling was reduced to a minimum, and the risk of damage increases with the number of transfers. A parcel could be put into a van at the office door, and not re-handled until it reaches the office of destination—two handlings in



case or four or more when conveyed by rail. These horse services have been replaced by motor vans, which has resulted in an acceleration of the service and, where the loads are heavy and the distances considerable, in a substantial economy. There are now sixty such motor services in different parts of the country.

In 1896 the maximum weight was increased to 11 lbs., and the rates were 1 lb., 3d., and for each additional lb., 1½d., which were still further reduced in the Diamond Jubilee year (1897) to 1 lb., 3d. and for each additional lb. up to 10 lbs., 1d. The charge for a 10 lbs. parcel is thus 1s., and is also the same for a 11 lbs. one.

Every effort was made to meet any new demands likely to result in remunerative business. In London a special delivery of parcels in Covent Garden Market was made at 6 A.M., during the months of May, June and July for the convenience of fruit growers. Special facilities were also arranged for collecting the parcels of private firms, and in two days no fewer than 7,000 parcels were received from one house. Rural postmen and mail cart drivers now collect parcels. Arrangements have also been made in the United Kingdom and in India to collect import customs duties at the office of destination on foreign parcels received for delivery.

When the letter rate in the United Kingdom was reduced to 2d. for half a pound, and 4d. a pound, the letter post was found to supersede the parcel post for light packets.

It was only in 1895 that the cheaper form of unregistered parcel was introduced into India. Although the Post Office had conveyed parcels since 1854, the progress had been comparatively little in consequence of the high rates charged. The great parcel growth of the German Post Office between the years 1872-1882 is attributed to the remarkably cheap and simple rates of postage that were introduced. Increase the number of parcels and you consequently increase the revenue in other branches. When the parcel post was introduced into Italy, the administration estimated that each parcel had

given rise to two letters, or at least two post-cards, and it was also found that the money orders had increased, as the contents of many of the parcels were paid for by money orders.

A few years ago the Eastern Banks availed themselves of the facilities of the parcel post in connection with their bullion shipments to and from India. By parcel post 500 sovereigns could be sent to India for 6s. 5d. as compared with £2 10s. ( $\frac{1}{2}$  per cent.) charged by the P. and O. Company as freight on specie. The P. and O. Company protested against this use of the parcel post as an infringement of their rights. As the Post Office neither desires to have the transmission of large sums of money nor had arrangements been made for the purpose, and as Government has declared that the department shall not be responsible in a pecuniary point of view for conveyance of parcels any more than for that of an ordinary letter, it was considered not a legitimate use of the parcel post, and a notification was issued prohibiting the transmission of more than £5 of gold in any one cover.

A description of the value-payable system as applied to the parcel post will be given in the chapter on the Post Office of India.

In Italy the parcel post was started in 1881, or two years before such a service was commenced in England.

## CHAPTER V.

### THE VICTORIAN ERA—(continued).

*Money Order.*—The French Post Office besides being the first to start a registration system, was the first to originate a postal money-transmission system. This was introduced in 1627 by the celebrated Postmaster Pierre d'Almères and the actual coin or paper money made over by the remitter to the Post Office, was delivered to the payee. The service was converted into a money order one in 1817. The causes which led to the introduction of a money order business in the United Kingdom appear to have been two-fold. The government desired some medium by which sailors and soldiers might remit to their homes such small sums as they could manage to save for that purpose, and the theft of letters containing money had become frequent, so that the Post Office also wished for some means whereby the remittance of coin in letters could be avoided. Three enterprising officers of the department submitted for consideration a scheme they were willing to undertake, provided they were given a monopoly, and were allowed to avail themselves of a part of the machinery of the post office. The undertaking received the sanction of the Postmaster-General, and the firm started work in 1792 with the designation of "Stow & Co." The conditions were that each partner had to find a capital of a thousand pounds; the business was to be carried on at the cost and risk of the firm, which was to receive the profits, and was also to have the privilege of sending all their correspondence free of postage. The commission charged was 8*d.* for every pound. The Post Office issued a notification giving its benediction to the scheme in which it was said:—"As the great object of this plan is to prevent the embezzlement of letters containing money sent by post, the Postmaster-General wishes to recom-

mend it to your attention, and hopes you will give every assistance in your power." It will thus be observed that the avowed object of the money order was the same as that of registration, —to prevent the theft of letters containing coin. As the commission was high, and a letter containing a money order was subject to double postage, it was not conducive to a very large business, each of the partners, however, received on an average about £200 a year.

