

ESTIMATES COMMITTEE
1958-59

FORTY-SEVENTH REPORT

(SECOND LOK SABHA)

MINISTRY OF FINANCE

(Department of Economic Affairs)

NATIONAL SAVINGS ORGANISATION



सत्यमेव जयते

PH
328.365
N 42 E

LOK SABHA SECRETARIAT
NEW DELHI

March, 1959
Price Rs. 1.20 nP.



**INDIAN INSTITUTE OF
ADVANCED STUDY
LIBRARY * SIMLA**



Library

IIAS, Shimla

TMP 328.365 N 42 E



00029510

72
P.H.
328.365
N 429



CONTENTS

	PAGES
Composition of the Committee	iii-iv
Introduction	v
CHAPTER I. ORGANISATION	
A. Introductory	I
B. Historical	I
C. Central Organisation	I-3
D. State Government Organisation.	3
E. The Women's Savings Campaign	3-5
F. Advisory Committees.	5-7
CHAPTER II. ADMINISTRATION	
A. Expenditure	8-9
B. Cost of Collection	9-II
C. Training	II
D. Procedural Reforms	II-12
CHAPTER III. AGENCY SYSTEM	
A. Types of agencies	13-14
B. Performance of agents	14-15
C. Collections of agents	15-16
CHAPTER IV. COLLECTIONS	
A. Disparity between gross and net collections	17-18
B. Net collections	19-20
C. Steps taken to increase the collections	20-21
D. Survey of savings potential	22
E. Statistics	22
CHAPTER V. SAVINGS SCHEMES	
A. Schemes and collections	23-24
B. Need for new schemes	24-25
CHAPTER VI. PUBLICITY	
A. Expenditure on Publicity	26-27
B. Methods of Publicity	27-28
CHAPTER VII. CONCLUSIONS	
	29-33
APPENDICES—	
I. Statement showing staff engaged by State Governments	34-37
II. Statement showing major recommendations made by the National Savings Advisory Committee and the action taken thereon by the Government	38-42
III. Statement showing the State-wise targets and net collections of small savings during the last 5 years	43-45

	PAGES
IV. Statement showing the annual State-wise collections of the Women's Savings Campaign	46-47
V. Brief description of the various savings schemes in vogue	48-53
VI. Security-wise deposits and withdrawals during the period 1953-54 to 1957-58 and amounts outstanding at the end of each year	54-57
VII. Extract from the U. K. Estimates Committee Report (1953-54 Session) on the working of the National Savings Committee, U. K.	58-64
VIII. Statement showing the summary of conclusions/recommendations of the Estimates Committee contained in the Report.	65-81
IX. Analysis of recommendations contained in the Report	82

ESTIMATES COMMITTEE 1958-59

CHAIRMAN

Shri Balvantray Gopaljee Mehta

MEMBERS

2. Shri Shripad Amrit Dange
3. Shri Jogendra Singh
4. Dr. Sushila Nayar*
5. Shri Radha Charan Sharma
6. Shri Ranbir Singh Chaudhuri
7. Dr. Gopalrao Khedkar
8. Shrimati Sucheta Kripalani
9. Shri M. Thirumala Rao
10. Shri T. N. Viswanatha Reddy**
11. Shri R. Ramanathan Chettiar
12. Shri N. R. Ghosh†
13. Pandit Govind Malaviya
14. Shri Resham Lal Jangde
15. Shri Mathuradas Mathur‡
16. Shri Dodda Thimmaiah
17. Shri M. L. Dwivedi
18. Shri R. K. Khadilkar
19. Shri Bhaurao Krishnarao Gaikwad
20. Shri Shraddhakar Supakar
21. Shri Rohanlal Chaturvedi
22. Shrimati Mafida Ahmed
23. Shri S. A. Matin
24. Shri Narendrabhai Nathwani
25. Shri Rajeshwar Patel
26. Shri Surendranath Dwivedy§
27. Shrimati Renu Chakravartty

*Elected w.e.f. 28-8-1958 *vice* Shri Mahavir Tyagi resigned.

**Elected w.e.f. 17-9-1958 *vice* Shri J. Rameshwar Rao resigned.

†Elected w.e.f. 23-9-1958 *vice* Shrimati Renuka Ray resigned.

‡Elected w.e.f. 23-9-1955 *vice* Shri Nemi Chandra Kasliwal resigned.

§Elected w.e.f. 17-12-1958 *vice* Shri Vijayram Raju resigned.

28. Shri M. Sankarapandian
29. Shri Jhulan Sinha
30. Shri Ramji Verma.

SECRETARIAT

Shri S. L. Shakdher—*Joint Secretary*

Shri A. R. Shirali—*Deputy Secretary*

Shri R. K. A. Subrahmanya—*Under Secretary.*

INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Forty-Seventh Report on the Ministry of Finance on National Savings Organisation.

2. The Committee wish to express their thanks to the Special Secretary and other officers of the Ministry of Finance for placing before them the material and information that they wanted in connection with the examination of the estimates.

NEW DELHI;
The 28th March, 1959.

BALVANTRAY G. MEHTA,
*Chairman,
Estimates Committee.*

CHAPTER I

ORGANISATION

A. Introductory

The Small Savings Movement has a special significance to the country in view of the pressing need to increase the resources required for the execution of the Five-Year Plans. The movement combines individual profit with national welfare by securing personal as well as national prosperity while at the same time serving as a tool to fight inflation in a developing economy. What is more, it provides the means for the common man to contribute his mite to the development of the country and to the raising of the standard of his living.

B. Historical

2. The first attempt to introduce small savings movement in India may be said to have been made in 1882 when the post office savings banks were started. However, the small savings movement was organised as such only during the First World War and then again during the Second World War. The National Savings Central Bureau with a National Savings Commissioner at its head was set up in 1943 with headquarters at Simla to organise the savings movement in the country. To assist the National Savings Commissioner in the savings work, the provincial Governments each set up a small organisation consisting of a National Savings Circle Officer and an Assistant National Savings Officer per administrative division and one clerk per tehsil. These arrangements continued until June 1948 when a reorganisation was effected as a result of which the provincial set up was abolished and Regional National Savings Officers under the National Savings Commissioner were appointed for each State by the Central Government.

C. Central Organisation

3. The present set up of the National Savings Organisation is as follows:

(i) *Ministry of Finance*

4. The work relating to National Savings is managed at the Governmental level in the National Savings Branch in the Ministry of Finance. It includes

- (a) All policy matters pertaining to Small Savings including introduction of new investment schemes, formulation of procedure and rules thereof, revision of rates of interest, etc.
- (b) Introduction of agency schemes and laying down of detailed procedure including executive instructions, form

of agreements, certificates of authority, receipt books and other relevant documents.

- (c) Consultation with the Reserve Bank of India, Ministry of Law, etc. in respect of broad policy matters.
- (d) Establishment cases relating to the National Savings Organisation and Women's Savings Campaign and Budget Estimates for these organisations including control of expenditure and sanctioning of expenditure on publicity.
- (e) Formation and changes in the constitution of the National Savings Advisory Committee and the Central and State Boards of the Women's Savings Campaign.
- (f) All procedural work regarding sanction of loans to States out of the net collections of Small Savings Scheme.

(ii) *National Savings Commissioner*

5. Below the governmental level, there is the National Savings Commissioner for India who initiates all policy matters pertaining to and is in direct administrative and supervisory control of the savings work in the country.

(iii) *Regional National Savings Officer*

6. Under the National Savings Commissioner there is a Regional National Savings Officer for each State. In the larger States of West Bengal, Bombay, Uttar Pradesh, Madhya Pradesh and Bihar the Regional National Savings Officer is assisted by a Deputy Regional National Savings Officer. There is an Assistant National Savings Officer for a group of 4 to 5 Districts. There are generally one or two District Organisers to do the savings work in each district.

7. The function of the R.N.S.O. is to promote, popularise and publicise the small savings schemes both in urban and rural areas and to assist the public in their dealings with post offices through which the bulk of the small savings are collected. The Deputy Regional National Savings Officer and the Assistant National Savings Officers assist the Regional National Savings Officers in the above work. The District Organisers have supervisory control over the all-sided improvement and publicity for the schemes in their areas. The duties of the District Organiser include booking of collections from investors, arranging propaganda for the small savings and supervision of the agents in the areas. They visit and arrange formation of savings groups, co-ordinate the work of State officials, recommend suitable persons for appointment as authorised agents and also advise agents in field work. They also collect small savings themselves.

(iv) *Post & Telegraph Department*

8. The entire P. & T. Department acts in a way as an organisation for the collection of small savings because it is through the post offices that important schemes of small savings, e.g., the post office savings banks, the Post Office Cumulative Time Deposit Scheme and the National Plan Savings Certificates are operated. The post offices being spread all over the country are considered to be in a better position to receive collection of savings than any other organisation.

D. State Government Organisations

9. In addition to the organisation of the National Savings Commissioner, nine* States have so far set up their own organisations for organising the small savings work in their respective areas. Details in this respect are given in Appendix I. As an incentive to State Governments to take steps to improve savings work in their areas, Government of India shares fifty per cent of the expenditure incurred on the Small Savings Organisations set up in the States. However, only the State of Bombay has a full-fledged organisation of its own corresponding to the National Savings Organisation. In other States, the States Savings Directorate consists of a Director of Small Savings attached to the Finance Department of State Governments or a corresponding officer with some other office and a small field staff.

10. *The Committee understand that there is a feeling among certain State Governments that the existence of a Central and State Organisation operating in the same area for savings work results in duplication of effort which does not lead to any corresponding advantage and could be done away with.* The representative of the Ministry of Finance who appeared before the Committee did not deny the existence of such feeling and said that the matter had been considered more than once before. It was also stated that the movement was a co-operative effort and generally the Central Organisation worked in urban areas while the State Organisation worked in rural areas. The Committee observe, however, that it is one of the duties of the Regional National Savings Officer and his staff who belong to the Central Organisation to promote the movement in rural areas also. Besides, if there is a genuine feeling among the State Governments that duplication exists, then it should be rectified in the interest of economy and better results. *The Committee consider that maximum coordination is necessary and should be ensured between Central and State efforts and all duplication avoided. They, therefore, recommend that there should be only a single official organisation in each State for doing the savings work.*

E. The Women's Savings Campaign

11. Besides the official savings organisations, there is a voluntary non-official organisation known as the Women's Savings Campaign

*At the stage of factual verification the Ministry stated that thirteen States had set up their own organizations.

which undertakes savings work. The Women's Savings Campaign was first started in 1953 with its Headquarters in New Delhi. The campaign works through a Central Advisory Board at the Centre and similar Boards in the States. The functions of the Central Advisory Board are:

- (a) to assist and advise the Government of India in spreading the National Savings Movement generally and suggest measures necessary to intensify the Women's Savings Campaign in particular;
- (b) to co-ordinate the activities of the State Advisory Boards.

12. The functions of the State Boards are:

- (a) to secure enrolment of agent organisation;
- (b) to co-ordinate publicity and propagation of the small savings movement in the context of the Second Five Year Plan;
- (c) to devise ways and means to inculcate the habit of thrift among the people, particularly in the rural areas.

13. Members of the Boards canvass savings and publicise the movement. The actual collection work is done through various social welfare organisations which are appointed as authorised agents who also canvass investment in the various savings schemes. There are 214 such agent organisations at present in the country.

14. The Committee understand that the workers of the Women's Savings Campaign find it difficult in the absence of transport to go to the interior for making house to house propaganda and that provision of transport such as jeeps, etc., to them would help in the intensification of the campaign. *The Committee suggest that it should be arranged with the officials of various agencies at present working in rural and other areas such as the Health, Agriculture and the Social Education Departments of the State Governments that their tour programmes are intimated to the officials and non-officials of the Savings Organisations including workers of the W.S.C. so as to enable the latter to make use of the transport arrangements, when necessary, of the former. In this connection the possibility of making such vehicles available to the Women's Savings Campaign workers for a few days each month preferably for a few days in a week exclusively for their use may also be considered.*

15. The Committee understand that there is a feeling that the enthusiasm created by the Chairman and members of the Central and State Advisory Boards, Women's Savings Campaign while on tour remains only for the time being when they are there as there is nobody besides a lady organiser to follow it up. *They understand that the Government had since instructed all the District Organisers to see that the work done by the Members of the Women's Savings Campaign Advisory Boards was followed up and that promises secured by them were collected by activating the social organisations or by the*

District Organisers themselves. The Committee feel, however, that in the interest of the Savings Movement, office and other assistance for the members of the Women's Savings Campaign State Advisory Boards through Assistant National Savings Officers, District Organisers, etc., and welfare assistance to the Women's Savings Campaign workers to the extent necessary may also be provided.

16. *The Committee understand that there is a feeling among the workers of the Women's Savings Campaign as well as the officials of the National Savings Organisation that the results of the enthusiasm or business created by the efforts of one are often carried away by the other. They have no doubt that the existence of such feeling would hamper the savings effort on the part of all concerned. The Committee feel that maximum co-ordination is necessary and should be ensured at every level between the official and the non-official agencies doing the savings work. They also suggest that wherever honorary services of Women's Savings Campaign workers are available, they might be given preference over others.*

F. Advisory Committees

17. To enlist the co-operation of the public in the National Savings Movement, the Government of India set up in 1956 the National Savings Advisory Committee.

The functions of the Committee according to the Government resolutions are as follows:

- (a) To co-ordinate and guide the activities of the Savings Advisory Committees in the States;
- (b) To assist and advise the Government of India generally on measures necessary to intensify the National Savings Movements in the country and to devise ways and means of popularising the Small Savings Scheme; and
- (c) To advise the Government on specific organisational and publicity matters relating to the National Savings Movement which may be brought to its attention.

18. The Advisory Committee consists of 19 members including the Chairman, of whom two are officials, namely, the Director-General, Posts & Telegraphs and the National Savings Commissioner who is the Member-Secretary and the rest including the Chairman and the Chairman of the Central Advisory Board, Women's Savings Campaign, are non-officials. It may also co-opt specialists in different fields, e.g., eminent economists, bankers, sociologists, etc., as members as and when necessary. Similar committees have been set up in each State by the respective State Governments with the State R.N.S.O. as the Secretary. Committees have also been set up in some of the States in certain districts and cities.

