

Bengal-Bihar Act and the Andhra Pradesh and Madras Act, there large territories had to be transferred and therefore, for the sake of convenience and with a view to avoiding hardships the rule was made in the way it had been done. But that is not necessary here.

MR. DEPUTY CHAIRMAN: The question is:

"That clauses 2 to 17, the First Schedule and the Second Schedule stand part of the Bill."

The motion was adopted.

Clauses 2 to 17, the First Schedule and the Second Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI B. N. DATAR: Sir, I move.

"That the Bill be passed."

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

MR. DEPUTY CHAIRMAN: The House now stands adjourned till 2.30 P.M.

The House then adjourned for lunch at five minutes past one of the clock.

The House reassembled after lunch at half-past two of the clock. MR. DEPUTY CHAIRMAN in the Chair.

THE GOVERNMENT SAVINGS
BANKS (AMENDMENT) BILL,
1959

THE DEPUTY MINISTER OF FINANCE (SHRIMATI TARKESHWARI SINHA): Sir, I beg to move:

"That the Bill further to amend the Government Savings Banks Act, 1873, as passed by the Lok Sabha, be taken into consideration."

As the hon. Members are aware, the administration of the post office Savings Bank is regulated by the provisions of the Government Savings Bank Act, 1873. In respect of the payment of the deposits standing in the name of a deceased depositor, section 4 of the Act provides that if the probate or letters of administration or succession certificate is not produced within three months of the death of the depositor, the payment of the deposit if it does not exceed Rs. 5,000, could be made by the prescribed authority to any person who appears to him to be entitled to receive it. It follows, therefore, that if the deposit exceeds Rs. 5,000, payment can be made only on the production of the probate, letters of administration or succession certificate. The production of the above documents involves considerable delay and expense and also a lot of inconvenience to the heirs or successors who are going to receive that money. From time to time therefore, representations have been received by Government. We have to overcome these difficulties and provide facilities for nomination by the depositors of a person or persons who will receive the payment in the event of the death of the depositor without the production of the legal documents. Now, Sir, this proposal has been accepted by the Government and, therefore, this amending Bill is before the House. This Bill seeks to provide the facility of nomination. This amendment would enable the Government to make the payments to the nominee to the exclusion of all other persons but section 5 of the Act ensures that this will not be misused. This means that this will not affect the rights of the third party to recover from the nominee under the normal law the sums due from the deceased. Besides making certain consequential amendments, the Bill also provides for a few minor amendments which are necessary under the changed circumstances and that is why provision has also been made for laying the rules framed under this Act on the Table of both Houses of Parliament, as recommended by the Committee on Subordinate Legislation.

[Shrimati Tarkeshwari Sinha.]

I am sure, Sir, that all sections of the House will welcome this measure which seeks to satisfy a long-felt demand and is aimed primarily at making the post office Savings Bank more popular.

Mr. DEPUTY CHAIRMAN: Motion moved:

“That the Bill further to amend the Government Savings Banks Act, 1873, as passed by the Lok Sabha, be taken into consideration.”

SHRI ROHIT M. DAVE (Bombay): Mr. Deputy Chairman, the Bill, as has been pointed out by the hon. Deputy Minister, is a very innocuous Bill and does fill in a lacuna which has been observed in the working of this Act. I have nothing to say with regard to the provisions which are already there. I would, however, like to draw the attention of the hon. Minister to the fact that this Bill empowers any person who is a depositor in any of the Savings Banks to nominate his heir as a nominee of his in case he or she dies. That being so, it is very necessary to lay down very stringent rules to see that some post office officials may not misuse this particular provision. It has been found in many cases that illiterate depositors who deposit their money in the Savings Bank this way do not get full credit for their deposits and at times false entries are made by fraudulent postal officials. The illiterate depositors find it very difficult to check up these things. Instances have come to light wherein villagers have been deprived in this way. By this particular provision, a further source for defrauding the depositors would come into being. It may just be possible that if a particular official in the postal department is so minded, he might enter the name of some of his own friends as a nominee of some depositor without the depositor understanding the full significance of such an act. This way, he will take the money from that particular deposit in case the depositor dies. In the villagers, it is

not very difficult for a postal official to find out whether a particular depositor has died or not, and once the death is known to the postal official, it might be possible for him to withdraw the money through his friends thereby defrauding the heirs or rightful nominees of the particular depositor. All that I want to make out is that when the rules are framed those officials who are dealing with that particular depositor should not have a chance of defrauding the depositor. There ought to be some independent witnesses and certain other formalities to be strictly gone through before a nomination is accepted so that the poor illiterate villager is not defrauded of his dues.