Attention having been called to this business in the House of Commons, it was eventually taken over in 1838 by the Post Office. The commission was reduced to six-pence for sums under two pounds; and one shilling and six-pence for two pounds and sums up to five pounds. It was, however, found that the new branch was worked at a loss. Soon after the passing of the Penny-postage Act, the commission was reduced to 3*d.* in place of 6*d.*, and six-pence for any amount above two and under five pounds, and although the transactions greatly increased, the loss to the revenue in 1847 amounted to £10,000. When asked to further reduce the commission the Postmaster-General in his 9th Report says:—"From time to time the department has been urged to issue money orders when the sum is below £2, for a smaller commission than 3*d.*, descending even to 1*d.* These applications, however, have always been refused, since a commission even of 3*d.* is not sufficient to pay the cost." The loss in working was due to the high commission, the general inefficiency of the system, and the heavy expense incidental to the unnecessary elaborate system of account. In 1859 the system was remodelled, the accounts were simplified, and a saving of £4,000 a year effected. Concessions were also given to the public such as the granting of orders up to £10 instead of £5, and in 1904 the limit was to £40.

In the United Kingdom the money order system is largely used by Government departments for the payment of pensions, separation allowances, remittance of bankruptcy dividends,

etc., and free orders may be obtained by the public, under certain conditions, for the purpose of remitting their taxes.

When a person requires a money order in the United Kingdom, he attends a post office, hands the money with the commission over the counter, and gets in exchange an order made payable to the payee at any money order office he may name. The sender has to transmit this order to the payee, who has to sign and take it to the post office on which it is drawn before he can receive payment. The system worked by the Post Office in India, which is adapted from the German, is a far more convenient one to the public. The sender fills up a money order form, hands it in at a post office, pays the amount with commission, and in exchange gets a receipt. He may even write a small communication on the "coupon" space of the order, and has nothing more to do. The Post Office pays the amount at the house of the payee, delivers the coupon, and obtains a receipt in duplicate,—one being termed the acknowledgment which is sent free to the sender. To carry out such a system, money orders are paid at the house of the payee by the postman or village postman. Not only does this measure adapt itself to native habits by avoiding the need for the personal attendance of women at the post office, but it tends also to lessen the accumulation of cash at offices, and accelerates both the payment of the order and the closure of the account. In the United Kingdom no such convenience is granted, and postmen are not entrusted with the payment of orders. The money order business has become one of the most popular branches of the postal service. One of the most remarkable features of the Post Office of India is the large sums entrusted to its postmen; the poor pay these men receive from Rs. 7 (9s. 4d.) to Rs. 14 per mensem; and the fidelity with which they carry out this payment. Considering their pay and the material from which they are recruited no similar class in any other country can compare with them in integrity.

A form of the English system is worked in the United States of America, and as there were a number of cases in which the amounts of the orders had been fraudulently raised while in the hands of the public, a new money order blank made of so-called "safety-paper," with a marginal check indicating approximately the amount, was introduced in 1905. The properties of the paper are such that the original writing cannot be altered or obliterated without so changing the colour of the paper as to render the forgery apparent. During the eleven months which followed the introduction of this paper, only about a dozen attempts to raise the amount were reported and the alterations were so easily detected as to render the orders unnegotiable.

The French have had a modern money order system since 1817. The order is a kind of bill of exchange drawn by the office of issue on the office of payment. The commission is at the rate of one per cent., or one centime ( $\frac{1}{100}$  of a penny) for each franc. Thus an order for five francs (4s. and 2d.) costs only a half-penny. The sender of a blank order in a non-registered letter is liable to a fine of from 50 to 500 francs.