19. *Since its constitution nearly three years ago, the National Savings Advisory Committee has met only three* times, viz., in December 1956, in April, 1957, and in June, 1958. During evidence the representative of the Ministry of Finance stated that the convening of the meetings of the Committee depended upon the Chairman of the Committee and since he did not convene the meetings, the National Savings Commissioner who was its Secretary, could not do much in the matter. As regards the States Advisory Committees, it is observed that while some of them had met a number of times, some others had met only once. One reason for this is that the Committees in some of the States have been started only recently. For example, in the case of West Bengal the Committee was set up only in late 1958. Another reason was stated to be that the convening of the meetings of the State Advisory Committee was left to the Chairman who in most cases was the Chief Minister of the State. The Committee regret that the Advisory Committee should meet so infrequently. They feel that the Secretaries of these Committees, viz., the National Savings Commissioner, the Regional National Savings Officers, etc., should take greater initiative in these matters and have the meetings of the Committee convened regularly.*

20. The National Savings Advisory Committee during its three meetings made 34 recommendations (*vide* Appendix II) to Government. Out of these 19 were accepted for implementation, 9 are stated to be under consideration while 6 were not considered feasible. The State Advisory Committees made in all 68 recommendations to Government out of which 39 were accepted by the State Governments for implementation, 23 are stated to be under consideration while 6 were considered not feasible.

21. *The Committee wonder what public enthusiasm for savings such Advisory Committees holding their meetings so infrequently could possibly generate. They also wonder whether these Advisory Committees could themselves feel enthusiastic about their work when it takes Government considerable time to take action on their recommendations. The Committee, therefore, consider the device of setting up these Advisory Committees for obtaining the assistance of non-officials in savings work as hardly satisfactory.*

22. The Posts & Telegraphs Department has a Small Savings Board at the Headquarters and P. & T. Circles Committees at Circle Offices to improve the efficiency and public relations of post offices, to simplify the rules and procedure and to ensure prompt disposal of complaints. The Board consists of representatives of the Ministry of Finance, Ministry of Transport and Communications, the Reserve Bank of India, the Accountant-General (P & T) and National Savings Commissioner. The Director-General, Posts and Telegraphs is the

* At the factual verification stage the Ministry informed the Committee that the National Savings Advisory Committee had met four times. The fourth meeting having been held in November, 1958.

Chairman of the Board. The Committees at postal circle levels consist of the Postmaster General or Director of Postal Services of the postal circle, the R.N.S.O. and the Officer-in-Charge of the Small Savings of the State Government. *The Committee were assured that since the setting up of the Board and the Committees the co-ordination between the National Savings Organization and the P&T Department has increased. They find however that frequent complaints about post offices are still heard. The Committee suggest that in order that the purpose for which the Board and these Committees are being set up is fulfilled, it would be desirable to associate non-officials with these Committees.*

23. *The Committee are of the view that the valuable assistance of non-officials in the savings work should be obtained and utilised not merely by associating them with advisory committees which are not effective enough but in a manner which would enable them to feel a sense of active participation and responsibility for the savings work. They would offer their suggestions in this regard in the last Chapter.*

CHAPTER II ADMINISTRATION

A. Expenditure

24. The budget estimates of the expenditure on the National Savings Organization together with the figures of the actual expenditure under various sub-heads during the last three years are given below:

(Rupees in lakhs)

Sub-head	1955-56 Actuals	1956-57	1957-58 R.E.	1958-59 B.E.
1. National Savings Commissioner and Headquarters staff	2.58	2.53	2.83	*7.06
2. Regional Savings Commissioners	18.43	22.08	28.34	**33.83
3. Payments to State Governments for publicity etc.	..	..	..	@@15.35
4. Commission to Authorised Agents	@26.92	@27.98	@36.57	50.00
5. Payment to post offices for Savings Bank and Certificates work	193.79	201.13	219.67	224.18
6. Publicity through the Directorate of Advertising and Visual Publicity, Ministry of Information and Broadcasting	5.06	6.07	4.97	6.00
	246.83	259.79	292.38	336.42

25. Items 4 and 5 in the above statement are 'charged'*** items.

26. The cost of managing the Post Office Savings Banks and the savings certificates work by the P&T Department is debited to the budget of the National Savings Organization. It is calculated on the following basis:

- (a) Actual costs of work in the P&T Accounts and Audit offices.
- (b) Lumpsum payments calculated on the number of transactions on a pre-determined rate for each transaction of deposit, withdrawal or transfer.

*Includes Rs. 2 lakhs for publicity through the N.S.O. and Rs. 2 lakhs for payments to State Governments.

**Includes Rs. 1.64 lakhs for publicity.

@Includes some expenses on publicity through the National Savings Organization.

@@Started only from the year 1958-59.

***The reasons for these items being treated as 'charged' were enquired from the Ministry of Finance on 3-2-1959. No reply was however received till the finalization of this report.

It is seen from the statement given in para 24 that about 66 per cent of the expenditure on the Small Savings work is by way of payment to post offices for savings work. *The Committee feel that prima facie the payment to the P&T Department on account of savings work seems to be on the high side. They suggest that an expert enquiry into this matter might be made. In this connection the Committee understand that the extension of the Savings Movement to rural areas is being hampered because of lack of postal facilities for savings work, since savings facilities are provided only at 15,756 out of a total of 58,871 post offices. The Committee, therefore, suggest that payments made to the P&T Department by the Savings Organization should be used for extending such facilities to the rural areas as early as possible.*

B. Cost of Collection

27. The following table gives the percentage cost of collection
 (i) excluding interest charges only;
 (ii) excluding P&T and interest charges
 for the National Savings during the last five years.

Year	Percentage cost of net collections (excluding interest charges only)	Percentage cost of net collections (excluding P&T and interest charges)
1953-54	5.6%	.94
1954-55	4.5%	.73
1955-56	4.3%	.75
1956-57	5.2%	.96
1957-58 (R.E.)	5.3%	1.09

28. It is thus observed that the cost of collection has been rising since the year 1954-55. *The Committee feel that this is because of increased expenditure on administration, one of the reasons for which might be the duplication of effort between the Central and the State Administrative Agencies engaged in the small savings work. The Committee have referred to this matter earlier.*

29. It is observed from the statement given in para 24 that the expenditure on establishment etc. engaged on savings work (other than of P & T Department) forms more than 50% of the expenditure other than P & T Charges and audit charges. In 1948, when the National Savings Organisation was reorganized and Regional Offices were set up, there was only a National Savings Commissioner and Deputy National Savings Commissioner at the Centre and a R. N. S. O. in each State with a few 'Aval Karkuns' in each State. Compared to the set up in 1948, the National Savings Organisation had expanded considerably. The expenditure on the office of the N. S. C., the R. N. S. Os., etc. has increased from Rs. 21 lakhs in 1955-56 to Rs.

31 lakhs in 1957-58 and Rs. 41 lakhs in 1958-59. The increase since 1956 itself is: 1 R. N. S. O., 26 A. N. S. Os., 162 District Organizers, 53 Class III Staff and 126 Class IV Staff. The total strength of the National Savings Organisation consists today of:

Name of the Post	Number	Scale of Pay
		Rs.
CLASS I		
1. N.S.C.		1600-100-1800 (The present incumbent is drawing Rs. 3000/- p.m. which is personal to him.)
2. Secretary, Office of the National Savings Commissioner	1	650-30-800
3. R.N.S.Os.	14	(i) 600-1150 (ii) 350-850
CLASS II		
4. Dy. R.N.S. Os.	7	275-650
5. Supdt., Office of the N.S.C.	3	400-20-500
CLASS III		
6. A.N.S.Os.	78	200-450
7. Assistants including Assistants in-charge in the Office of the N.S.C.	15	160-450 (Spl. Pay Rs. 30).
8. Statistical Assistant	1	160-10-330
9. Head Clerks in the R.N.S.O's Office.	11	160-250
10. Stenographers in the Office of the N.S.C.	2	160-10-330 (One with Rs. 30 Spl. Pay).
11. Accountant	1	120-8-200-10/2-220
12. District Organizers/Lady Organizers.	573	105-220
13. U.D.Cs.	81	80-220
14. L.D.Cs. & Other Staff	186	(i) 60-130 (ii) 60-75
CLASS IV		
Staff in N.S.C.'s Office & the R.N.S.Os. Office	357	(i) 35-50 (ii) 30-35

In addition there are 41 officers and staff in the Women's Savings Campaign provided by the Central Organization. There are also 183 officers and ministerial staff engaged on savings work under the State Governments, half the expenditure of which is met by the Centre.

30. In this connection, the Committee feel surprised at the extent of clerical & Class IV staff in the Savings Offices, both in the Cultural Organization (vide above statement) and in the States Organizations (vide Appendix I). The work of the Savings organization being essentially to generate enthusiasm among the public for savings work and to mobilise the savings, the contribution which clerical and similar other staff can make to savings work is difficult to comprehend.

31. As regards the strength of District Organizers, which is 573, the Committee find that prior to 1948 there were only agents in the districts. During that year due to instances of collusion between agents and post offices, it was decided to do away with the Agency system and the posts of District Organizers were created. Later, as they did not prove very useful, the Agency system was revived but the District Organizers continued.

32. *The Committee realise that the National Savings Movement has yet to spread throughout the length and breadth of the country. Nevertheless, they cannot help feeling that there is scope for economy in the employment of staff in the savings organisation. They, therefore, suggest a review of the strength of the officers and staff in the National Savings Commissioner's Office, in the regional offices, in the district offices as well as in the State's organizations. In this connection, it would be worthwhile pointing out that in U.K. the National Savings Movement had (in 1955) staff strength only of 660, who helped collect savings of Rs. 1500 crores.*

C. Training

33. It is evident that if the savings movement is to be a success, its officials being the nucleus of the organisation would have to be themselves enthusiastic in regard to savings work and in turn generate similar enthusiasm among the agents, workers and the public. For this purpose it is desirable that the officials should be given suitable training in savings work. The Committee observe, however, that there are no arrangements for training of ANSOs and supervisory officers. The procedure regarding training of District Organizers has also not yet been finalized, although the conference of the RNSOs held in October, 1957 had suggested that the training course should be finalised early. In regard to training of agents and voluntary workers, the Committee were told that for this purpose periodically 'shibirs' were held but even in this matter they find that not much progress has been made and except in the State of Bombay, such 'shibirs' seem to be rare.

34. *The Committee consider the existing position in regard to training of officials and workers as hardly satisfactory and therefore, suggest that suitable arrangements should be made in this matter and provision also made for refresher courses. In this connection, they understand that in U.K. during the war period there was a Savings Banks Institute which held examinations of a high standard for Savings Banks Officials. The Committee suggest that Government might examine the feasibility of holding some such examination for persons dealing with small savings in India also.*

D. Procedural Reforms

35. *The Committee understand that prospective investors often experience many difficulties mainly of a procedural nature. The procedure regarding the purchase of Savings Certificates is stated to be very cumbersome. The staff at the Post Offices who have to receive*

the savings and issue certificates, etc., are often alleged to be not enthusiastic in their work and do not attend to the investors promptly. The application forms etc. are often not available in sufficient numbers. They are not also available in regional languages. *The Committee consider that some of these procedural difficulties would be very irksome and act as deterrent to collection of small savings.*

36. *The Committee recommend that it should be the constant endeavour of the officials of the National Savings Organization to ascertain the procedural difficulties experienced by prospective investors and to get them solved. This would necessitate greater personal contact between the public and the officials of the N.S.O. It should also be the duty of the non-officials connected with the Savings Movement to bring the difficulties in this regard to the notice of the officials of the N.S.O. and to get them redressed. The Committee would suggest that there be a periodical review of the prescribed procedures in regard to the various improvement schemes. They have no doubt that this would go a long way in improving the effectiveness of the Savings Movement.*

37. *In this connection, the Committee offer a few suggestions to overcome some of the existing procedural difficulties:*

(i) *The desirability of giving some incentive to the employees of the P. & T. Department doing savings work might be considered.*

(ii) *The feasibility of enabling other agencies such as Scheduled Banks, Co-operative Societies, panchayats etc. to stock and sell certificates etc. so that the intending purchaser has not always to go to the Treasury or the Post Office to purchase them might be considered.*

(iii) *The feasibility of setting up mobile savings vans and special booths to collect savings in the harvest season specially in rural areas might be considered.*

(iv) *The application forms and receipt books for the National Savings Certificates might be made available in the regional languages. As far as possible persons dealing with this work in the post offices should also be conversant with the regional languages.*

(v) *Government should examine the possibility of issuing pass books to all certificate holders as is done in the case of depositors in the Postal Savings Banks accounts because the simple receipt that is at present issued in lieu of the purchase of certificate is liable to be lost and stocking of certificates is not easy especially for rural people.*

CHAPTER III

AGENCY SYSTEM

A. Types of agencies*

38. The following types of agencies for collection of savings are in operation at present:—

- (1) The General Agency;
- (2) Rural Agency;
- (3) Extra-Departmental Branch Post Master Agency;
- (4) Women's Savings Campaign Agency; and
- (5) Internal Agency System.

39. The General Agency System is meant primarily to cater to the needs of the urban areas. Under this system persons having wide contacts and who are in a position to fulfil the necessary conditions of security are appointed as agents. Under the Rural Agency System there are two systems: viz. the Gram Panchayat Agency System and the Primary School Teachers' Agency System. Under the Panchayat Agency System either the Panchayats themselves or their office bearers are appointed agents. The Primary School Teachers' Agency System is designed to enlist the cooperation of the school teachers and to interest them in the savings movement. Under the Extra-Departmental Branch Post Master Agency System meant exclusively for rural areas, Extra-Departmental Branch Post Masters working in rural areas, are appointed as agents. The Women's Savings Campaign agency system is meant to organize in a well knit manner the honorary non-official effort to provide savings specially among women. Under this system social welfare organizations are appointed as authorized agents. Each agent or organization can appoint 6 to 12 workers who are given certificates of authority to enable them to transact business on behalf of the agent organization.

40. The oldest agency system is the Extra-Departmental Branch Post Master Agency System which started in 1952. The Women's Savings Campaign Agency System was started in 1953. The General Agency System and the Gram Panchayat Agency System were started in 1954. The Internal Agency System and the Primary School Teacher's Agency System are in force from 1956.