SHRI T. R. DEOGIRIKAR (Bombay): Sir, I wholeheartedly support the Bill before the House. This is the first Bill in a series of three Bills which have the same objective and the same provisions. I welcome the Bill because it seeks to do away with the legal technicalities and difficulties in getting one's money back. I think the middle class people and the lower class people who usually deposit small sums in the Postal Savings Bank will get relief and they will certainly bless the Government for the Bill that has been brought here. I think this will attract more amounts in postal savings, and as we are in need of money for our Plans, this Bill is most welcome.

I would like to get a clarification from the hon. Minister as to whether this Bill will have retrospective effect or not. I would like the Government to give retrospective effect to this Bill so that all those people who have got their savings deposited in the post offices may also get the benefit from this Bill.

SHRIMATI TARKESHWARI SINHA: I might give a clarification here Sir.

The Bill will be retrospective in effect in this sense that all those who have got deposits in the Post Office Savings Bank and are maintaining such deposits can nominate a person

who will get the deposit on their demise. That way, this Bill will have retrospective effect.

SHRI T. R. DEOGIRIKAR: Thank you.

There are some banks who have issued similar certificates and the depositors in those certificates should also get the same facilities as the Government contemplates to give with regard to holdings in the Savings Bank or in cash certificates. Such certificates should also be capable of being encashed by nominees as the postal savings or cash certificates. That is one suggestion.

Secondly, there are banks who have got savings accounts as well and why should not the same facilities be given to the depositors in those banks as we are giving to the depositors in the Postal Savings Bank?

As regards life insurance, in most of the cases the policyholder nominates someone as a person to whom the money should go after his death but usually we find that the idea of death is repugnant and he fails to nominate anybody and so he is not able to do it. I would request the Government that if a person even at the time of his death makes a nomination, it should be held valid and the money should be given to the person so nominated.

There is another thing which I want to bring to the notice of the Minister. I do not know whether this facility is going to encroach upon the ancestral property rights. If a person purchases some certificates or deposits some money in the Savings Bank out of the family ancestral property, the person whose name has been given as a nominee may not be the legal heir; he may not be entitled to get the money. The depositor can fraudulently name a person who has no connection with the family and the family property rights will be disturbed. So that should be avoided and nomination should be held valid only in the case of those persons who have earned

their money and not when the money is got out of the ancestral property. Only those nominations in the case of deposits out of one's own earnings should be held valid; otherwise these ancestral property rights which are given by law will be taken away. That is my third suggestion. I am afraid the rights which are given under the Hindu Code will be taken away if a nominee gets Rs. 5,000 or a lesser amount. That should be guarded against. The provisions of the Hindu Code should under no condition be transgressed by the facilities which we are now providing.

Sir, we are going to pass three Bills just now but it is not stated anywhere whether a nominee is entitled to only Rs. 5,000. Supposing a person has invested certain money in postal cash certificates, in ten-year treasury bonds and in postal Savings Bank and the total amount that a nominee may get may be Rs. 15,000. That will be the aggregate sum and the question arises whether the provisions of the Estate Duty and Gift Tax Acts which we have passed will be affected by this. A man may have Rs. 50,000 which is the limit for liability to the payment of estate duty and if you allow Rs. 15,000 to go by this process of nomination, then only Rs. 35,000 will remain and who is going to pay estate duty? Are you insisting that a person who gets Rs. 35,000 should pay estate duty or are you going to suggest that estate duty should be paid in proportion to the benefits which a person gets? That is another point which deserves consideration.

And the last thing which I want to say is this. What is the objective in bringing this Bill? Do we want to do away with the legal technicalities or do we want that the nominee should get the money speedily? If we are going to say that this Bill has been brought for speedy delivery, then I would suggest an alternative for acceptance or rejection by the Government. A special judge should be appointed to expedite the whole procedure and after the death of a person.