In India a very large proportion of the inland money order business consists of remittances to their families made by native soldiers, police constables, labourers on railway works, and coolies on tea gardens; and the directions of these remittances are very clearly shown by the preponderance of issues over payments in the different circles. The issues are far in excess of payments in Burma, Central Provinces, Assam, Sind and Central India, whereas in the United Provinces, Bombay, Punjab and Behar the payments far exceed the issues. Ceylon also pours into India between 10 and 11 lakhs of rupees a year while receiving in return less than a lakh, the remittances being chiefly made by coolies from the Madras Presidency who have obtained employment in Ceylon.

In India, the average value of each money order is shown to decrease every year, in fact most of the orders are for sums of Rs. 5 to Rs. 10, thus showing that the money order

business is supported by the poorer classes of the population, and does not, therefore, encroach on the legitimate province of banks and private remitting agencies. The same amount of work is imposed over a remittance of Rs. 5, as over one of Rs. 150, while the commission on the latter is twenty-four times the former, and less trouble is entailed in the payment of large orders, which are payable at big towns than in the case of small ones at villages, whither cash has to be conveyed over long distances.

Telegraphic money orders were introduced in India in 1884, and in the United Kingdom in 1889. In England they are chiefly used by tradesmen who require orders to be executed immediately, by tourists, and the travelling public generally. It is found that most business is done in the months of August and September when the number of travellers is greatest.

In India experience soon showed how readily the system could be exploited by swindlers by false personation, because of the readiness with which travellers in this country confide particulars regarding their life and movements to chance acquaintances, and the credulity with which new comers to a place are accepted as being what they give themselves out. Special attention was directed to the necessity of making the strictest enquiries and of obtaining satisfactory identification before payment, which has been followed by good results.

The system is naturally most used where the saving of time is the greatest, and in 1889-90 about half the total number of telegraphic money orders were issued in Burma, and a quarter of the total number of payments were in Madras.

*Postal Orders.*—The French Post Office can also claim the first issue of postal notes payable to bearer which took place in 1860.

In the United Kingdom it was felt that the money order system was defective regarding the remittance of small sums. Each order cost the department 3d., and it would be unjust to lower the charge beneath the cost, and thus to confer a benefit upon the transmitters of small sums at the cost of the

community. So a plan of postal orders was devised, and introduced in 1880, giving the public, to some extent, the benefits of a fractional paper currency. The orders were for ten denominations varying from 1s. to 20s., with the commission from one half-penny to twopence, and permission was given to make up broken amounts by affixing stamps.

A postal order is a kind of cheque payable within two months at any post office. To have sent blank cheques in ordinary letters would have been conducive to theft, the very evil to prevent which money orders were introduced, so precautions were taken to make these postal orders unnegotiable. Everything that makes the order safer in the post and in the hands of those who despatch and receive letters—postal clerks, sorters, postmen, errand boys, servants and house-keepers—renders the order more apt to serve the post purpose for which it was intended. Before despatching the order by post the sender was required to insert the name of the payee. A postal order is purchased in blank, but it is not an instrument payable to bearer—in other words a paper currency, like a Bank of England note,—and the life of an order is limited to two months, with an extra commission when that limit is passed. Neither is a postal order a negotiable instrument in the legal sense. A negotiable instrument is one the mere possession of which for value given confers upon the holder a good title. This is not the case with a postal order. It is payable on the face of it only to one person, and no holder, though he may have taken it in exchange for hard cash, can obtain any better title. In other words, when an order has once been stolen, no subsequent holder has any right to it, and is liable to be sued by the legal owner. It is well known that the direction to fill in the name of the sender before parting with the order is commonly disregarded. The advantages to the thief are obvious. An open cheque, so to speak, comes into his possession. To impress this requirement on the public, Sir James Fergusson, when Postmaster-General, notified that unless he was satisfied that the name of the payee was inserted before the holder



parted with the order, and unless the number was furnished, he would not undertake to trace the order in the case of miscarriage or loss. This laxness on the part of the public constitutes the principal danger regarding this cheap and handy method for small remittances, and it is no doubt a fact that postal orders do now, as stamps did formerly, constitute the principal temptation to the theft of letters. After the introduction of postal orders the theft of letters became so numerous that a large increase had to be made in the staff of the Confidential Enquiry branch to trace or check the thieves, and in the United States of America it was found expedient to stop the issue of postal orders altogether. A thief seldom cashes an order at a post office, but induces some person, often a publican, to change it for him in the course of trade.