41. Agents appointed under all the above agency systems are paid a commission of $1\frac{1}{4}\%$ on the sale of 12 Year National Plan Savings Certificates and $\frac{1}{2}\%$ on the sale of 10 Year Treasury Savings Deposit Certificates. No Commission is paid on the sale of other securities/deposits. In the case of W.S.C. agents the commission is not earned

by the individual workers who actually do the canvassing but the amount goes to the institution which serves as agent. *The Committee feel that there is no justification for payment of commission at different rates on the various investment schemes.*

42. *A peculiar feature of the various agency systems is that the terms of appointment of agents, the securities they have to offer, etc., vary from system to system. Thus whereas under the General Agency System the agents have to deposit Rs. 5,000 in towns of population over 5 lakhs and Rs. 2,000 in other areas in the case of other agency systems the security deposit is much lower. Similarly whereas under the various agency systems the agents alone can receive the subscriptions from the investors, in the case of the W.S.C. agency system, certain individuals, who hold certificates of authority on behalf of the agent organisations receive the amounts. Even in the matter of issue of receipt books the conditions under which it is done seem to vary from one system to another.*

43. *While the Committee realize that to mobilize the savings resources of the various sections of the people there might have to be a variety of agencies, they do not consider it desirable that their terms of appointment, commission, security etc., should vary from system to system. They understand in this connection that this matter was discussed at the Conference of the R.N.S.Os. held at Lucknow in October, 1957, in which the consensus of opinion was that the multiplicity of the agency system was causing confusion. The Committee recommend that Government should remove to the extent possible these disparities and standardize the agency system, preferably one for institutions appointed as agents and another for individuals appointed as agents.*

44. *The Committee understand that in so far as the Women's Savings Campaign is concerned, only registered Social Welfare Organisations could be appointed as agents and that since this requirement was very difficult to fulfil in certain areas especially in villages the W.S.C. had recommended that Government should permit un-registered organizations also to be appointed as authorised agents. The Committee suggest earnest consideration of this recommendation with the provision of suitable safeguards, if necessary. In this connection they might point out that the agents of the W.S.C. although receiving commission, are voluntary workers since the commission that they earn goes to the social welfare organisations and not to individual members bringing in business.*

B. Performance of Agents

45. *The number of agents under the Internal Agency System under which savings groups are formed in offices, factories, shops, etc., for collecting savings is at present only 7,834. The Committee understand in this connection that in U.K. the small savings movement draws its major strength from the savings groups which exist in practically every*

occupation and that the Groups there are run by purely honorary workers. In India on the other hand even though commission is paid to agents, *little progress has been made in this matter even in urban areas, while in rural areas there are hardly any savings groups.* As a result, the contribution of the savings group method, that is, the internal agency system to the total collections has been only Rs. 06 crores. *The Committee, therefore, recommend that special steps should be taken to see that savings groups are formed in every Government office, business house, factory, farm etc.*

C. Collections of agents

46. The following table shows the gross collections of savings and those made through the Agency System.

(Figures in thousands of rupees)

Year	Collections through A. Ss. (b)	12-Yr. NSCs, 10-Yr. NPCs & 12-Yr. NPSCs Gross Collection (a)	Percentage of (b) to (a)
1953-54	7,08,80	26,54,04	27%
1954-55	15,04,00	34,67,46	43%
1955-56	18,86,40	37,05,25	51%
1956-57	19,00,11	41,74,26	45.5%
1957-58	33,85,00	77,16,08	43.9%

Thus the percentage* collection through the efforts of the agents has been on the decline since 1955-56.

47. The following table gives the number of agents under the various agency and the collections** made by them during the years 1956-57 and 1957-58:—

Agency System	1956-57		1957-58	
	No. of Agents	Collections (in crores)	No. of agents	Collections (in crores)
1. General Authorised Agency system	4,624	18.15	15,937	32.18
2. Rural Agency System	11,734	.52	31,348	1.09
3. Internal Agency System	Not in Force	..	7,834	0.26
4. Women's Savings Campaign	187 Agent Organisations 719 C.A. Holders.	0.33	207 Agent Organisations 787 C.A. Holders.	0.32

*At the stage of factual verification, the Ministry informed the Committee that the percentage of agency sales to the gross collections had registered a decline because gross collections included also investments on which no commission was payable, viz., provident fund, e.c. They were not in a position, however, to give figures of investments secured by agents on which no commission was payable.

**The figures of collections in this table represent those securities on the sale of which commission has been paid to the agents.

48. Thus while the number of agents under the General authorized agency system has increased nearly four times, collection has increased only about 2 times. Again, while the agents under the Rural Agency Scheme has increased nearly three times, the net collections have increased a little over 2 times only. It is understood that the Extra-Departmental Branch Post Master System has also not made much progress in collecting small savings. The Committee consider these trends as very disquieting. It is evident that special efforts are required on the part of the agents to justify the award of the agency and to improve the collections. The Committee recommend that such incentives to agents as might enable better collections might be provided by Government.

49. The Committee invite attention in particular to the fact that it is generally known that the message of small savings has reached rural areas even to a smaller extent than in urban areas and suggest that extra encouragement be given to the Rural Agency Systems namely, the Parichayat Agency System, the Primary School Teachers' Agency System and the Extra-Departmental Branch Post Master Agency System.

50. In this connection, the Committee were told that the Ministry of Community Development had not agreed to the appointment of village level workers in the block areas as agents under the National Savings Organisations. They realize that if the village level workers were to work as paid agents canvassing aim of community development might suffer. Nevertheless since the village level workers have a well developed organisation in the Block areas, the Committee would suggest that the national savings organization should utilize their agency to the extent possible at least for spreading the message of small savings and the movement. In addition the village level workers could also assist in organizing women's organization which might take up agencies under the Women's Savings Campaign.

51. The Committee understand that the Life Insurance Corporation has a well knit organization of agents throughout the country. They recommend that the feasibility of having agents for the National savings in common with the Life Insurance Corporation and similar other agencies may be examined by Government.

CHAPTER IV COLLECTIONS

A. Disparity between gross and net collections

52. The following table gives the gross and net collections of small savings during the last six years:

(In crores of rupees)

Year	Gross	Net	Percentage of net collections to gross collections
1952-53	146.85	39.79	27.1
1953-54	152.75	39.69	26.0
1954-55	177.45	55.61	31.3
1955-56	202.38	67.91	33.6
1956-57	225.89	61.52	27.2
1957-58	265.88	69.56	27.0

53. The low figures of net collections in comparison to gross collections would show that whereas fairly encouraging results were obtained by way of gross collections, large amounts were withdrawn every year from out of the savings.

54. As regards the Post Office Savings Bank accounts, the Committee understand that often large sums are deposited in post offices towards the end of the financial year and withdrawn early in the next financial year. In this connection, the Committee find the following figures revealing:—

(In thousands of rupees)

Year	Deposits in the P.O. S.B. accounts excluding interest		Withdrawals	
	March	Average of year	April	Average of year
1954	12,14,12	9,43,50	9,47,42	84,400
1955	15,21,40	10,87,25	10,07,32	91,658
1956	18,54,68	12,75,62	11,31,68	10,13,58
1957	17,96,61	14,28,27	12,48,09	12,14,17
1958	20,16,73	14,51,54	14,94,21	13,61,58

55. The Committee inquired for reasons of the low net collections of savings and were informed that it was due to withdrawals by investors, some of which were premature. *No statistics regarding such premature withdrawals from Post Office Savings Bank accounts and premature encashments of savings certificates were, however, available. The Committee recommend that it would be desirable to maintain statistics of the periods for which different classes of savers kept their investments undisturbed as also the reasons for premature encashment etc., so as to enable suitable steps to be adopted to overcome the existing tendency and to direct the propaganda accordingly.*

56. The Committee were informed that to minimise premature withdrawal, withdrawal was not permitted for a year after savings certificates etc., were bought and low interest rates were offered in the first few years of the investment. These steps could not be made applicable in the case of deposits in the Post Office Savings Bank accounts which are in the nature of a call money. It was stated, however, that necessary propaganda was also being made to dissuade people from withdrawing prematurely. It was hoped that the new facility of hypothecation of savings certificates, etc., might prevent premature encashments. Further, the rates of interest on savings had recently been enhanced on all investments, while a few securities had also been replaced by higher interest accruing securities.

57. In this connection, the Committee understand that *there is a feeling that certain officials often bring pressure on the people to take savings certificates or to deposit more money in Post Office Savings Bank accounts to push up the figures of savings in their respective districts, etc., so as to show better results of their efforts, with the result that often at the first opportunity the people not being sufficiently influenced by the savings publicity or propaganda, cash their certificates or withdraw their deposits. The Committee regret the practices which have led to it. They suggest that it should be ensured that small savings are mobilized not by coercion but by persuasive methods so as to help develop the savings habits among the people and bring in long term savings which only could materially contribute to the resources required for the implementation of the Plans.*

58. *The Committee feel that there might be another reason for premature withdrawal viz., the possibility of collusion between the agents and investors. The possibility of agents approaching people to invest, promising them a share in the commission cannot be ruled out. In fact such cases were detected in 1948 (vide para 31). Such investments when made are likely to be withdrawn at the earliest opportunity by the parties concerned resulting in less net collections. The rates of commission offered on various investments have no doubt been reduced so as to reduce the possibility of large scale collusion. But this can also have the effect of reducing the enthusiasm of agents and reducing investments. The Committee consider, that there is need for vigilance in this matter. Further propaganda and other means of direct contact with investors and public should be fully developed so as to serve as a preventive measure in this regard.*

B. Net Collections

59. The First Five Year Plan envisaged a total collection of Rs. 225 crores through small savings. The actual collections during the First Five Year Plan were as follows:—

	(Rs. in crores)
1951-52	38.70
1952-53	39.79
1953-54	39.69
1954-55	55.51
1955-56	67.91
TOTAL	241.60

The Second Plan placed the collection at Rs. 500 crores, that is, on average Rs. 100 crores per year. The actual collections during the first two years of the Second Plan have been as follows:—

	(Rs. in crores)
1956-57	61.52
1957-58	69.56
TOTAL	131.08

60. While the Committee are glad to observe a rise in recent years in the annual net collections on small savings as compared to earlier years, they find that the annual targets laid down in the Second Plan have been fulfilled only to the extent of 65 per cent. *The Committee feel concerned at this shortfall, which might affect adversely the progress of the Plan. It also seemed to them that there was a certain extent of complacency among the concerned officials in view of the increase in the collections as compared to previous years.*

61. *In this connection, the Committee note in particular that the collections during the three years from 1955-56 to 1957-58 have been more or less steady in spite of substantial increase in staff and expenditure. They feel that this trend underlines the necessity of more effective steps not only to work up to the targets laid down for small savings in the Second Plan but to improve on them.*

62. A statement showing the State-wise target and net collections of small savings during the last five years is given in Appendix III. It is observed that in some States e.g., Andhra, Bombay, Kerala, Madras, etc. the collections have been good, those in certain other States e.g., Bihar, Delhi, Punjab, Rajasthan have declined or have been somewhat poor and have even declined in some cases. The representative of the Ministry admitted that in some States, the collections had remained static. *The Committee recommend that special*

attention should be given to those States which offer savings potentialities, and also where the performance has been poor.

63. The statement in Appendix IV gives the annual State-wise collections of the Women's Savings Campaign. It would show that the W.S.C., a voluntary body, has succeeded in bringing in substantial collections.

C. Steps taken to increase the collections

64. The Committee were informed that the Government had taken the following steps apart from introduction of new investment schemes or making improvements in existing ones to improve the collections by way of small savings:—

1. To interest the State Governments more in the Savings work, the Government of India has agreed (i) to earmark two-thirds of net collections of Savings arising in a State for loan to that State; (ii) to reimburse to the State Governments 50% of the actual expenditure incurred by them on staff exclusively engaged for Small Savings movement; and (iii) to allocate to State Governments specific sums for local publicity of Small Savings Scheme.
2. The Government of India has agreed to reimburse* employers who operate a regular savings scheme the cost of collection upto 1 per cent of the investment in the National Saving Certificates, provided they represent genuine savings and no agency commission is payable.
3. Commendatory letters are issued to non-officials rendering assistance to the Small Savings Scheme.
4. It was stated by the National Savings Commissioner during evidence before the Committee that he had suggested to State Governments that they might as has been done by the Bombay Government allow land revenue to be adjusted against the interest on treasury savings deposit certificates so as to encourage small savings.

65. *The Committee suggest that Government might examine the feasibility of introducing following further measures to enhance the collection of small savings:*

(i) It is understood that at present the Centre does not fix targets for collections of small savings in different States though in some cases the State Governments themselves fix targets for their States and for

*At the stage of factual verification, the Ministry informed the Committee that it had since been decided that payment to employers of 1% of net collections would be made on the express condition that the money received by them will be utilized for the benefit of the employees or for paying additional remuneration to staff exclusively engaged on this work.

different districts under them. *To enable better realisation of efforts required to be made in each area so as to work upto the plan target, the Government of India should lay down with reference to past achievements and further potentialities, an annual target for the collection in each State which should be further broken up for each region, district, block etc.*

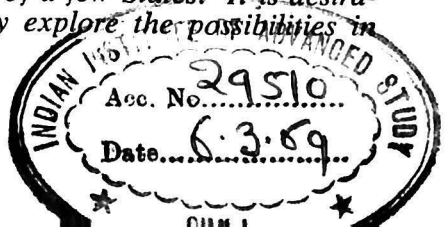
(ii) It is necessary that the various regional agencies for collection of small savings below the State Government level and down to the Panchayat level should be enthused and in turn should be able to enthuse the people in the matter of saving. To facilitate the achievement of this end, *Government should examine the feasibility of allocating a certain percentage of the net collection in an area for the developmental work in that area. The precise proportion may be determined by the State Government and may be different for rural and urban areas. During evidence the representative of the Ministry agreed to bring this suggestion to the notice of the State Governments.*

(iii) *The system followed in the Bombay State of awarding prizes to the District which collects the largest savings might be extended to other States also. The feasibility of extending this scheme to areas smaller than districts such as blocks as well as to individuals, including agents, might also be considered.*

(iv) *The Government should examine the feasibility of ensuring that all prizes at Government functions are given in National Savings Certificates. Similarly, bonuses, rewards etc. may also be given in Savings Certificates. The feasibility of extending this to other functions by issue of suitable instructions, where necessary, and by persuasion, where possible, should be explored.*

(v) It is understood that at present the response from employers to the scheme for reimbursement of expenses on collection of savings to them has not been very encouraging, except in the case of Assam plantations, where one-third of the provident fund collections were invested in small savings securities, mainly due to the efforts of the Women's Savings Campaign. It is, therefore, necessary that *Government should take special steps to persuade more employers to introduce the scheme of regular savings from the salaries of their employees. With the amendment of the Payment of Wages Act in April, 1958 it should be possible for the employers to show better results in the matter.*

(vi) *It is understood that the question of securing compulsory contributions for small savings was discussed by the National Development Council in their last meeting in November, 1958 and that it was agreed that if such a step had to be taken it should be taken in the whole country and not left to the initiative of a few States. It is desirable that Government of India should fully explore the possibilities in this regard.*



D. Survey of savings potential

66. The Committee regret that figures of the respective collections in urban and rural areas are not available. *They feel that an examination of the savings potential of various classes of people is important in connection with the spreading of the savings movement. In this connection, they were informed that the Ministry of Community Development proposed to conduct a survey of the incidence of savings in rural areas. The Committee think that a survey should be made in urban areas also and an analysis of the results of such surveys properly utilized by the National Savings Organisation in spreading the savings movement among various classes.*

67. The Second Five Year Plan recommended in 1956 a class examination of the strata reached by small savings movement in both rural and urban areas so as to facilitate a concerted drive to bring in additional savings. *Yet the Committee find that so far no attempt has been made to collect or study statistics relating to savings with a view to finding out the savings potential of the different classes of people in rural and urban areas; the preferences for different savings schemes; reasons for premature withdrawal from savings bank accounts and premature encashment of national savings certificates, etc. The Committee recommend collection of all these and other relevant data so as to improve and broadbase the small savings movement and to make it an effective means of fulfilling the Plan.*

E. Statistics

68. The Committee understand that the statistics of approximate collections received from the Director-General, Posts and Telegraphs are circulated every month to all R.N.S.Os., State Governments, Women's Savings Campaign and to the Ministry of Finance, Government of India. *They would suggest that the various types of statistics that are already received and which may be prepared in future, should be properly collected, circulated to the various agencies of the N.S.O. and also publicised so as to enable the movement to be carried forward.* It might be mentioned in this connection that in U.K. such statistics are produced weekly, monthly and yearly and not only for the savings movement but for the press and the B.B.C. and that their monthly bulletin of statistics and economic information goes even to foreign Embassies, Members of Parliament, financial and economic journals and the Universities.