[Shri T. R. Deogirikar.]

his heirs should get a succession certificate within a period of three months. If that is done, I think all the other difficulties and complications that are likely to arise will be minimised or perhaps could be done away with.

Sir, I wholeheartedly support this Bill. I must say that this is one of the most important Bills about which there cannot be any controversy. Of course, I understand what my friend, Mr. Dave, said that there will be fraudulent nominations and so on and so forth. The people will be greatly satisfied as I personally think no measure like this, after understanding the difficulties of the people, has been brought by the Government before. The middle class people have been saying all along that the Government was trying to eliminate that class but I think that by passing this Bill the middle class people will be satisfied that the Government has come to their help in this matter. I am sure this Bill will be accepted by the people and our objective will be served.

SHRI M. P. BHARGAVA (Uttar Pradesh): Mr. Deputy Chairman, Sir, in the Annual Report of the Finance Ministry given to us in May I find on page 29, para. 7, they say that to enable payments to be made to the claimants in the event of death etc. necessary action to get the relevant Act amended is being taken. It is in pursuance of this that this Bill is before us. Sir, I welcome the Bill and accord my full support to it. This Bill will remove the great hardship which has been experienced by the public all these years. I know from personal experience what hardship it meant. Unfortunately, my brother died in 1944 and it was only in 1948 that the moneys which were in the Post Office Savings Bank account could be obtained by us. So this provision which makes nomination possible is welcome. But I could not understand one thing and I would like the hon. Minister to throw some light on it. I want to know whether simply writing for a nomination will be enough

or whether it will be necessary for that nomination to be registered. In the case of insurance companies when a policy is issued, the normal practice is that if a person wants, he can name his nominee but simply naming a nominee is not enough. The policy has to be sent back to the company and an endorsement has to be made. I would like to know whether the same procedure is to be followed here or simply writing to the Post Office that such and such a person will be the nominee after death will be enough.

Now, the Bill provides for a nominee. I do not know whether a nominee once named is there always or it will be open to the depositor to change the nominee. I think it is very necessary that the right to change should be given because one does not know the circumstances of a man. Today I might be inclined to name A as my nominee. After two or three years I may change my mind and I might like B to be my nominee. If this right to change the nominee is not there, then it will become very rigid. So I would suggest that we should adopt some method by which the nomination could be renewed at least once in three years.

Now, I would like to say something about the difficulty experienced by joint account holders.

DR. R. P. DUBE (Madhya Pradesh): He says once in three years. Will that mean that after six months he cannot change?

SHRI M. P. BHARGAVA: I am saying once in three years.

DR. R. P. DUBE: What I am asking is this—whether the change of nomination is possible only after three years or whether a person can change it even after three months.

SHRI AMOLAKH CHAND (Uttar Pradesh): No, no. He should be permitted to change at any time.

SHRI M. P. BHARGAVA: My suggestion is that at least three years should be prescribed for renewal of the nomination. Now, I was talking about the joint account. In all the banks the declaration is 'payable to either or survivor'. In the Post Office Savings Bank accounts if there are two joint depositors and if one goes to withdraw his money, he has to make a curious declaration and the declaration is that the other co-depositor is alive and sane. Now, I do not understand this. When it is a joint account, to be operated by either of the two persons, when both are authorised to withdraw the money, I do not know why this declaration should be made. I do not know whether this point can be tackled by the Finance Ministry straight or they will have to go to the Communications Ministry. Whatever it is, I would like this point to be taken up and the difficulty which is experienced by the depositors should be solved.

Now, another difficulty which is being experienced in urban areas to some extent and mostly in rural areas is that whenever you go to withdraw money, you are told that you are to be identified by a person who is known to the post office as well as to you. Now, in every case, it is not always possible to find a person who will be known both to the post office and to you. So, I do not know in what way Government can overcome this difficulty. But some solution has to be found, so that the difficulty of the people who are faced with this situation every time they go for withdrawing money, is removed. In this connection, I was thinking if some sort of an identity card or identity slip—which can be issued to the depositor at the time of depositing money, and then that slip will act in future as the identification—can be introduced. If such a scheme is possible, that will remove the difficulty of finding a person who is known both to the post office and to the depositor.

SHRI AMOLAKH CHAND: The post office issues that identity card at the cost of one rupee.