On the introduction of postal orders, it was found that the money order business began to diminish and the Postmaster-General in his 51st Report remarks:—"As money orders below £1 in amount are unremunerative, the increased use of the postal order system for small remittances is ground for satisfaction."

\* The latest development is called the Imperial Postal Order scheme and comprises the sale and payment of British Postal Orders in practically the whole of the British Empire with the exception of Canada and Australia. Regarding this, in the report of the Cape Colony Post Office for 1908, it is said that the general introduction in the South African Colonies of these British Postal orders has relieved the public of the second commission payable upon every order from the adjoining territories cashed in Cape Colony; it has established a currency extending through South Africa as well as to the United Kingdom, and to a large number of British dependencies, and it has reduced most materially the cost of small remittances. Under the arrangement with the United Kingdom, that country supplies the orders and audits those that are paid, receiving as its compensation the poundage charged on issue in England, while the colonies receive a certain sum per thousand for all

orders issued or paid as well as the difference between the English poundage and that charged on local issue. These receipts added to the saving on supplies and in staff (in accounting and auditing) quite compensate the Cape Colony for whatever loss may be, following on the transfer of business from money orders to postal orders, leaving the simplicity and other advantages to the public as clear gains on the change.

An order called a "postal note" was introduced into India in 1883. It was of three denominations, *viz.*, for sums of eight annas, one rupee, and one rupee eight annas. Although attempts were made to popularise these notes by the Post Office undertaking to transmit them to destination on payment of half an anna as postage and arranging for their payment at the houses of payees instead of at the Post Office, yet fortunately they were not patronised by the public, and were withdrawn in 1886. The Postmaster-General, Madras, reported that "an opinion seems to prevail in the Madras General Post Office that since the sale of these postal notes was discontinued, there have been fewer losses."

## CHAPTER VI.

### THE VICTORIAN ERA—(*continued*).

*The Post Office Savings Bank.*—Savings Banks were started in the United Kingdom early in the nineteenth century, and Government offered every inducement, even guaranteeing interest, first at  $4\frac{1}{2}$  per cent., then at 4. From 1817 to 1841 Government had contributed nearly two millions sterling, because the rate of interest allowed by it was greater than that yielded by the securities in which the deposits had been invested. Then the banks suffered from a series of frauds in their management, which were calculated to have swallowed a quarter of a million of the hard-earned savings of the poor. A feeling of insecurity began to spread, which went far to mar the usefulness of these institutions. A commission was appointed regarding proposed legislation on the subject, and Mr. J. S. Mill, when asked for a suggestion, said: "I think it would be very useful to provide some scheme to make the nation responsible for all amounts deposited. Certainly the general opinion among the depositors is, that the nation is responsible; they are not aware that they have only the responsibility of the trustees to rely upon."

Mr. Bowie, in *The Romance of the Savings Bank*, says it came to the notice of Mr. Sykes, a banker of Huddlesfield, that a number of working men beginning with a few pounds, had amassed what was a small fortune of one, two or three hundred pounds. He became deeply impressed with the idea that the number of these provident working people was far less than it ought to be or might be, and that the social and domestic results for good that would ensue would be absolutely incalculable, if bank depositors among the working classes became the rule, instead of the rare exception. He consequently addressed the Chancellor of the Exchequer on the

subject of having a Government Savings Bank worked by the Post Office at every money order office in the kingdom. The scheme was reduced to a workable form by two officers of the department. Mr. Chetwynd and Mr. Scudamore, who were assisted by Sir A. Spearman of the National Debt Office. Mr. Gladstone introduced a bill, entitled "An Act to grant additional facilities for depositing small savings at interest, with the security of Government for the due repayment thereof," which formed the crowning effort of the legislative session of that year, and the first postal bank was opened in September 1861. A deposit of one shilling could be made, with an annual limit of £30, and a maximum balance of £150, while interest was allowed at  $2\frac{1}{2}$  per cent. per annum, and was added to the principal on the 31st December each year. It was considered that this low rate of interest would not deter the classes most sought after from depositing. The poorer classes, as a rule, regard the question of a safe investment as a more important one than that of profits, and wisely think far more of their earnings being safe than of their receiving great returns for them.