CHAPTER V SAVINGS SCHEMES

A. Schemes and Collections

69. The following schemes of investment are at present offered under the Small Savings Movement:

- (1) Post Office Savings Bank Scheme.
- (2) 12-year National Plan Savings Certificates Scheme and the connected Gift Coupons Scheme.
- (3) 10-year Treasury Savings Deposit Certificates Scheme.
- (4) 15-year Annuity Certificate Scheme.
- (5) The Cumulative Time Deposit Scheme (started on 2-1-59).

A brief description of these schemes is given at Appendix V.

70. The net accruals of savings under each of the above schemes as on 31st August, 1958 were stated to be as under:—

(In crores of Rupees)	
Post Office Savings Bank	334.14
National Savings Certificates	205.17
National Plan Certificates	22.05
National Plan Savings Certificates	100.73
Treasury Savings Deposit Certificates	51.71
Annuity Certificates	2.18
Old Certificates.	1.46
TOTAL	717.44

71. The security-wise deposits and withdrawals during the period 1953-54 to 1957-58 and amounts outstanding at the end of every year are given at Appendix VI. *It is observed therefrom that whereas the net deposits in the Post Office Savings Bank increased from Rs. 1609 lakhs in 1953-54 to Rs. 3648 lakhs in 1955-56, there has been a decline since then; the deposits in the years 1956-57 and 1957-58 being Rs. 3128 lakhs and Rs. 1800 lakhs respectively. The Finance Minister also admitted while presenting the Budget for the year 1959-60 that the postal savings banks were still not doing as well as in the past. The Committee regret this trend and recommend that the reasons therefor be examined and attempts made to improve the savings banks collections.*

72. Among the various savings schemes, the Post Office Savings Bank Scheme and the National Savings Certificates Scheme seem to attract the largest savings while the other schemes are comparatively less popular. In this connection it might be pointed out that the Treasury Savings Deposits and the Annuity Certificates which attract comparatively meagre savings are issued at the Treasuries and Sub-Treasuries under the various State Governments and at branches of the Reserve Bank of India etc. unlike the other Savings Schemes which are operated at the Post Offices. The Committee recommend that it should be examined whether any organizational change in this respect is likely to improve the popularity of the various savings schemes.

73. The Committee would also suggest that it should be examined whether the Savings Schemes could be operated at a larger variety and number of institutions—Government, semi-Government and even private—such as Post Offices, various Banks, etc.

74. The Committee would suggest that the various investment schemes and the response of the public to them should be constantly reviewed to see what procedural and other improvements could be made therein. In this connection they feel that it would be desirable to appoint a small expert committee to make a comprehensive review and to make concrete suggestions for increasing collections thereunder.

75. The Committee were informed by the Ministry of Finance in reply to an inquiry whether the National Savings Certificates and other saving schemes really attracted small savings that since the post offices did not ask the certificate-holders to indicate their individual holdings in these certificates, it was not possible to say whether the savings certificates really attracted small savings. In regard to the savings bank accounts, it was stated that the records were confidential and the amounts deposited or withdrawn by a person could not be disclosed. In this connection the Committee feel that it should be possible to put all individual withdrawals together at each centre without divulging individual accounts. The Committee further consider it desirable that information in regard to holdings of savings certificates etc. should be collected to the extent possible and sample survey made to determine whether the objects of the savings movement were being fulfilled. They would, therefore, suggest that statistics for this purpose should be collected to the extent possible and an analysis made thereof.

B. Need for new schemes

76. The First Five Year Plan of 1951 had emphasized the necessity of exploring new methods of attracting small savings. The Committee observe that only two new schemes have been introduced since then viz., (i) the 15 Year Annuity Certificates Scheme introduced in 1954 and (ii) the Cumulative Time Deposit Scheme introduced from 2-1-1959, other schemes being only slight variants of the existing ones. They also observe that while the former has not been much of a success, the latter was introduced 3 years after the National Savings Advisory Committee had recommended in 1956 expediting of the

introduction of the Cumulative Time Deposit Scheme. In the budget speech of February, 1958, the Finance Minister had also assured the House that the scheme was under consideration and that it was hoped to introduce it shortly. *The Committee consider such delays in introducing investment schemes, especially those recommended by the Advisory Committee, as very unfortunate. In this connection the Committee commend a suggestion that to facilitate acceptance of the Cumulative Time Deposit Scheme by labour and Class III and IV Government employees the lowest monthly deposit should be lowered from Rs. 5 to Rs. 2 per month.*

77. *The Committee understand that the existing small savings schemes do not appeal much to vast sections of the public, especially the agricultural and the labour classes. They recommend that the feasibility of modifying the existing schemes and of introducing new and more attractive schemes should be constantly explored.*

78. *In this connection, the Committee understand that the scheme of prize bonds has proved popular in certain foreign countries. They were told that the Government had on several occasions in the past considered the question of introducing a scheme of this type in this country, but had rejected the proposal on the ground that it involved an element of gambling which would affect the moral values of the peoples. The Committee feel, however, that in view of the need for increased internal resources to meet the requirements of the Plans, the scheme of prize bonds might with advantage be introduced in India after divorcing the element of gambling from it as indicated hereafter.*

79. *One of the objections raised against the prize bonds scheme is that it benefits only a few individuals and does not benefit all savers as the other schemes do. This difficulty could however be removed by the Government if besides the usual interest paid to all the holders of certificates etc., prizes are also given to lucky holders periodically. In the opinion of the Committee, such a scheme would not involve gambling since the capital as well as the interest remains intact while certain lucky persons would, in addition, get some prizes. On the other hand, the Committee feel that such an incentive would greatly add to the appeal and the success of the scheme. They, recommend, therefore, that it be tried.*

80. *The Committee understand that according to an estimate* of the Reserve Bank of India there is gold worth about Rs. 2500 crores in the country. Practically, all classes possess it and much of it is lying 'idle' in the hands of people. The Committee feel, therefore, that it might be worthwhile considering a scheme of issuing gold bonds against gold surrendered by them. The bonds could be made encashable after 10 to 12 years. To make the scheme a success, the purchase price might also be fairly reasonable with a reasonable interest and protected against gold price fluctuations. The Committee recommend that Government may examine the feasibility of introducing such a scheme with proper safeguards and incentives in India.*

*Referred to by the Finance Minister, in reply to a supplementary question in Lok Sabha on 13-8-58.

CHAPTER VI

PUBLICITY

A. Expenditure on Publicity

81. A statement giving the budget provision and the actual expenditure on publicity during the last five years is given below:

	Budget provision	Actual expenditure
(Rupees in thousands)		
1953-54	8,00	5,67
1954-55	6,90	9,03
1955-56	8,00	6,16
1956-57	8,00	7,30
1957-58	10,00	6,26

Thus, the actual expenditure on publicity has consistently fallen short of the amount provided for it in the Budget except in the year 1954-55.

82. The following table shows the percentage of expenditure on publicity to the total expenditure:

(Rupees in lakhs)					
Year	Total expenditure on small savings schemes	Total expenditure excluding commission & payments to P & T	Expenditure on publicity	Percentage of (4) to (3)	Percentage of (4) to (2)
1	2	3	4	5	6
1955-56	246.78	27.18	6.17	22.7	2.5
1956-57	259.79	31.91	7.30	22.9	2.8
1957-58	292.38	37.45	6.28	16.8	2.1

83. Thus the expenditure on publicity at present forms only a little over 2% of the total expenditure on Small Savings Schemes and little over 16% of the total expenditure excluding commission and payments to P. & T. The Committee understand that the percentage expenditure on publicity in U. K. in the year 1955-56 was 44% (in 1949-50 it was 44% and in 1954-55, 31%) as against 16% in India. The low expenditure on publicity appears strange.

to the Committee since the savings movement has yet to spread in the country and a climate favourable to savings has yet to be created. The Committee recommend that it should be realised that intelligent publicity which would reach every home offers the best means of spreading the savings movement and that expenditure on this account should not be grudged.

B. Methods of Publicity

84. At present publicity for the small savings movement is being done by three agencies: (1) The National Savings Organization through its headquarters and the regional offices, (2) The State Governments and (3) The Ministry of Information and Broadcasting.

85. The publicity by the Central Government is stated to be confined to production of films, calendars, folders, etc. for which the Central Government has better facilities and press advertisements in national papers to emphasize the national character of the movement. The rest of the publicity is done by the State Governments and the expenditure thereon is reimbursed by the Centre. The Ministry of Information and Broadcasting through its Directorate of Advertisement and Visual Publicity also brings out on behalf of National Savings Organization special advertisements, booklets, brochures, etc. The radio talks given through All India Radio are arranged through the National Savings Organization.

86. In regard to the nature of publicity done through the various agencies, the Committee were informed that the publicity done through the Directorate of Advertisement and Visual Publicity was limited to the publication of only those folders, exhibits, etc. which were of an artistic character and the remaining publicity (including publicity in connection with special drives etc.) was arranged by the National Savings Organisation direct through the N.S.C.'s office and the office of the R.N.S.Os. etc. It was also stated that press publicity, arranged by the State Governments was confined to local papers, whereas that by the N.S.O. was done through papers which had a country-wide circulation. The character of the publicity was also stated to be different in that while the publicity done through state agencies laid stress on the local background, that done through the N.S.O. stressed the national character of the movement. Further, in order to prevent overlapping and duplication, State Governments were requested to send their proposals for local publicity to the National Savings Commissioner and a co-ordinated programme was then drawn up after discussion with officers of the Ministry of Information and Broadcasting and the allotments intimated to the States with general approval of the items on which they were to be utilized.

87. *The Committee feel that under the present arrangements there is a possibility of the publicity done through the various agencies being duplicated without its reaching a proportionately larger area or population. Besides, in a case like the folder on investment schemes,*

the contents when published by State Governments, could hardly be different from those which are published by the N.S.O. *The Committee therefore suggest that the present arrangements for publicity by various agencies should be reviewed so as to minimise possibilities of organisational overlap as well as duplication of some types of publicity and also so that it may reach a wider section of the population.*

88. The Second Five Year Plan recommended that:—

'The small savings drive will have to be intensified and a country-wide campaign reaching down to every family and with sufficient follow-up right upto the lowest level is called for. We suggest in this connection that concerted effort be undertaken by State Governments and by non-official agencies to carry the message of the plan all over the country and to bring into the small savings movement all the areas and classes that have so far not been covered.'

89. The Committee were informed in this connection that the officials of the N.S.O. and of the savings organization in the States undertook tours and addressed public meetings as part of the savings campaign. Further, every year special savings drives were arranged usually for periods of 2 to 3 weeks to coincide with the marketing of agricultural produce or payment of bonuses to industrial workers. The drives took the form of publicity, enrolment of agents, appeal by influential people (including members of Central and State Legislatures), addressing meetings on small savings and door to door collections.

90. *The Committee feel that in order that the savings movement may succeed and spread, the savings drives should avail of in a larger measure the assistance of notable public men, Members of Legislatures, political parties etc.*

91. *The Committee feel that the publicity in regard to savings schemes should be integrated with plan publicity with particular reference to the local development plans, so as to enthuse the public to save for fulfilling those plans which interest them most. In this matter, the Committee feel that the agency of the States and non-official and voluntary bodies would be invaluable in the conduct of publicity.*

CHAPTER VII

CONCLUSIONS

92. The impressions formed by the Committee in regard to the National Savings Movement in the country might be summed up as follows:—

- (i) The Movement is conducted by a Central official and a Central non-official organization, both of which have branches in all the States, and also by separate State official organizations in most of the States.
- (ii) There seems to be a feeling among certain State Governments that there is a duplication between the Central and State efforts and that their own Organization would do the work effectively.
- (iii) There seems to be a certain amount of unhealthy rivalry instead of all round coordination and cooperation among the official and voluntary non-official organizations engaged on savings work.
- (iv) The official organizations have advisory committees at the Centre and in the States, some of which have been set up only recently. Such Committees have also been set up in a few Districts and cities.
- (v) The Advisory Committees meet infrequently and make recommendations which it takes a long time for Government to consider and implement.
- (vi) It could not be said that non-official association with the savings movement is such as would generate public enthusiasm for savings work except for the Women's Savings Campaign which is purely a non-official organization.
- (vii) The official organizations have expanded a great deal in recent years without commensurate increase of savings collected.
- (viii) The cadre of District Organizers was created when the agency system was abolished. Later, the latter was revived but the former continued.
- (ix) The savings organization employ a large number of clerks and peons whose contribution to the savings work is not very apparent.
- (x) There are several procedural difficulties which prospective investors consider irksome and which seem to act as deterrent to savings.

- (xi) There are a number of agency systems on differing terms, not all of which seem to be operating effectively.
- (xii) The number of agents has increased a great deal but the collections brought in by them have not increased proportionately.
- (xiii) Though the gross collections of savings often give a fairly encouraging picture of the climate for savings, the net collections are invariably less than 30 per cent of the former. The postal savings banks were also not doing as well as in the past.
- (xiv) The low net collections are considerably due to premature withdrawals, some of which at least might be because the original collections were probably made on account of pressure of officials or agents or as a result of collusion with the agents to share the commission.
- (xv) No attempt has been made to survey the savings potential of the people in different strata and in different areas nor even to analyse the reasons for premature withdrawals.
- (xvi) No attempt has been made to ascertain whether the investment schemes really attract small savings.
- (xvii) There is scope for improvement in regard to publicity methods, etc. so as to generate enthusiasm among the people and to attract more savers and savings.