SHRI M. P. BHARGAVA: It is not very prevalent. Anyway, this Bill talks about small savings. Now, what I feel is that small savings should come from the people, of their own free will, and no compulsion should be used. I have come across some cases where the officers are told that such and such amount is to be collected for the small savings during such and such period. Now, what do the officers, in their turn, do? Whenever anybody approaches them for any work, for a licence or for waiving some rule or for something they say, "This work will be done if you deposit such and such amount in the small savings". To my mind that is not a correct approach. That takes off the initiative in the savings and people think that it is some sort of compulsion. I am reminded, in this connection, about the bonds which were issued in the war days. When the people approached the officers, they were told, "You purchase these bonds; otherwise you will not be given this facility or that facility". So, the idea still persists in people's minds that small savings also are some sort of a thing akin to the bonds and instead of having any initiative or any feeling of interest in small savings, people are becoming averse to it and they think that it is something done by force. So, what I would suggest is that educative methods, should be employed to tell the people about the benefits of the small savings, how the money which is obtained from them is going to be utilised and in what way it is going to benefit them. These educative and persuasive methods, in my opinion, can bring better results than the methods sometimes followed at present.

Now, savings can be for several purposes. The general idea is that the savings are only for the moment, for contributing towards the Five Year Plans. That, again, is a wrong idea. That has to be removed. Small savings are not only for Five Year Plans, they can also be used by the depositors in case of illness, old age

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or disability, if it occurs, when the money which they have deposited in small savings will be available to them and they can make use of it.

Now, in some of the savings banks we find that cheques are not accepted. This remark applies to some of the good banks also. This, again, creates difficulties in urban areas where most of the money transactions are through cheques. Again, I will quote from personal experience. I went to a bank and I wanted to open a Savings Bank account. I was asked whether I would be depositing money by cash or by cheque. When I said that it would be mostly by cheques I was told that that particular Bank was not dealing in cheques as far as Savings Bank was concerned. I would request the Ministry of Finance to look into this matter and see that as far as possible these cheques are accepted in Saving Banks accounts.

Now, there is another point about which I wanted to say something and that is about the number of post offices working in rural areas and dealing with Savings Banks. We find that this number is not adequate and many times people have to walk several miles to deposit their money in small savings. This is a facility which should be provided, as far as possible, to people living in villages also. Again, it is not a matter to be dealt with by the Ministry of Finance. It is a matter under the jurisdiction of the Ministry of Communications. I do not know whether the Ministry of Finance is aware of this fact and whether they have approached the Ministry of Communications at any time. But this, again, is a point which needs attention and should be looked into.

Now, there is another thing. In the post offices you can open an account with Rs. 10. I have no quarrel with that . . .

DR. R. P. DUBE: Why, with five rupees you can do it.

3 P.M.

SHRI M. P. BHARGAVA: But the thing which surprises me is that you cannot make a deposit of less than a rupee. If you deposit Rs. 2, it will be accepted. But if you want to deposit Rs. 1/15, it will not be accepted. Now in villages people want to deposit at times in annas also. Suppose his savings in a month, say, are Rs. 3/13. When he goes to the post office, he will be told either to deposit Rs. 4 or to deposit Rs. 3. They will not accept Rs. 3/13. That again creates complications. So, I do not know what the difficulty is in accepting annas in post offices when everything else is done in annas and *naye paise*. That is a thing which should be looked into and, if possible, this ban on depositing annas should be removed.

This morning somebody telephoned me and said that if I wanted to withdraw more than Rs. 1,000 from the Post Office Savings Bank account, I would have to give notice. That is all right. Notice is required even in banks if you want to withdraw money. But what he told me later was still more surprising. I was told that a fee of Re. 1 has to be paid if more than Rs. 1,000 is withdrawn at a time from the post office. I cannot say anything about this because I have no personal knowledge of it, but if Re. 1 is being charged, I do not understand why it is being charged. On the one hand the depositor is losing his interest when he takes out a big sum, and on the other hand he has to pay Re. 1 as a penalty. That is something which I cannot understand. This, again, is a thing which does not come under the purview of the Finance Ministry but I would request them to get in touch with the Communications Ministry and see that, if this Re. 1 fee is being charged for withdrawals of over Rs. 1,000, it is done away with and that no such penalty is imposed.