All that a person had to do was to go to a money order office, and say he wished to open an account. He was then given a statutory declaration to sign that he had no other savings bank account in the Post Office. This done, and the amount of the first deposit being paid, he was presented with a bank book, containing the rules, and an entry of the deposit, attested with the office date stamp. For all practical purposes this was a sufficient guarantee, but in addition he received in a day or two afterwards an acknowledgment for the amount from the central account office in London. It was the receipt of the acknowledgment that completed the depositors' parliamentary title to repayment in full of principal and interest. This sending of an acknowledgment for each deposit was found to throw heavy work on the central account office, and it was subsequently decided to discontinue the acknowledgment for deposits under £1, which represented nearly 60 per cent.

of the whole number of deposits. By the change a substantial reduction was effected in the staff, and the correspondence was greatly lightened. At the same time it was fully explained to depositors that the security of their deposits would not be affected, the official entry in the book being in future admitted as conclusive evidence of deposits under £1 in amount, and the change was accepted by the public without demur. In 1910 the British Post Office discontinued sending acknowledgments from the Chief Office for Savings Bank deposits under £5.

Depositors both in England and in India have to give a declaration that they have no other account in the Savings Bank. In England if the declaration is found to be false all sums illegally deposited are liable to forfeiture, and this deters many from having more than one account. In India, if a depositor is found to have given a false declaration, he shall not be entitled to claim interest on the account, and the Comptroller, Post Office, may require him to close it at once.

In England when a depositor wishes to withdraw any sum, he fills up a form in which he enters the office from which the withdrawal is to be made, and posts the form to the central account office. In a day or two he will receive a warrant authorising a withdrawal. In some respects this is a very convenient method, especially for travellers, as it enables them to withdraw money at different places during a tour, and it is chiefly in respect of this facility that the Post Office Savings Bank has an advantage over the trustee savings bank. This privilege can only be maintained by having one central account office and a system of "cross entry" which has been described as the "ubiquity" of the English Post Office Savings Bank. It was ascertained (24th Report of the Postmaster-General) that more than 40 per cent. of transactions were effected at other than the original offices, and that the public fully appreciated the privilege.

In 1893 the British Post Office permitted telegraphic withdrawals, which had been allowed by several European Savings

**Banks.** It was held that the cause of thrift was sometimes served by interposing a delay between a sudden desire to spend and its realization, and also that it was essential to maintain a marked distinction between a bank of deposit for savings and a bank for keeping current accounts. But on the other hand it was recognised that there were cases where the immediate withdrawal of money without delay might save a depositor from debt and distress.

In India, a depositor can effect a withdrawal immediately by presenting his bank book at the office in which his account stands without waiting to receive a warrant of withdrawal by post, provided the office is a head or sub-office.

The British savings bank has some excellent rules introduced by the Savings Bank Act of 1887 (50 and 51 Vic., c. 40) as to nominations to receive money at depositor's death. These nominations have all the force of a will; and if the rules were introduced into India, besides being a public benefit, they would relieve heads of circles of some work in adjudicating on the claims to the accounts of deceased depositors. Arrangements were also made for reducing to 1s. the cost of certificates of births, deaths and marriages required for savings bank purposes.

In 1891 the limit of the maximum deposit was raised from £150 to £200 inclusive of interest. The annual limit remained at £30, but it was provided that, irrespective of that limit, depositors might replace in the bank the amount of any one withdrawal made in the same year. The object of this provision was to avoid curtailing the saving power of a person who might be driven by emergency to make an inroad upon his capital, and who found himself afterwards able to replace the withdrawal. This rule exists in some of the European banks, but has not been introduced into India.

One of the most important aids to thrift is the School Savings Bank. *L'Union Postale*, Vol. XXII says: "Originally a French invention, it has spread through most of the civilized states of Europe, and even taken firm hold in the Western

Hemisphere. The foundation of the first School Savings Bank dates as far back as the year 1834, in which a teacher in Le Mans, Dulac by name, formed the idea of treating 'savings' by children as a subject of instruction in the parish school in which he taught."