93. *The Committee cannot help concluding that the Savings Movement in the country suffers from being conducted by several independent organizations even on the official side. They were told by the representatives of the Ministry of Finance that separate Central and State organizations could not be helped in a federal set up. They observe, however, that Central agencies like the Khadi Commission, the Handloom Board, the Handicrafts Board, the Social Welfare Board etc., have been created with the consent of the States although the subjects are in the domain of the States also. The Committee wonder why such an arrangement could not be arrived at in the case of the National Savings Movement also.*

94. The Committee do not think that it could be said that the various official and non-official savings organizations in the country were working with a perfectly coordinated effort. All that the representative of the Ministry could say in this regard was: "I do not see what the Central Government could do about it—I mean the Central Organization. It is a matter of mutual adjustment at District level and State level between the Women's organization and the State Advisory Board and so on." This appears strange to the Committee since it should undoubtedly be the responsibility of the Centre to ensure coordination and cooperation in savings work.

95. *The Committee cannot help feeling that the Savings Movement is too much dominated by an official outlook. A greater appreciation of the procedural difficulties experienced by prospective investors for instance would assist a great deal in furthering the movement. It seems that the movement in spite of the National Savings Advisory Committee, the State Advisory Committees, etc., is still far from being a people's movement which alone would ensure its success.*

96. *The Women's Savings Campaign is a voluntary organization which has been provided with little official assistance and has succeeded in bringing in good collections. The Committee feel that such an arrangement could with advantage be extended and be the pattern for the entire savings movement. In this connection, it might be pointed out that in U.K. the Savings Movement is an organization consisting almost wholly of voluntary workers who (in 1955) numbered about 3 lakhs and who, during that year, succeeded in bringing collections of about Rs. 1500 crores.*

97. *With the above ends in view the Committee would suggest a reorganization of the National Savings Movement on the following pattern:*

- (i) *There should be, broadly speaking, a single organization for conducting the National Savings Movement in the country. It might have a separate Women's branch. The Organization should be built from below to make it a genuine people's movement.*
- (ii) *In the rural areas at the Panchayat level there should be a Panchayat Savings Committee consisting of voluntary workers. They should have the assistance of prominent non-officials of the area. The Committee should be made responsible for all the savings work in the area of the Panchayat.*
- (iii) *At the next higher level i.e., at the Block level there should be a Block Savings Committee which should consist mainly of the representatives of the Panchayat Savings Committees in that Block and other prominent non-officials. It should be incharge of the savings work in that Block and co-ordinate the work of all the Panchayat Committees in that Block. It might be assisted by a whole time official who will provide secretarial and other assistance to the Block Committee and all the Panchayat Committees in that Block in doing their work and in collecting the savings.*
- (iv) *In urban areas, there might be a Savings Committee for each well-demarcated area like the Municipal ward; etc., and one for the entire urban area composed of the representatives of the former etc.*

- (v) *There should be at the District level a District Savings Committee consisting of representatives of the Savings Committees of Blocks and of urban areas in that District and of non-officials. It might be assisted by a District official.*
- (vi) *The above pattern might be repeated at the State level with the formation of the State Savings Committee.*
- (vii) *At the Centre, there might be a National Savings Committee consisting of the representatives of the State Savings Committees and leading non-officials and assisted by the National Savings Commissioner.*
- (viii) *At various levels, the Savings Committees might have publicity advisory bodies to enable the publicity to be made effective.*
- (ix) *At each level the Savings Committee should have a Women's Savings Sub-Committee.*
- (x) *At each level the Savings Committees might have a publicity sub-committee to enable publicity to be made effective.*
- (xi) *All the Committees should meet regularly to enable them to function effectively and to give suitable directions to the officials and the voluntary workers. It should be their endeavour to assist in the formation of savings groups in rural as well as in urban areas and in various institutions and professions, etc., for the collection of savings.*
- (xii) *The National Savings Committee might be given adequate funds to enable it to satisfactorily discharge its responsibilities and also adequate powers to regulate its procedure as required by circumstances. It should be free of Government control in regard to day-to-day administration. There might also be adequate decentralization within the organization to facilitate its becoming a people's movement so as to maximise the savings work.*
- (xiii) *If the above pattern of organization is accepted, there might be no necessity of agents and the commission paid to them might be made available to the various Savings Committees for their work. Payments to non-official voluntary welfare organizations should however continue.*
- (xiv) *Further there might also be no necessity of a large official organization. A few officials with qualities of leadership in them and experience of developmental work to assist the various committees and to give them expert advice in regard to savings work should suffice.*

98. While undertaking the above reorganisation the Committee would suggest that the pattern of the organisation of the National Savings Committee in the U. K. (briefly given in Appendix VII) might be kept as the model to the extent possible.

99. The Committee would suggest that the above organization should develop a close liaison with other organisations which might assist in saving work, e.g., the Life Insurance Corporation, the Banks, the Cooperative Movement, etc. For this purpose, non-officials and officials connected with these movements may also be associated with the organisation at various levels.

100. The Committee feel that the enthusiasm among the people for work relating to saving is at present dormant. They have no doubt that a reorganisation as suggested above would enthuse the people and enable savings to be mobilised for the success of the Plans on which the future of the country so much depends.

NEW DELHI;
The 28th March, 1959.

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

APPENDIX I

(Vide paras 9 and 30)

Statement showing staff engaged by the State Governments on sharing basis

Designation	No.	Scale of Pay, etc.
1. Uttar Pradesh		
1. Director, Small Savings	1	Conveyance Allowance Rs. 100/- p.m.
2. Dy. Directors, Small Savings	2	Rs. 250—350 plus Rs. 100/- as Conveyance Allowance.
3. Assistant Superintendent-in-Charge.	1	160—400
4. Upper Division Assistants	3	Rs. 160—400 for Secretariat hands & Rs. 80—240 for non-Secretariat hands.
5. Inspector	1	Rs. 200—350
6. Stenographer	1	Rs. 100—240
7. Daftry	1	Rs. 32—37
8. Office Peon	1	Rs. 27—32
9. Orderly	1	Rs. 27—32
2. Punjab		
1. Director General, Small Savings.	1	
2. Assistant	1	Rs. 150—10—300
3. Statistical Assistant	1	District Organiser's Scale
4. Stenographer	1	Rs. 150—10—300
5. Clerks	2	Rs. 60—175
6. Peons	2	Rs. 30—35
7. Sweeper	1	Rs. 30—35
8. Chowkidar	1	Rs. 30—35
3. Bombay		
1. Small Savings Officer	1	Rs. 650—1100
2. Deputy Director	1	Approximating to the scale of Deputy RNSOs.

	Designation	No.	Scale of Pay, etc.
3	Superintendent	1	Rs. 320—20—500—25—600
4	Assistant (Senior)	1	Rs. 210—15—300
5	Assistant (Junior)	1	Rs. 120—10—200—EB—10— 250
6	Clerks	3	Rs. 75—5—140—EB—8—220
7	Stenographer	1	Rs. 140—270
8	Aval Karkuns	49	Rs. 100—140
9	Clerks-cum-typists	11	Rs. 46—130
10	Peons	2	Rs. 30—35

4. Orissa

1.	Small Savings Officer	1	Junior Scale of I.A.S.
2.	Stenographer	1	State's scale of pay
3.	Upper Division Assistant	1	Do.
4.	Lower Division Assistant	1	Do.
5.	Clerks	13	Do.
6.	Orderlies	2	Do.

5. Andhra Pradesh

1.	Tehsildars	2	Rs. 210—300
2.	Dy. Tehsildars or Sub-Dy. Collectors	4	Rs. 150—200
3.	Superintendent	1	Rs. 190—10—240
4.	Upper Division Clerks	2	Rs. 80—125
5.	Lower Division Clerks	25	Rs. 45—90
6.	Peons	6	Rs. 18—25

6. Bihar

1.	Sub-Deputy Collector or Officers of Bihar, Finance Service (Junior Branch)	4	Rs. 200 plus allowances
2.	District Organisers	23	
3.	Clerks	17	Rs. 50 plus allowances
4.	Peons	4	

7. Mysore

Directorate of Small Savings

1.	Assistant	1	Rs. 80—200
2.	Junior Assistant	1	Rs. 75—220

Designation	No.	Scale of Pay, etc.
3. Junior Assistant	1	Rs. 55—120
4. Attender	1	Rs. 30—50
<i>Divisional Offices</i>		
5. Assistants	4	Rs. 75—180
8. Kerala		
1. Deputy Director	1	Rs. 300—500
2. Superintendent	1	Rs. 200—10—300
3. Upper Division Clerk	1	Rs. 90—180
4. Lower Division Clerks & Lower Division Typists	3	Rs. 50—125
5. Lower Division Clerks	9	Rs. 40—120
6. Peons	2	Rs. 25—35
9. Assam		
1. Upper Division Assistant	1	Rs. 200—325
2. Lower Division Assistant	1	Rs. 80—200
3. Diarist	1	Rs. 80—200
4. Statistician	1	Rs. 150—450
5. Steno-typist	1	Rs. 125—250
6. Peon	1	Rs. 28—40
10. Rajasthan		
1. Special Officer	1	Rs. 200—600
2. Steno-typist for Special Officer	1	Rs. 120—250
3. U. D. Cs.	2	Rs. 80—200
4. L. D. Cs.	2	Rs. 60—130
5. Peons	2	Rs. 25—40
6. Cycle Sawar	1	Rs. 25—40
11. Madras		
1. Special Officer for S. Savings & ex-officio Deputy Secretary	1	Rs. 600—50—1200 plus a Special pay of Rs. 200/- per month.
2. Superintendent	1	Rs. 200—20—400
3. Steno-typist	1	Rs. 50—100
4. U. D. Cs.	2	Rs. 90—175

Designation	No.	Scale of Pay, etc.
5. Typist	1	Rs. 51—100 plus a typewriting spl. pay of Rs. 10/- per month.
6. Peons	2	Rs. 18—25
7. U.D.Cs.	14	Rs. 80—110
8. Revenue Inspectors	2	Rs. 45—90
12. Madhya Pradesh		
1. Dy. Director of Small Savings	1	Rs. 250—750
2. Stenographer	1	Rs. 100—200
3. U.D.C.	1	Rs. 70—150
4. L.D.C.	1	Rs. 45—100
5. Peon	1	Rs. 25—35
13. West Bengal		
Publicity Clerks	15	Rs. 15/- per head per month as special pay.

APPENDIX II

(Vide para 20)

Statement showing Major Recommendations made at the Meetings of the National Savings Central Advisory Committee and action taken thereon

FIRST MEETING OF THE CENTRAL COMMITTEE HELD IN DELHI ON 8TH & 10TH DEC. 1956.

1. To expedite the introduction of cumulative time deposit scheme. The scheme has been finalised and will be introduced shortly.
2. Production of documentary films Two films namely "Provision for old age", and "Best-Way to Save" have already been produced. Other two films namely "Wait for the fruit" and "Funds for National Development" are under production.

To effect active Co-ordination between Central and State Committees.

RNSOs. were addressed in the matter. Steps are being taken to ensure that members of National Savings Advisory Committee are nominated to the State Savings Advisory Committees.

A Change in the interest structure of S.S.S. Securities.

A new series called the 12-Year National Plan Savings Certificates with a compound interest of 4.25% on maturity was introduced w.e.f. 1/6/57. The rate of interest on TSD certificates was also raised from 3½% to 4%. The rate of interest on POSB has also been raised from 2% to 2½% upto balances of Rs. 10,000/- (Rs. 20,000/- in the case of joint holdings) and from 1½% to 2% for balances between Rs. 10,000/- to Rs. 15,000 (Rs. 30,000/- in the case of joint holdings). The interest rate on the 15-Yr. Annuity Certificates has also been raised from 3½% to 4¼% w. e.f. 1-1-58.

5. Linking of Small Savings Scheme with Insurance. The question of linking some element of insurance with S.S.S. was considered some time back but was not pursued due to practical difficulties involved.
6. Shifting of National Savings Commissioner's Office to Delhi. As no accommodation was available in Delhi, the National Savings Commissioner's Office was transferred from Simla to Nagpur on 1st November, 1957.
7. Special Savings Drive during National Week. RNSOs were addressed to take action in the matter.
8. Appointment of Propagandists. One such Propagandist was appointed in Bombay City on an honorarium of Rs. 150/- per month.
9. To arrange high level meeting with Officers of Finance Ministry and D. G., P & T. to find out a way to improve working in Post Offices. A P & T Small Savings Board, consisting of representatives of the Ministry of Transport & Communications Ministry of Finance, Reserve Bank of India, A. G., P & T. and National Savings Commissioner, has been constituted under the Chairmanship of the D.G., P & T. to improve the efficiency and public relations of post offices and to ensure expeditious disposal of complaints.

**SECOND MEETING OF NATIONAL SAVINGS CENTRAL ADVISORY COMMITTEE
HELD IN BOMBAY ON THE 2ND & 3RD APRIL, 1958**

1. Higher rate of Commission to rural agents. It was not found possible to allow different rates of commission to Urban and Rural agents.
2. Negotiability of S.S.S. Securities. The facility of pledging 12-Year N.P.S.Cs. and 10-Year T.S.D.Cs. by investors to scheduled banks, Co-operative Societies and banks for securing advances there against has already been introduced.
3. Amendment to Payment of Wages Act. The Act has already been amended. The employer has now been authorised to make deductions, with the consent of the Employee, from his wages for investment in Certificates.
4. Temporary Savings Bureaux for S.S.S. at places where *melas* & fairs are held. This facility is now being provided wherever justified.

- | | |
|--|---|
| 5. Increase in the rate of Commission. | This was examined and it was decided that the present rate of commission was quite adequate and there was no justification for increasing it. |
| 6. Throwing open other SSS scrips for canvassing by Authorised Agents. | In addition to 12-year NPSCs authorised agents have now been allowed to canvass for 10-Year TSD Certificates. |

**THIRD MEETING OF THE NATIONAL SAVINGS CENTRAL ADVISORY COMMITTEE
HELD IN DELHI ON THE 5TH AND 6TH JUNE, 1958**

- | | |
|---|--|
| 1. De-centralisation of Publicity. | SSS Publicity has been considerably de-centralised. Publicity grants have been provided to the State Governments. State Governments have also been addressed to de-centralise publicity for SSS further to divisional and district levels. |
| 2. Decentralisation of work of appointments of EDBPMs., WSC and Social Service Organisation and Scheduled Banks as Agents. | The question is under consideration |
| 3. Supply to members of Public Booklets regarding :

(i) Information on Small Savings
(ii) Acts & Notifications on SSS Securities, and
(iii) PONSC Rules. | Booklets on "Small Savings" in English and Regional Languages are underprint and will be distributed among the public. PONSC Rules have been revised and simplified. The revised rules will be introduced shortly. |
| 4. To allow approved Provident Funds to invest in TSDCs without limit. | This has not been accepted. |
| 5. To issue gift coupons for maturity value of Rs. 5,10,50,100 and 1000. | } These have not been accepted. |
| 6. To make the 15-Year Annuity Certificates pledgible. | |
| 7. To consider the question of deferred payments on 15-Year Annuity Certificates. | This is under consideration. |
| 8. Suggestions for production of Publicity Material for SSS .