Lastly, Sir, whether it is exactly under the purview of the present Bill but I find in the Report of the Finance Ministry that there is an organisation

called the National Savings Organisation. It has a big staff and it has a big system which is spread all over the country. I do not know what purpose it is serving and whether the savings movement is getting any impetus from its existence. If the Minister can throw some light on this point also, I shall be grateful.

With these words I support the Bill.

SHRI H. P. SAKSENA (Uttar Pradesh): May I know where the hon. Member got the information from that if a person withdraws some money from the Savings Bank, he will have to pay a fee of Re. 1 for the withdrawal if the amount went over Rs. 1,000?

SHRI M. P. BHARGAVA: I received a phone call this morning from one of the businessmen of Delhi who has his dealings in the rural areas also. The remarks which he made applied to rural areas and not to urban areas.

SHRI SONUSING DHANSING PATIL (Bombay): Mr. Deputy Chairman, this is a small enabling measure which seeks to bring two points. Firstly, it does away with the production of a legal proof of succession which involves considerable delay and expense, and secondly it provides certain other agencies than the post offices which so far catered to the scheme. The point which I want to urge is that some of our friends hinted at the spurious or fraudulent claims which can be filed by friends of post office men and how that can be avoided. I think the Bill provides a sufficient guarantee in clauses 9 and 10. Clause 9 says: "The prescribed authority may take such security as it thinks necessary from any person to whom any money is paid under sub-section (4) of section 7" Clause 10 says: "For the purpose of ascertaining the right of a person claiming to be entitled to payment under sub-section (4) of section 7, the prescribed authority may take evidence on oath or affirmation according to the law" etc. Then again, if there is any falsehood

or any such thing, the man is hauled up under section 193 of the Indian Penal Code. This gives a sufficient guarantee or safeguard against fraudulent or spurious claimants who go about as real claimants.

The other point is, Mr. Deogirikar asked whether the Bill has retrospective effect. Clause 4(b) says "... whether the savings certificate was applied for and issued before or after the commencement of this Act..." So, that makes it clear.

SHRI BIBUDHENDRA MISRA (Orissa): Is the hon. Member referring to the Bill under discussion?

SHRIMATI TARKESHWARI SINHA: He is referring to the other Bill. We have not taken up that Bill yet. He can speak on that afterwards.

SHRI M. P. BHARGAVA: The general discussion can take place on all the three Bills together, and clause by clause consideration can be taken up separately.

MR. DEPUTY CHAIRMAN: We will come to the second Bill later and Mr. Patil can speak on that.

SHRIMATI TARKESHWARI SINHA: Sir, I am thankful to the House for giving their general support to this Bill. Actually one of the difficulties that we were facing so far as the collection of small savings was concerned was due to the absence of nomination, and therefore Government have accepted this nomination process and we have come here with an amending Bill.

Sir, while general support has been given to the Bill, certain points have been raised by a few hon. Members. One hon. Member raised this point of the joint family. Now, I would like to invite the attention of the hon. Member to Section 5 of the main Act. From this Section we find that in a joint family if one or two co-partners feel that justice has not been done to them, they can take recourse to the law and fight out their case. Therefore, I think that Section 5 provides the guarantee to the person who is a

[Shrimtai Tarkeshwari Sinha.]
co-sharer or co-partner of the property. That covers also the property that is inherited under the Hindu joint family system, and all the brothers or inheritors of the property enjoy the same rights.

So far as the wealth tax is concerned, it is obvious that it is not a forced nomination on anybody. He accepts the nomination realising that he is liable to pay wealth tax on his general property and even then if he accepts the payment made to him as a result of the nomination, he will be liable to wealth tax because he will be having that standard of wealth on which wealth tax is levied. I am afraid, he will have to pay the wealth tax. We are not giving any concession to the person who inherits the wealth. If a person inherits even as a nominee a certain amount of wealth from a depositor and if it is added to his property, it becomes his wealth, and because it is an inherited property he will become liable under the provisions of the law to wealth tax. Therefore, I would like to tell the hon. Member that if one accepts the payment made as a result of this nomination he will be called upon to pay Wealth Tax. It is left to him, he may not accept the payment at all. But I am afraid, we cannot give that concession to the inheritor of the property.