It was long urged in England, that the limit of deposit, one shilling, was too high, and that it should be reduced to a penny with the object of making it sufficiently low to reach the poorest classes, who found it difficult to keep their pennies until a shilling is saved. The reply of the Post Office was, that the small transactions were the costly ones, and that it would be impossible to reduce the minimum. There is ample ground for this contention, as it is calculated in the French Savings Bank the average cost of each transaction is 77 cents, and in the United Kingdom about  $7\frac{1}{2}d$ . The difficulty, however, was overcome by a scheme which was suggested and worked out by Mr. Chetwynd, an officer of the department, and the now familiar "stamp slip deposits" was introduced in 1880. A card or slip was supplied by the Post Office, on which could be affixed penny postage stamps. When one shilling had been affixed, the slip had to be taken to the Post Office, where a deposit of one shilling would be credited in the depositor's bank book. An impetus was given to this scheme by the Free Education Act of 1891, when Government desired that advantage might be taken of the opportunity to inculcate on parents and children alike a lesson of thrift, that the pence which formerly went for school fees might be saved. School Managers were supplied with stamp slips, and were given on credit a stock of stamps to be sold to the children, and clerks from the nearest post offices attended schools to open accounts and receive deposits.

These efforts were awarded with success, and a sum of £40,000 was estimated to have been deposited in schools during the first year. In view of the fact that if persons begin to save in childhood they are more likely in after-life to become customers of bankers, the large addition which is constantly

being made to the number of children and young persons who become Savings Bank depositors, would seem to show that these banks must assist rather than retard private banking enterprise. The saving of pence proves a training to habits whereby ultimately larger sums are saved, and the virtues of industry and providence are cultivated and confirmed. Up to 1896 considerably over £1,000,000 had been deposited by means of stamps, and supposing only a penny was saved at a time this sum represents more than 240,000,000 transactions on the part of the depositors.

A writer in *St. Martins-le-Grand* referring to the Dutch Savings Bank says :—“ In connection with the School Banks, it is interesting to notice that there were no fewer than 33,700 deposits of one cent. (rather less than a farthing), the minimum deposit, which is almost identical in amount with the minimum deposit received in the School Banks of Belgium. Farthing Banks are not quite unknown in England, though they are very rare, and in the interests of thrift it is to be regretted that in this respect the excellent examples of Holland and Belgium are not more generally followed.”

The stamp slip scheme has not yet been introduced into India, a comparatively poor country, where its introduction seems most desirable ; however, many years ago the Revd. F. E. Cameron, Chaplain of Trichinopoly, started an Anna Savings Bank, and the Madras Eurasian and Anglo-Indian Association a “ Children’s ” Anna Bank.

The organisation of the thirty Post Office Savings Banks of the world have many features in common. For instance, in the majority of these countries the smallest deposit is 1 franc, or 1½ francs according to the currency. In the Netherlands it is ½ gulden or 52 centimes, in India 4 annas or 60 centimes, in Victoria six pence or 62 centimes. The regulations of most Post Office Savings Banks permit the purchase of Government Stocks for depositors. This has been in force in France since 1845, and it is claimed to have familiarised all classes with the National Securities. In no other country



in Europe has the public debt been so "democratised," and it is in consequence of this that France owes, in a great measure, the stability of her credit and the success of her loans.

The example set by Great Britain in 1861 of establishing a Postal Savings Bank was followed by other countries in the order given below :—

Belgium	...	...	...	...	1st January, 1870.
Japan	...	...	...	...	1st May, 1875.
Italy	...	...	...	...	1st January, 1876.
Roumania	...	...	...	...	5th January, 1880.
Holland	...	...	...	...	1st April, 1881.
France	...	...	...	...	1st January, 1882.
India	...	...	...	...	1st April, 1882.
Austria	...	...	...	...	12th January, 1883.
Sweden	...	...	...	...	1st January, 1884.
Hungary	...	...	...	...	1st February, 1886.
Canada	...	...	...	...	1st April, 1886.

In the United Kingdom £50 can be deposited in one year and £200 in all. Hungary comes next with a maximum of £166 13s. 4d., followed by Sweden with a maximum of £111, while in France this limit, formerly £80, is now £60 only. Holland places no limit on the amount of deposits, but pays no interest on any sum in excess of £100.