(a) Propaganda through lyrical songs on SSS Recorded on Gramophone records & tape recorders. | This was started last year. The entries received have been sent by the RNSOs to State Governments for further action as the item relates to local publicity. |

- (b) Use of Slogans on SSS from Mahatma Gandhi's writings. The matter is under consideration.
- (c) To display SSS Posters and other publicity material on the premises of the Employers' Organisations. This was already being done. State Governments have now been requested to ensure this.
- (d) To produce publicity material for rural areas in bold letters. The suggestion has been brought to the notice of the State Govts.
9. Pilot studies on rural savings to get at the incidence of rural savings. It is proposed to carry out a survey of the account holders in the P.O.S.B. in the fourteenth round of the National Sample Survey. Pilot Project Centres in Community Project Blocks were selected last year to intensify S.S.S. in those areas. The Ministry of Community Development propose to conduct a Survey shortly into the incidence of Savings in Rural Areas.
10. Linking of SSS Propaganda with local projects. This relates to local publicity with which State Governments are concerned. A copy of the minutes of the meeting has been forwarded to all the State Governments for information and necessary action.
11. Stocking and Issue of NPSCs. by large establishments. This involves an amendment of the PONSC Ordinance and the question of amending the Ordinance with a view to make agencies other than the P.O. to stock all Savings Certificate is under consideration.
12. Linking up Co-operative Movement with Small Savings Movement. Reserve Bank of India is investigating into the matter.
13. To amend Provident Fund Acts to provide for investments by University teachers of their Provident Funds upto the maximum limit permissible irrespective of the Employer's Contribution. The matter is under consideration.
14. To nominate one or two members of the National Savings Central Advisory Committee to the Central Advisory Board, Women's Savings Campaign. The matter is under consideration.
15. Identification of investors by various persons to remove difficulties regarding encashment of Identification by District Organisers & Gazetted Officers with whose signatures, the Post Office is familiar

- Certificates and withdrawals from P.O.S.B. Accounts. is already being allowed. Instructions have also been issued by the D. G., P & T to all Post Offices to be more accommodative in this regard.
16. To revert to the old procedure for issue of Identity Slips. The question of revising the procedure to facilitate the issue of identity slip is under consideration.
17. Training of Postal Officials . This is already being done by P & T.
18. Nomination . This involves legislation. The matter is already receiving urgent attention.
19. To issue an appeal to the representative trade unions and labour organisations to popularise SSS Movement among industrial and commercial employees. As regards appeal to the representative Trade Unions, a resolution has been passed by the INTUC appealing to all affiliated Unions to encourage drive for SSS among the working class population. Individual letters to all employers in various regions are also being issued by RNSOs. Presidents of important Chambers of Commerce are being contacted to address similar letters to the members of the Chambers.

APPENDIX III

(Vide para 62)

Statement showing the State-wise Targets and Net Collection of Small Savings 1953-54 to 1957-58

(Rs. in lakhs)

Name of Erstwhile State	Target	1953-54	1954-55	1955-56	Name of Re-organised State/Union Territory	1956-57	1957-58	Targets 1957-58	Targets 1958-59
1	2	3	4	5	6	7	8	9	10
1. Ajmer . . .	8	19.56	74.60	26.82	(1) Andhra . . .	104.66	459.05	227	600
2. Andhra . . .	1,25	38.92	69.02	117.44	(2) Assam . . .	211.03	160.96	299	266
3. Assam . . .	60	71.72	125.40	186.49	(3) Bihar . . .	569.74	479.26	602	600
4. Bhopal . . .	4	6.91	(—)28.24	9.30	(4) Bombay . . .	1624.57	1601.69	1971	2577
5. Bihar . . .	2,25	256.90	386.78	506.37	(5) Delhi . . .	130.76	169.70	174	200
6. Bombay . . .	13,75	1110.25	1367.44	1504.14	(6) Himachal Pradesh . . .	6.64	5.72		

1	2	3	4	5	6	7	8	9	10
7. Coorg . .	4	(—)·45	3·02	·66	(7) Kashmir . .	15·47	41·64		
8. Kutch . .	5	11·19	18·55	17·86	(8) Kerala . .	73·07	137·54	58	250
9. Delhi . .	1,70	207·69	207·99	248·99	(9) Madras . .	192·06	695·86	292	600
10. Himachal Pradesh	6	6·35	8·68	6·77	(10) M. Pradesh . .	302·59	284·09	359	330
11. Hyderabad . .	50	33·09	57·06	51·64	(11) Manipur . .	2·24	3·59		
12. Kashmir . .	..	9·00	11·50	6·53	(12) Mysore . .	93·63	159·63	94	224
13. Madras . .	2,25	133·70	246·59	292·10	(13) Orissa . .	122·61	109·95	143	200
14. Madhya Pradesh .	2,10	157·44	149·59	250·08	(14) Rajasthan . .	210·09	165·45	292	179
15. Madhya Bharat .	35	66·78	69·53	86·76	(15) Punjab . .	802·59	556·11	880	825
16. Mysore . .	50	23·79	49·79	72·39	(16) Tripura . .	1·62	5·93		
17. Orissa . .	50	74·36	79·60	114·89	(17) Uttar Pradesh .	942·98	1027·05	1271	1017
18. Pondicherry . .	..	..	6·43	4·49	(18) West Bengal . .	756·62	847·36	988	975
19. Pepsu . .	30	20·65	40·73	53·21	TOTAL . . .	6162·87	6910·58	8250	8839
20. Punjab . .	4,00	380·10	385·40	639·99					
21. Rajasthan . .	50	74·85	179·84	162·88					

22. Saurashtra . .	40	50·35	95·79	98·40
23. Travancore-Cochin	50	14·35	46·32	53·45
24. Uttar Pradesh .	4,50	567·10	1032·95	1346·83
25. Vindhya Pradesh.	3	5·73	16·30	17·03
26. West Bengal .	8,75	631·70	851·70	917·06
TOTAL . .	45,00	3972·03	5552·06	6792·57

APPENDIX IV

(Vide para 63)

Statement showing the progress of the Women's Savings Campaign during last 5 years according to the figures of gross collections received upto 31-8-1958

S. No.	State	No. of			Investments secured					From 1-11-57 to 31-8-58
		Organizations	Workers	Annual target for 1957-58*	1st year	2nd year	3rd years	4th year	5th year	
1.	Andhra Pradesh	26	67	25.30	4,01,870	10,06,575	17,25,912	22,12,550.75	3,18,360	
2.	Assam . .	13	56	12.50	74,825	2,85,315	13,42,560	***1,64,47,046	26,51,410	
3.	Bombay . .	44	191	111.00	29,01,710	8,64,460	9,39,105	34,80,840	25,61,650	
4.	Bihar . .	6	25	35.00	..	46,000	6,58,925	6,08,562	4,40,140	
5.	Madhya Pradesh	19	67	33.50	18,68,940	7,71,270	12,73,105	15,56,684	12,84,108	
6.	Madras . .	12	56	31.50	1,71,620	10,64,720	13,79,555	17,88,180	1,28,060	

7. Orissa . . .	9	39	9.00	17,450	1,96,880	2,05,655	4,94,176.50	1,89,350
8. Punjab . . .	11	54	31.25	3,05,000	6,13,135	**95,75,405	3,37,995	Report not yet received.
9. Uttar Pradesh . . .	12	37	81.25	1,40,205	18,93,910	69,20,531	60,10,582.50	10,61,642.50
10. West Bengal . . .	7	24	70.00	6,22,725	11,09,480	16,43,999.69	14,83,145	7,71,990
11. Rajasthan . . .	15	64	18.75	18,51,021	2,31,595	10,70,423	20,60,763	Report not yet received.
12. Kerala . . .	15	51	6.25	71,250	2,28,475	4,99,020	1,39,010	Do.
13. Mysore . . .	17	63	9.50	82,00,070	15,60,365	19,57,525	30,66,650	14,58,041
14. Delhi . . .	6	25	18.75	8,60,770	12,04,671	8,68,299	13,26,015	6,62,840
15. Jammu & Kashmir . . .	2	9	5.00	..	..	..	1,06,060	Report not yet received.
TOTAL . . .	214	828	500.00	94,79,455	1,10,79,850	2,99,95,079.69	4,10,59,258.75	1,15,27,591.50

Collections in respect of the fourth and fifth years are according to the figures of investments received in the office of the Central Advisory Board and are subject to verification.

*Figures in lakhs of rupees.

**Collections are based on promises of investment secured by the Chairman, State advisory Board and do not take into account the realization out of the promises.

***These figures include investments in N. S. Certificates amounting about Rs. 1.32 crores by the Provident Fund Trustees of one third of bonuses paid to tea garden employees.

APPENDIX V

(*Vide para 69*)

Brief description of the Savings Schemes in Vogue

I. POST OFFICE SAVINGS BANK

Investment in the Post Office Savings Bank is intended for those who, in order to meet unforeseen demands, want to have the facility of being able to draw at any time on their principal and accrued interest. Any adult can open a Post Office Savings Bank account in his or her name. Two adults can also open an account jointly. An account can also be opened on behalf of a minor by his or her guardian.

Limits.—The minimum deposit for opening an account is Rs. 2. Subsequent deposits can be even as small as Re 1. An individual can deposit upto Rs. 15,000 and two individuals jointly upto Rs. 30,000.

Withdrawals.—Withdrawal of money from an account can be made twice a week.

Interest.—Interest is paid at the rate of $2\frac{1}{2}$ per cent per annum on balances from Rs. 25 upto Rs. 10,000 (Rs. 20,000 in the case of joint accounts) and at 2 per cent per annum on balances above Rs. 10,000 (Rs. 20,000 in the case of joint accounts). The interest is free of Income-tax and Super-tax and is not taken into account in determining the rate of income-tax on total income.

II. (a) 12-YEAR NATIONAL PLAN SAVINGS CERTIFICATES

These certificates which can be purchased at all Post Offices transacting Savings Bank business, are for those who can wait for some years both for their capital and the interest accruing thereon.

Denominations.—The Certificates are available in denominations of Rs. 5, 10, 50, 100, 500, 1,000 and 5,000 and can be obtained from any Post Office doing Savings Bank work.

Limits.—An individual in his or her own name or an adult on behalf of a minor can purchase Certificates upto a maximum of Rs. 25,000 (including holdings, if any, of Post Office Cash Certificates and of National Savings Certificates). When Certificates are purchased on behalf of a minor the person entitled to encash the Certificates can be nominated, such nomination being restricted to the father, or the mother, or either parent, or the paternal grandfather, or the legal guardian of the minor. A minor who is able to read and write can obtain Certificates in his or her own name. Two adults can purchase Certificates in joint names upto a limit of Rs. 50,000 repayable to both of them or to either or the survivor.

Higher limits are permissible for charitable, educational and religious institutions, co-operative societies, registered firms and local bodies.

Encashment of Certificates.—At the investor's option a certificate can be encashed at any time after the expiry of 1 year. Below is given a table showing the year-to-year surrender value of a Rs. 100 Certificate :

After 1 year	100·00
After 2 years	104·00
After 3 „	107·00
After 4 „	111·00
After 5 „	116·00
After 6 „	121·50
After 7 „	127·00
After 8 „	133·00
After 9 „	140·00
After 10 „	148·00
After 11 „	156·00
After 12 „	165·00

Interest.—On maturity, these Certificates yield interest at the rate of 5·4 per cent per annum. In other words, every Rs. 100 becomes Rs. 165 in 12 years. The interest is free of Income-tax and Super-tax and is not taken into account in determining the rate of income-tax on total income.

(b) *Savings Stamps.*—To suit the convenience of those who are unable to purchase even a 5-rupee Certificate at a time and to encourage the good habit of saving in children, Savings Stamps in denominations of 25 Naya Paise, 50 Naya Paise and 1 rupee are sold at Post Offices. These stamps are pasted on a Savings Card (obtainable free from the Post Office). When the total value of the Stamps pasted on the Card becomes Rs. 5 or Rs. 10, the Card can be exchanged for a National Plan Savings Certificate of that amount.

Accepted as Security.—In place of cash security these Certificates can be pledged to Gazetted Government Officers in their official capacity, the Reserve Bank of India, a scheduled bank, a co-operative society including a co-operative Bank, a Government company, the Rehabilitation Finance Administration, a Local Authority.

(c) *Gift Coupon Scheme.*—In order to popularise the presentation of Savings Certificates as gifts on the occasion of social ceremonies such as marriages, birthdays etc., a scheme known as the “Gift Coupon Scheme” has been introduced recently. It enables a person to purchase attractive gift coupons of given denominations in attractive envelopes to be presented to the donee who can have them exchanged into 12-year National Plan Savings Certificates of like denomination. The Gift Coupons are sold at Post Offices doing Savings Bank work in denominations of Rs. 5, 10, 50, 100 and 1000.

III. 10-YEAR TREASURY SAVINGS DEPOSIT CERTIFICATES

This investment is for the benefit of those who want to keep their capital intact for some years but wish to draw regular annual income therefrom.

Limits.—Deposits can be made in multiples of Rs. 50 upto Rs. 25,000. For institutions and for two persons investing jointly, the limit is Rs. 50,000. Charitable institutions may invest upto Rs. 1,00,000.

How to Deposit.—Deposits are accepted by the Reserve Bank of India at Bombay, Calcutta, New Delhi, Madras, Bangalore, branches of the State Bank of India, State Bank of Hyderabad, Bank of Mysore Ltd., conducting Government treasury business and at treasuries and sub-treasuries in India at places where there is no such office of the Reserve Bank of India or branch of the State Bank of India, State Bank of Hyderabad and Bank of Mysore Ltd. Persons residing at other places can send their applications by registered post to the nearest treasury, sub-treasury or branch of the Bank along with a draft or the amount of the deposit.

Minor's Deposits.—The father or the mother of a minor child may make deposits on behalf of the minor without having to produce a guardianship certificate. During the child's minority, the father or the mother, whichever of the two has signed the applications, will be entitled to receive accruing interest and the discharge value of the Deposit Certificate. Similarly, a legal guardian can also make deposits on behalf of a minor.