A point was raised about registration. There is no registration. We have not accepted it. We have followed some of the patterns of the Life Insurance Corporation, but we have not accepted all the provisions followed by the Life Insurance Corporation with regard to nominations. Here the nomination will not be registered in the sense in which it is registered in the Life Insurance Corporation. But it will, of course, be registered with the post offices. If a nominee wants to come and get money, there is no necessity for his nomination paper being registered or anything of that nature. But, of course, if a depositor has made a deposit, he has declared

some one as a nominee, his name and everything will be registered in the post office.

A point was raised about the change of nomination also. I would like to invite the attention of the hon. Members to proposed Section 15 whereby the Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act. From this you will find that there is a provision whereby the Government can make rules looking to the convenience of the public, and here also, we are going to lay all those rules before both Houses of Parliament, whereby change of nominations will be possible and if a depositor wants to change a nomination, he will be allowed to change that nomination any number of times he may like to do so and he will not be debarred. I would also like to invite the attention of the House to the proposed new Section 4(1) under clause 3 of the Bill which allows the nomination to be varied or cancelled at any time.

Another point was raised about identification. I think the hon. Member was talking about the identification difficulties. Sometimes, there are difficulties. But we have changed many rules concerning identification. He has stated that the depositors experience difficulties. I agree with him that depositors do experience difficulty. Therefore, the Government came forward with this change in the nomination. I may inform the House that the procedure for identification has lately been considerably liberalised and identification by gazetted officers whose signatures are known to the post office, by depositors having a balance of Rs. 500 and above in their accounts, district organisers, J.P.s., magistrates, M.L.As., M.P.s., principals of colleges and head masters of schools, is also accepted. Besides, a depositor can also obtain an identity card on payment of Re. 1 which shall be accepted for all postal transactions. So, after giving so many facilities, I

do not think that identification is difficult. And, it does not remain a question at all, because I think after giving all those facilities people will not have to face any difficulty.

Then, Sir, the hon. Member said that cheques are not being accepted. It is true that we have not made provision in all the post offices for the cheques being accepted, but in the big cities of India we have started this experiment and it has been very successful.

SHRI M. P. BHARGAVA: On a point of clarification, Sir. I did not mention post office cheques. I was referring to savings banks. Certain banks do not accept cheques as deposits.

SHRIMATI TARKESHWARI SINHA: I am coming to that point, Sir. I was just myself saying that not all the postal banks accept cheques. But we have started a system in some of the bigger cities of India and we have found that experiment being very successful and we want to introduce that system in more and more Savings Banks. But I would like to tell the hon. Member that it cannot be done in one day. We are slowly taking all steps to see that wherever the cheque system is prevalent, we are going to provide all the Savings Bank accounts to be operated by cheques. As I said before—and once again I repeat—we have already started operating this cheque system in Savings Bank accounts and the results have been very successful and people have been very happy.

So far as the other point is concerned, the hon. Member gave the example of Rs. 2 being accepted in post offices, but not Rs. 1-15-0. Now this cannot be done because of calculation difficulties. You want that the number of post offices may be increased, that each block may have post offices, and it is the policy of the Government of India to have post offices for every two thousand of the population. Also perhaps all these post offices may in the long run be required to be operated for the Savings

Bank accounts. After all, what is the purpose of the hon. Member in raising this point here? The main purpose is that all the post offices are to operate Savings Bank accounts. There are lakhs and lakhs of accounts and if they start having this sort of calculation about annas, it will require a colossal effort—this calculation about two or three or four annas—and not only will the calculation be very difficult, but the difficulties will also increase, and especially more so with hundreds of *naye paise*. There is the interest also. At present what happens is that we do not deposit in terms of annas or *naye paise*, but we deposit in rupees. But when the interest is added on to that deposit, then automatically the calculation starts with annas or *naye paise*. Suppose the interest is eight annas or fifty *naye paise*. That interest is added to the deposit and along with it the calculation in annas or *naye paise* also starts. Therefore all these calculations are there, and it will take a lot of time and energy and labour for the postal branch to do this and above all, if we reach. . . .

SHRI H. P. SAKSENA: A great deal can be done with a ready reckoner. There is no difficulty in that.