In India, Government Savings Banks were opened at the presidency towns between 1833 and 1835, and their management was subsequently transferred to the Presidency Banks in 1863-64. District Savings Banks were opened in Government Treasuries in 1870. They were necessarily confined to the head-quarters of districts, and were not convenient to the public. The working of the Savings Bank was transferred to the Post Office in 1882. The limit fixed was Rs. 3,000, and Rs. 500 as a yearly deposit. The limit of Rs. 3,000 was higher than that allowed in any other country. It was found that the Savings Bank was being used by well-to-do people, and bankers were grumbling at the absorption of floating capital, and Government desired that investments might be more widely made in Government "paper," as every rupee

deposited is a testimony of confidence in the ruling power, so the maximum limit was reduced to Rs. 2,000 and the yearly to Rs. 200.\* The interest allowed was reduced from  $3\frac{1}{2}$  per cent. to  $3\frac{1}{8}$  in 1894.

In 1905 a distinction was made in the nature of accounts, those "at call" being allowed  $3\frac{1}{8}$  per cent. interest, and those at six months' notice of withdrawal  $3\frac{1}{4}$  per cent.

Of the one million and a quarter accounts open on 31st March 1908, only 6,384 was subject to six months' notice of withdrawal; and the balance due to deposits *at call* amounted to 14 crores 82 lakhs, while that subject to six months' notice of withdrawal was only 36 lakhs. The object of introducing the "six months' notice of withdrawal" accounts was never mentioned; it will be seen from the little use made of these accounts that they are practically not appreciated; they cause a great deal of extra trouble to work and audit; and it will probably not be long before this unnecessary distinction is abolished, and the former simple plan be reverted to, of treating all accounts at call as in ordinary banking.†

Two countries on the continent of Europe are noted for the use which has been made of the state organization of thrift. Belgium for the purposes to which deposits have been applied, and Austria for the facilities given to the public. In Austria the operations are not limited to post offices, but rural letter carriers are authorised to receive on their rounds deposits up to 1,000 crowns on a single deposit book. The leading principle is the freedom of the service, in the sense that deposits and withdrawals can be effected at all post offices without regard to the place at which the deposit books were issued. Also in Austria great success has attended the system of allowing a cheque book, although this cannot be classified as a true thrift institution. The Austrian Post Office commenced Savings Bank business in 1883 and a scheme was shortly afterwards added under which depositors with a balance of more than

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\* To be again raised to Rs. 500 from 1st January 1911.

† This is actually to be done from 1st January 1911.

100 florins (£8 6s. 8d.) were allowed to draw cheques in excess of that sum. The sum has since been reduced to 50 florins, so that any person depositing about £4 as a permanent deposit, withdrawable when closing the account but not till then, is entitled to a cheque book to draw cheques for any excess amount paid in ; so that if a person at Oderberg has an account to settle at Vienna, he need simply pay in the amount to his account and draw a cheque which he sends to Vienna. This system is very popular and is found to be more convenient than postal orders, and has been introduced into Hungary, Germany and other administrations. The Post Office derives the benefit of the numerous small permanent deposits of £4 each, which Mr. Gladstone termed "good lying money." In 1884 the system was simplified by the institution of a clearing service. Cheques can be drawn payable to bearer at any post office, bills of exchange may be made payable there, and if the receiver be a depositor, the amount can be placed to his account ; where both parties to a transaction are adherents of the service, any transaction becomes a simple transfer. The system has no limit of deposit and can be used by travellers to deposit to the accounts of their employers, by associations for the collection of members' subscriptions, by insurance companies for the collections of premia, for the payment of taxes, etc., as well as for ordinary business payments. A small charge in addition to stamp duty is made for cheque books, for certificates of deposit, and for commission on entries to debit. An extended postal cheque and giro service was introduced into Japan on 1st March, 1906, and is exceedingly popular.

In Switzerland the introduction of a Post Office Savings Bank is now under consideration.

In the United States of America Mr. Creswell, Postmaster-General, recommended in 1871 the establishment of a Post Office Savings Bank, and the purchase and working of the telegraphs by the Post Office. He suggested that the money required for the acquisition of the telegraph companies could