Withdrawals.—The amount is returned at the end of ten years from the date of deposit. If it is desired to withdraw the money earlier, this can be done, provided 12 months have passed from the date of deposit. For withdrawals before the period of ten years, a small discount is charged as set out below :—

If the deposit is withdrawn after	But before the expiry of	Discount for every Rs. 100
1 year	2 years	4.00
2 years	3 "	4.50
3 "	4 "	6.00
4 "	5 "	6.00
5 "	6 "	6.25
6 "	7 "	6.00
7 "	8 "	5.25
8 "	9 "	4.00
9 "	10 "	2.25
10 " (complete)		Nil

This discount is tantamount to a refund, in the first year of the full, but in subsequent years of only a portion, of the interest already drawn by the depositor. For example, if a deposit of Rs. 100 is withdrawn after the completion of 7 years but before the expiry of the 8th year, the depositor has to return Rs. 5.25 only by way of discount. But he has already received Rs. 7×4 i. e., Rs. 28 as interest during that period. Thus he is left with Rs. 22.75 (Rs. 28 minus Rs. 5.25) as net interest which works out to 3.25 per cent per annum. This rate of net yield goes on increasing from year to year and becomes 4 per cent per annum at the end of the 10th year. The capital always remains intact.

Accepted as Security.—These Certificates can be transferred to a Gazetted Government Official or an executive officer of a local authority, or the Reserve Bank of India, or a scheduled bank, or a co-operative bank or society, for the specific purpose of being held as security.

Interest.—Interest is paid annually to the depositor at 4 per cent. per annum. If he so desires, he can get this interest remitted to himself or to his bankers, on deduction of actual remittance charges, if any, incurred by the Public Debt Office. He can also have interest credited to his post office savings bank account without any charge. No Income-tax or Super-tax is levied on this interest, nor is it taken into account in determining the rate of income-tax on the total income.

IV. 15-YEAR ANNUITY CERTIFICATES

This is intended for investment accumulated savings to yield a regular monthly receipt. The amount invested in these Certificates is refunded together with compound interest at about 4.25 per cent. per annum by way of monthly payments spread over a period of 15 years.

Issue Price

Issue prices are Rs. 3,325, Rs. 6,650, Rs. 13,300 and Rs. 26,600 securing to the holder a monthly payment of Rs. 25, Rs. 50, Rs. 100 and Rs. 200, respectively, for a period of 15 years. The monthly payment will commence after the expiry of one calendar month from the date of investment.

Free of Income-tax

The amount paid is not liable to Income-tax and Super-tax and is not to be taken into account in calculating your total income for the purpose of income-tax.

Payment of Annuity

The depositor can draw the monthly payment at any treasury or sub-treasury in India (except Jammu and Kashmir) or at any of the Public Debt Offices at Bombay, Calcutta, New Delhi, Madras and Bangalore. The Annuity Certificate can be kept with a Public Debt Office for safe custody in which case the monthly amount due is drawn and remitted by Money Order less remittance charges or the monthly payment warrant is forwarded to the depositor or to Bankers for the Post Office for credit to depositor's account.

Payment to Legal Heirs

In the case of death of the holder before the expiry of the full period of the annuity, the monthly payment for the remaining period are made to his legal heir; and in case of joint holders, on the death of one, the monthly payment is made to the survivor. In no case is the balance of investment refunded in a lump sum.

Who can Invest

The Certificates may be purchased by an adult in his or her sole name or jointly with another adult. A guardian may also purchase these Certificates on behalf of a minor. When the Certificate is purchased by two persons jointly the annuity can be made payable to them jointly or to either or survivor.

Investment Limits

The maximum amount that may be invested in the Certificate is :

	Rs.
For an adult	26,600
For an adult jointly with another adult	53,200
For a guardian on behalf of each minor	26,600

Where to Apply

Applications for 15-Year Annuity Certificates are received at :

- (i) Offices of the Reserve Bank of India at Bombay, Calcutta, New Delhi, Madras and Bangalore ;
- (ii) Branches of the State Bank of Hyderabad ;
- (iii) Branches of the Bank of Mysore Ltd., at Mysore, Shimoga, Mandya, Chickmagalur, Chitaldrug, Tumkur and Hassan ;
- (iv) Branches of the State Bank of India at other places in India ; and
- (v) All treasuries and sub-treasuries in India (except Jammu and Kashmir) where there is no branch of the State Bank of India or Hyderabad State Bank, or the Bank of Mysore Ltd., conducting Government treasury business.

V. CUMULATIVE TIME DEPOSIT SCHEME

The object of the scheme is to enable depositors to save by means of periodical deposits repayable in a lump sum inclusive of interest at the end of a specified period.

The scheme is operated through the Post Office Savings Bank. Any adult or two adults can jointly join the scheme, so also a guardian on behalf of a minor.

Deposits.—Deposits can be made monthly of Rs. 5, 10, 20, 50, 100 or 200 for a period of 5 years or 10 years. A deposit of Rs. 20 per month secures to the depositor at the end of 5 years Rs. 1,300 and at the end of 10 years Rs. 2900. Proportionate amounts are repaid on other deposits.

Limit.—Rs. 100 per month singly or Rs. 200 per month jointly in a 10 year Deposit amount or Rs. 200 per month singly or Rs. 400 per month jointly in a 5 year Deposit.

Withdrawals.—Withdrawals of sums in multiples of Rs. 10, subject to a limit of 50% of the deposits are allowed once in the case of a 5 year account and twice in the case of a 10 year account, after the account has been in operation at least for one year. The amount withdrawn with interest thereon at 6 % per annum is deducted from the amount payable under the account.

The legal heirs or the survivors can continue the account to maturity or discontinue further deposits and get a proportionate amount on maturity.

N. B.—Holdings by assesseees in Small Savings Securities shall not be included in their net wealth for purposes of wealth tax unless they were acquired within six months preceding the valuation date.

APPENDIX VI

(Vide para 71)

Statement showing Security-wise Deposits and withdrawals during the period 1953-54 to 1957-58 and amounts outstanding at the end of every year

SMALL SAVINGS COLLECTIONS

(In lakhs of Rupees)

	1953- 54	1954- 55	1955- 56	1956- 57	1957- 58
--	-------------	-------------	-------------	-------------	-------------

CURRENT INVESTMENTS

1. Post Office Savings Bank (Intd. 1881).

Deposits	1,17,37	1,34,93	1,58,11	1,76,98	1,81,37
Withdrawals	1,01,28	1,09,99	1,21,63	1,45,70	1,63,39
NET	16,09	24,94	36,48	31,28	17,98

2. National Savings Certificates : (a) 5-Year Series (Intd. 1-6-1948) (Discontd. 30-6-53)

Sales	1,21	..	..	..	..
Repayments	1,29	1,21	94	77	76
NET	—92	—1,21	—94	—77	—76

(b) 7-Year Series (Intd. 1-6-48)
(Discontd. 31-5-57)

Sales	.	.	.	.	.	.	.	.	.	1,49	1,62	1,98	2,87	28
Repayments	.	.	.	.	.	.	.	.	.	50	89	1,49	2,34	1,55
NET	.	.	.	.	.	.	.	.	.	99	73	49	53	—1,27

(c) 12-Year Series (Intd. 1-10-43)
(Discontd. 31-5-57)

Sales	.	.	.	.	.	.	.	.	.	26,54	27,27	27,19	31,62	4,51
Repayments	.	.	.	.	.	.	.	.	.	63,33	7,01	7,46	12,31	24,74
NET	.	.	.	.	.	.	.	.	.	20,21	20,26	19,73	19,31	—20,23

(d) State Certificates :

NET SALES	.	.	.	.	.	.	.	.	.	—4	—3	—3	—6	—10
TOTAL NSCs (NET)	.	.	.	.	.	.	.	.	.	20,24	19,75	19,25	19,01	—22,36

3. 10-Year National Plan Certificates :

(Intd. 10-5-54) (Discontd. 1-6-57)

Sales	.	.	.	.	.	.	.	.	.	..	7,40	9,86	10,07	1,27
Repayments	.	.	.	.	.	.	.	.	.	..	2	86	1,07	3,52
NET	.	.	.	.	.	.	.	.	.	..	7,38	9,00	9,00	—2,25

	1953- 54	1954- 55	1955- 56	1956- 57	1957- 58
4. <i>National Plan Savings Certificates :</i>					
Gross	..	..	..	..	71,47
Repayments	..	..	..	..	—3
NET	..	..	..	..	71,44
5. <i>10-Year 3½ % Treasury Savings Deposit Certificates :</i> (Intd. 1-2-51) (Replaced by 4% T.S.D.C. from 1-6-57)					
Sales	6,98	5,68	4,79	3,91	46
Repayments	50	53	68	90	1,22
NET	6,48	5,05	4,11	3,01	—76
4% <i>Treasury Savings Deposit Certificates :</i>					
Gross	..	..	..	..	5,88
Repayments	..	..	..	..	..
NET	..	..	..	..	5,88
6. <i>15-Year Annuity Certificates (Intd. 1-7-54)</i>					
Sales	..	55	45	44	64
Repayments	..	1	4	7	9
NET	..	54	41	37	55
TOTAL (NET) —CURRENT INVESTMENTS	42,81	57,66	69,25	62,67	70,48

OLD INVESTMENTS

1. <i>Post Office Cash Certificates</i> (Discontd. 16-6-47)	.	.	.	—2,51	—2,02	—1,27	—1,10	—89
2. <i>Defence Savings Certificates</i> (Discontd. 1-10-43)	.	.	.	—59	—12	—6	—5	—3
3. <i>Defence Savings Bank Deposits</i> (Discontd. 1-7-44)	.	.	.	—2	—1	—1	..	..
TOTAL	.	.	.	—3,12	—2,15	—1,34	—1,15	—92
TOTAL NET COLLECTIONS	.	.	.	39,69	55,51	67,91	61,52	50,56

APPENDIX VII

(Vide para 98)

I. Extract from the Memorandum submitted by the National Savings Committee, U.K., to the Estimates Committee, U.K., in 1955.

NATIONAL SAVINGS COMMITTEE

"1. Introduction

The National Savings Committee was founded in 1916 'to educate the public in the need for economy and to help the small investor to save through the medium of Government securities'. It has since then grown into a very active and widespread organisation of voluntary workers (numbering some 300,000) at the local, regional and national levels, with a small official staff to assist and co-ordinate its activities.

2. Organisation

The National Savings Committee covers England and Wales only, there are separate committees for Scotland and Ulster.

The EXECUTIVE bodies of the organisation are the National Committee and some 1,300 Local Savings Committees. In addition, in each region (of which there are 12, 10 covering England and 2 covering Wales) there is regional ADVISORY committee, whose members are elected by local committees; its main purpose is to form a link between the local committees and the National Committee, but it has no executive power.

THE NATIONAL COMMITTEE, to which appointments are made by Treasury Minute, is composed of —

- (i) The Chairman, Lord Mackintosh of Halifax.
- (ii) A Vice-President and five Vice-Chairmen.
- (iii) 12 elected members representing the voluntary workers in each Region and 8 elected members representing the eight largest cities in England and Wales.
- (iv) 20 nominated members representing Government Departments (including the Treasury, Post Office and National Debt Office) the Trustee Savings Banks, Trade Unions, Employers Organisations and Voluntary Organisations.

LOCAL COMMITTEES are composed of elected representatives of savings groups and nominated members to represent every sphere of local life, including the local authority, industrial, commercial and financial managements, workers, educational and religious organisations, etc.

A. SAVINGS GROUP consists of a varying number of 'savers' and it is run by honorary officers using a variety of schemes. There are four categories of savings groups, namely

- (i) Places of Employment
- (ii) School Groups
- (iii) Social Organisations
- (iv) Streets and Village Groups

The ARMED FORCES have their own groups, run by service personnel, which are not connected with local savings committee organisation. Their activities are directed by the H.M. Forces Savings Committee of which the Chairman serves as a vice-Chairman of the National Savings Committee.

The OFFICIAL STAFF (numbering 668) consists of Headquarters (staff 145) and a regional organisation (staff 523). In each region, the staff is under the control of a Regional Commissioner, who is assisted by a Deputy Commissioner and an office staff (average strength 10). The region is subdivided into areas (the size of which varies considerably according to density of population, etc., but each area normally embraces at least 10 Local Committees). Each of these areas has an Assistant Commissioner, who is provided with a small office and a staff of one or two clerks. The Assistant Commissioner is responsible for fostering and maintaining the Local Committee and their voluntary workers, the formation of savings groups and the stimulating of local public interest in and support for the Savings Movement in his area.

The organisation of the Headquarters staff is set out in the table attached at Appendix A.

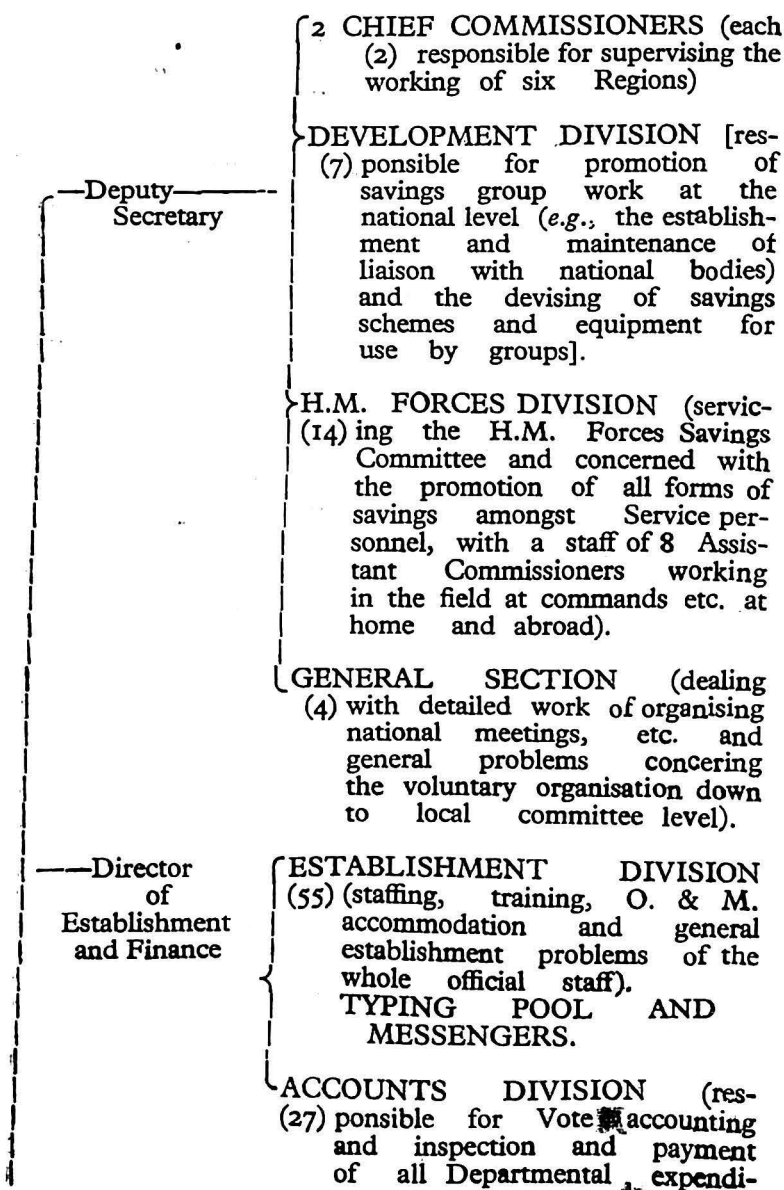
The relationship between the voluntary bodies of the Movement and the official staff is shown in the table at Appendix B."