SHRIMATI TARKESHWARI SINHA: Well, we cannot provide ready reckoners in all the post offices. It will be rather difficult. Not only that. Suppose we allow this to go on. Then even for eight annas or twelve annas or 25 *naye paise* or ten *naye paise*, the interest thereby will have to be calculated. Whatever calculation will have to be made, will also have to be made on that annas or *naye paise*, not only in regard to the main capital, but the interest also, and that is the main difficulty and therefore it is not possible. Well, Sir, as my friend said, if we get so much of mechanisation in our country, it may be like that, but that is not a feasible proposition at the present moment.

An hon. Member raised the question of joint accounts. He said that a joint

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account is operated by one of the depositors and he is required to make a declaration that the other co-depositor is sane and alive. This provision was introduced in 1955. But it was deleted in July, 1956 and therefore I may assure the hon. Member sitting behind me that at present no such declaration is required to be made for joint deposits. Therefore his difficulty is removed.

Now we come to the general savings scheme and how it should be encouraged. I am grateful for the suggestions that he has given to us and I must assure the House that we take every suggestion quite seriously and these suggestions are dealt with. We welcome them. Whatever suggestions we can accommodate in our system, we shall try to do that in future. So far as the number of post offices is concerned—he raised the point—we have opened quite a large number of post offices in the rural areas. At present there are over 15,000 post offices doing Savings Bank work all over the country.

SHRI M. P. BHARGAVA: Are all of them doing Post Office Savings Bank work?

SHRIMATI TARKESHWARI SINHA: More than 15,000—the number that I mentioned just now—are doing Post Office Savings Bank work; I specifically made it clear, and every effort is being made to increase that number, but as the hon. House knows, it depends, firstly, on the availability of resources; secondly it depends on the suitable personnel and also the scope of business. Now you cannot expect us to open a Savings Bank account where no money can be collected. We have however already made some provision for mobile vans but sometimes the arrangements are seasonal. For example, in the mango-producing areas during the mango season we have made the provision that the mobile post offices will operate in these areas, so that they can go there and collect the money forthcoming

and also do intensive campaigning there for the money, whatever is possible, from these areas. So we have done that in regard to plantations. In respect of areas where there are *fairs* and *melas* we are trying to do that. Looking to our limited resources and limited personnel we are trying to accommodate as many places as possible, but it all depends, as I said, on circumstances as it is not only a question of operating a Savings Bank account but is also a question of the safety of the money. Having opened a Savings Bank account in a place, if we do not guarantee the safety of the money in the Savings Bank account, it is no good. We have to provide guards. We have to have proper roads between places, at places where we open a Post Office Savings Bank, so that the money can be brought back from or taken to that area. So all these difficulties are there. But I must assure him that we are trying our best to open as many post offices as possible, and with that end in view a very high departmental committee has been appointed with representatives of the Communications Ministry, the Finance Ministry, and others also to look into all these things, how improvements can be made to increase the tempo of the small savings movement.

With these words, Sir, I express my gratefulness to the House for giving their approval to this Bill.

SHRI M. P. BHARGAVA: Mr. Deputy Chairman, Sir, just a point for clarification. One point has not been replied to although the Deputy Minister has been good enough to answer all the other points raised by me—all the points except the point that some of the banks do not accept cheques in their Savings Bank accounts, and the most important of them is the State Bank of India over which the Finance Ministry has full control.

SHRIMATI TARKESHWARI SINHA: Instructions have been issued that the State Bank of India has to accept that,

and I would request the hon. Member to give me some specific cases to the contrary so that we may bring these to the notice of the State Bank of India.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill further to amend the Government Savings Banks Act, 1873, as passed by the Lok Sabha, be taken into consideration.

The motion was adopted.

MR. DEPUTY CHAIRMAN: We should now take up the clause by clause consideration.

Clauses 2 to 9 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRIMATI TARKESHWARI SINHA: I move:

"That the Bill be passed."

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill be passed."

SHRI AMOLAKH CHAND: I would like one clarification at this stage. I thought that I might ask the clarification when the clauses were put. Now, Sir, if you look at clause 9, in the proposed section 15(1) it is said:

"The Central Government may, by notification in the Official Gazette, make rules"

Now under that rule-making power, Sir, it is mentioned in the proposed section 15(2)(g)—

"the fees that may be levied for registration of nominations and for variation or cancellation thereof;"

I would like to know if the Government has decided to levy some fees for giving this facility of nomination or registration of nominations and for variation or cancellation thereof and, if so, what is the fee one has to pay for getting a nomination made. Initially I thought that probably this was a

very good thing which they were doing, but when I just looked into it, it appears that some fee is going to be levied. I thought that it was a simple Bill in which more facilities were being given for people to deposit, or the man who goes to deposit was getting this facility of nominating a successor and all that to withdraw the money. It appears now that they want to levy some fee. If that is the idea, I would like to know as to what is the amount which one has to pay for that.

SHRIMATI TARKESHWARI SINHA: The provision for charging fee for registration of nomination is an enabling provision which is based on the analogy of Section 39(3) of the Insurance Act. No fee has to be paid yet for the nomination as such, but if any fee has to be paid it may be under the Transfer of Property Act. However we have provided that the Central Government can, by notification, allow a fee to be charged by P.O.S. Ds. for transfer.

MR. DEPUTY CHAIRMAN: It is for registration of nominations—not for nominations.

SHRIMATI TARKESHWARI SINHA: Not for nominations.

SHRI AMOLAKH CHAND: What is nomination and what is registration of nominations?

MR. DEPUTY CHAIRMAN: Let the rules come before the House and you can raise the point then.

SHRI AMOLAKH CHAND: That is not the point. Now, if some fees are to be levied . . .

MR. DEPUTY CHAIRMAN: Fees for registration of nominations, not fees for nominations; fees only if you want the nomination to be registered.

SHRI AMOLAKH CHAND: Registration of nominations with whom? With the banks?

MR. DEPUTY CHAIRMAN: It may be with the Registrar.

SHRI AMOLAKH CHAND: That is what I want to know, what is the idea?

SHRI P. D. HIMATSINGKA (West Bengal): When a share is transferred, a fee may be charged. It may be on these lines.

MR. DEPUTY CHAIRMAN: It may be even with the banks. Anyway they will lay the rules on the Table of the House.

SHRI AMOLAKH CHAND: But what is the idea? We are giving this rule-making power to the Government without knowing what their intention is. They may say that it is a formal thing. All right, the House, may agree. We will look into it and do whatever we like. That is a different matter, but when they want this rule-making power, what is the intention? That is what I wanted to know.

SHRIMATI TARKESHWARI SINHA: There are so many things that can come within this, but I cannot explain all these things within the scope of this Bill. It will depend on the particular thing which has to be registered. How can I say?

SHRI BHUPESH GUPTA (West Bengal): He has asked a very simple question.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

THE GOVERNMENT SAVINGS CERTIFICATES BILL, 1959

THE DEPUTY MINISTER OF FINANCE (SHRIMATI TARKESHWARI SINHA): Sir, I beg to move:

"That the Bill to make certain provisions in respect of Govern-

ment Savings Certificates, as passed by the Lok Sabha, be taken into consideration."

Sir, the sale and discharge of National Plan Savings Certificates, which are issued from the post offices, are at present regulated by the Post Office National Savings Certificates Ordinance, 1944. This Ordinance has remained in force by virtue of the India and Burma (Emergency Provisions) Act, 1940. Section 4 of the Ordinance provides that payment on death of holders of Savings Certificates should be made in accordance with the provisions of the Government Savings Banks Act, 1873. Thus, payment of Certificates exceeding Rs. 5,000 can be made only on the production of letters of administration, probate or succession certificates. For the reasons already explained to the House in regard to the amendment of the Government Savings Banks Act, 1873, it has been decided to allow the holders of Savings Certificates also the right to nominate the persons to whom payment can be made in the event of the death of the holders without the production of any of these legal documents. In seeking for this purpose an amendment of the Ordinance opportunity is being taken also to replace it by an Act of Parliament.

The provision for nomination follows generally the amendment accepted by the House in the case of the Government Savings Banks Act. While the nominees acquire the title to receive from Government the amounts due to the deceased holders, this does not in any way prejudice the right of the third parties to recover from the nominees, under the normal processes of law, the debts against the estate of the deceased. The sale and discharge of the Savings Certificates to which the Ordinance applies are at present confined to post offices. With a view, however, to providing larger coverage, it has become increasingly necessary to allow the sale and discharge of these Certificates through other suitable agencies