APPENDIX 'A'

NATIONAL SAVINGS COMMITTEE

Official Staff Organisation—1954-55

HEADQUARTERS (145)



The
Secretary
|
Secretariat (3)

Director
of
Publicity

ture, including that by local committees; inspection and local audit of certain savings groups and credit stocks, etc.)

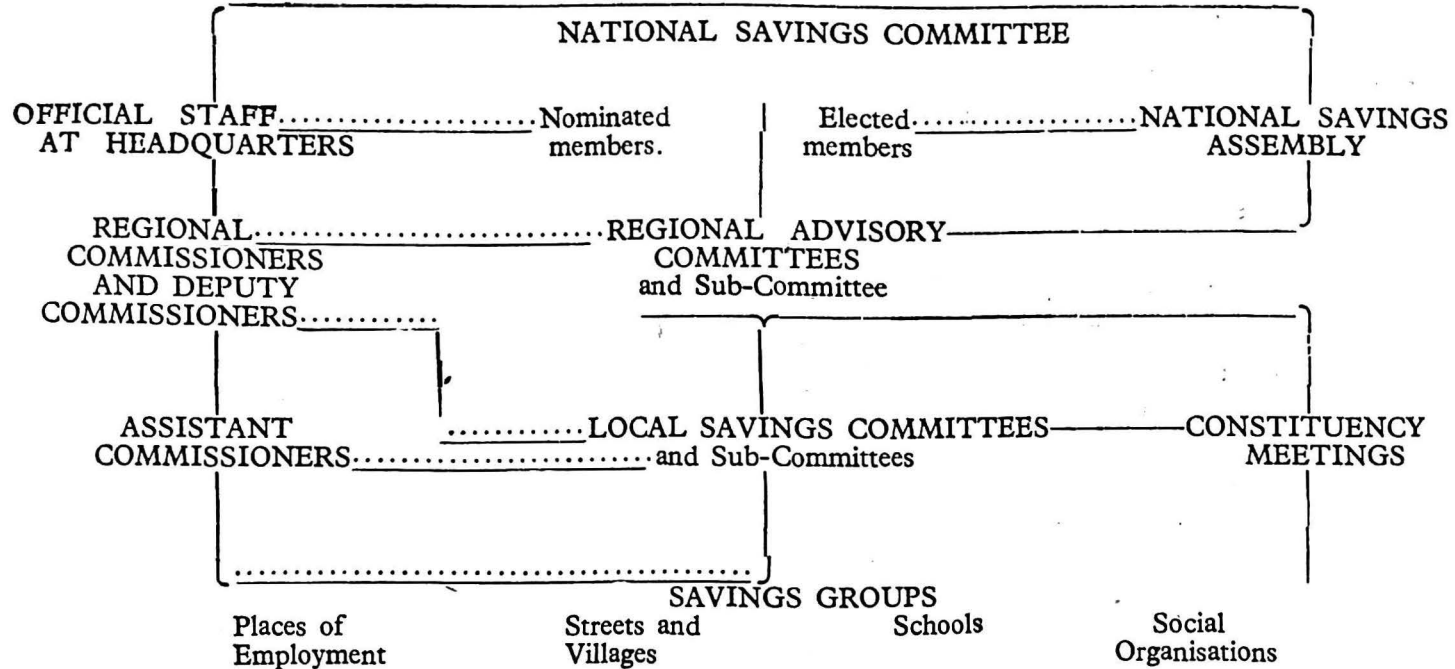
PUBLICITY BRANCH (concerned (19) with all forms of publicity including press advertising, outdoor poster displays, exhibitions, etc. It has a studio staff of 9 who are responsible for the designing, etc., of the bulk of the publicity material used both by the National Savings Committee and the Scottish and Ulster Committees.)

INTELLIGENCE BRANCH (responsible (10) for production of all statistics and advice on economic aspects of savings matters; information services for the press and dealing with general enquiries from the public).

NOTE : The figures in brackets show number of staff.

APPENDIX 'B'

The organisation of the National Savings Movement



Executive units appear in Roman type

Executive relations appear thus..... Advisory units appear in italic type

Advisory relations appear thus———

* * * * *

“Members of the staff of the National Savings Committee are selected to give assistance to the voluntary organisation at all levels. The Regional staff work with the Local, the Constituency and the Regional Committees. It is their function to do all in their power to maintain this organisation at the highest possible efficiency and particularly to assist Local Savings Committees in all aspects of their work of propaganda and organisation of facilities for saving and investment.

They are, therefore, expected to show qualities of leadership; to be able to stimulate enthusiasm, and to arouse interest in the wider aspects of the Movement. In practice, much of the executive work is done by the Regional staff. Members of Local Savings Committees use their personal influence in support of the Movement and assist in obtaining sympathetic interest in interviews for the staff and some of the organising work, particularly in connection with Street Groups. But the task of day to day visits and interviews on which the maintenance of a flourishing Savings Group organisation depends falls mainly on the staff.

The voluntary workers look to them for information on all aspects of the work; for initiating new ideas and suggestions for carrying them out. Members of the Regional Staff are, therefore, in a position to give their best service when they know intimately the area which they administer and are on friendly terms with the voluntary workers.

The Regional staff must also maintain friendly contacts with the officers and officials of Regional and local branches of the other partners in the National Savings Movement—the Post Office Savings Bank and the Trustee Savings Banks. They should also cultivate the friendly interest of Managers and other officers of Joint Stock Banks who are responsible for a high proportion of the sales of Defence Bonds and Savings Certificates.

2. THE REGIONAL COMMISSIONER

The broad outlines of policy are laid down by Headquarters for the whole country and it is the main function of the Commissioner to apply this policy with due consideration to special regional needs and circumstances. He has to assist him one or more Deputy Commissioners, a number of Assistant Commissioners, and an Executive Officer in charge of the routine work in the Regional Office. In shaping regional policy he will, whilst retaining full responsibility, consult his Deputy Commissioner(s). He must avoid being tied down by routine and paper work to the detriment of his proper functions of leadership, control, planning and organising. He should not need to concern himself unduly with the detailed working of the Regional Office, but he must satisfy himself that the officers responsible for this work are doing it. He must ensure that at all levels within the Region there is proper liaison with the Post Office and Trustee Savings Banks. He must give personal attention to the accounting responsibilities, etc., delegated to him by Headquarters.

3. *DEPUTY COMMISSIONERS*

The function of a Deputy Commissioner is to act as the Commissioner's Deputy in all respects. He should advise and assist the Commissioner in the work of the Region in general and in the leadership and close oversight of the Assistant Commissioners in particular. He should ensure that the regional policy determined by the Commissioner is put fully into effect by the Assistant Commissioners, and that the District Officers are providing voluntary workers with the service they need.

4. *ASSISTANT COMMISSIONERS*

The Assistant Commissioner is the officer most frequently and most closely in contact with voluntary workers and the success of the Movement depends largely on his personal qualities, initiative and zeal. He is responsible for seeing that Local Committees are recruited and maintained as effectively as possible, so that they can provide that strong local support and influence necessary in creating a sound organisation for the setting up and maintenance of Savings Groups and the prosecution of effective local savings propaganda. Where members of Local Committees are willing to undertake the formation and maintenance of Groups, they should be encouraged to do so, but this does not relieve the Assistant Commissioner of personally visiting prospects and Groups with the frequency and in the order of priority laid down from time to time.

The Assistant Commissioner is primarily a field officer and his time should be devoted as fully as possible to work of this nature. To this end efforts are made to reduce to the minimum other duties which may interfere with this all-important work. It is essential, however, that these minimum requirements as laid down from time to time in official instructions, especially in regard to reports and the supervision of his District Office, are observed.

The District Office, as its name implies, is an office serving the needs of the National Savings Movement within a given area. The Assistant Commissioner must ensure that it provides necessary services for the voluntary workers and that their visits to the office are welcomed.

Under the guidance and direction of the Commissioner and Deputy Commissioner, an Assistant Commissioner should plan his work effectively, with due regard to priorities and in such a way as to avoid unduly long hours of duty. It has, at the same time, to be recognised that the special nature of his duties makes it very difficult to apply rigid hours or to keep them within the normal hours of the Civil Service."

*

*

*

*

*

*

APPENDIX VIII

Statement showing the Summary of conclusions/Recommendations of the Estimates Committee contained in the Report

Sl. No.	Para No.	Summary of Conclusions/Recommendations
1	2	3
1	10	The Committee understand that there is a feeling among certain State Governments that the existence of a Central and a State Organisation operating in the same area for savings work results in duplication. The Committee consider that maximum co-ordination is necessary and should be ensured between Central and State efforts and all duplication avoided. They, therefore, recommend that there should be only a single official organisation in each State for doing the savings work.
2	14	The Committee suggest that it should be arranged with the officials of various agencies at present working in rural and other areas such as the Health, Agriculture and the Social Education Departments of the State Governments that their tour programmes are intimated to the officials and non-officials of the Savings Organisations including workers of the W.S.C. so as to enable the latter to make use of the transport arrangements, when necessary of the former. In this connection the possibility of making such vehicles available to the Women's Savings Campaign workers for a few days each month preferably for a few days in a week exclusively for their use may also be considered.
3	15	The Committee understand that the Government had since instructed all the District Organizers to see that the work done by the Members of the Women's Savings Campaign Advisory Boards was followed up and that promises secured by them were collected by

activising the social organisations or by the District Organizers themselves. The Committee feel, however, that in the interest of the Savings Movement, office and other assistance for the members of the Women's Savings Campaign State Advisory Boards through Assistant National Savings Officers, District Organizers, etc., and welfare assistance to the Women's Savings Campaign workers to the extent necessary may also be provided.

16

The Committee understand that there is a feeling among the workers of the Women's Savings Campaign as well as the officials of the National Savings Organisation that the results of the enthusiasm or business created by the efforts of one are often carried away by the other. They have no doubt that the existence of such feelings would hamper the savings effort on the part of all concerned. The Committee feel that maximum co-ordination is necessary and should be ensured at every level between the official and the non-official agencies doing the savings work. They also suggest that wherever honorary services of Women's Savings Campaign workers are available, they might be given preference over others.

19

The Committee observe that since its constitution nearly three years ago, the National Savings Advisory Committee has met only three times, *viz.*, in December, 1956, in April, 1957 and in June, 1958. As regards the States' Advisory Committees, they observe that while some of them had met a number of times, some others had met only once. The Committee regret that the Advisory Committees should meet so infrequently. They feel that the Secretaries of these Committees *viz.* the National Savings Commissioner, the Regional National Savings Officers, etc. should take greater initiative in these matters and have the meetings of the Committee convened regularly.

6

21

The Committee wonder what public enthusiasm for savings, the Advisory Committees of the National Savings Organisation at the Centre and in the States holding their meet-

I

2

3

ings so infrequently could possibly generate. They also wonder whether these Advisory Committees could themselves feel enthusiastic about their work when it takes Government considerable time to take action on their recommendations. The Committee, therefore, consider the device of setting up these Advisory Committees for obtaining the assistance of non-officials in savings work as hardly satisfactory.

7

22

The Committee find that frequent complaints about post offices are still heard. They, therefore, suggest that in order that the purpose for which the P. & T. Small Savings Boards and the P. & T. Circle Committees are being set up is fulfilled, it would be desirable to associate non-officials with these Committees.

8

23

The Committee are of the view that the valuable assistance of non-officials in the savings work should be obtained and utilised not merely by associating them with advisory committees which are not effective enough but in a manner which would enable them to feel a sense of active participation and responsibility for the savings work.

9

26

The Committee feel that *prima facie* the payment to the P & T Department on account of savings work seems to be on the high side. They suggest that an expert enquiry into this matter might be made. In this connection the Committee understand that the extension of the Saving Movement to rural areas is being hampered because of lack of postal facilities for savings work, since savings facilities are provided only at 15,756 out of a total of 58,871 post offices. The Committee therefore, suggest that payments made to the P & T Department by the Savings Organisation should be used for extending such facilities to the rural areas as early as possible.

10

28

In regard to the increased expenditure on administration contributing to the rise in the cost of collection, the Committee feel that one of the reasons for it might be the duplication of effort between the Central and the State administrative agencies engaged in the Small Savings Work.

I.	2	3
11	30	The Committee feel surprised at the extent of clerical and Class IV staff in the Savings Offices, both in the central organisation and in the States organisations. The work of the Savings Organisation being essentially to generate enthusiasm among the public for savings work and to mobilise the savings, the contribution which clerical and similar other staff can make to savings work is difficult to comprehend.
12	32	The Committee realise that the National Savings Movement has yet to spread throughout the length and breadth of the country. Nevertheless, they cannot help feeling that there is scope for economy in the employment of staff in the savings organisation. They, therefore, suggest a review of the strength of the officers and staff in the National Savings Commissioners' Office, in the regional offices, in the district offices as well as in the States' Organisations.
13	34	The Committee consider the existing position in regard to training of officials and workers as hardly satisfactory and, therefore, suggest that suitable arrangements should be made in this matter and provision also made for refresher courses. The Committee suggest that Government might examine the feasibility of holding an examination for persons dealing with small savings in India on the lines of the tests carried out by the Savings Banks Institute in U.K. during the war.
14	35-36	The Committee understand that some of the procedural difficulties experienced by prospective investors are considered to be very irksome and act as deterrent to collections of Small Savings. They recommend that it should be the constant endeavour of the officials of the National Savings Organisation to ascertain in the procedural difficulties experienced by prospective investors and to get them solved. This would necessitate greater personal contact between the public and the officials of the N.S.O. It should also be the duty of the non-officials connected with the Savings Movement to bring the difficulties in this regard to the notice of the

I

2

3

officials of the N. S.O. and to get them redressed. The Committee would suggest that there should be a periodical review of the prescribed procedures in regard to the various investment schemes.

15

37

The Committee offer the following suggestions to overcome some of the existing procedural difficulties:

- (i) The desirability of giving some incentive to the employees of the P. & T. Department doing savings work might be considered.
- (ii) The feasibility of enabling other agencies such as Scheduled Banks, Co-operative Societies, Panchayats etc. to stock and sell certificates, etc., so that the intending purchaser has not always to go to the Treasury or the Post Office to purchase them might be considered.
- (iii) The feasibility of setting up mobile savings vans and special booths to collect savings in the harvest season specially in rural areas might be considered.
- (iv) The application forms and receipt books for the National Savings Certificates might be made available in the regional languages. As far as possible persons dealing with this work in the Post Offices should also be conversant with the regional languages.
- (v) Government should examine the possibility of issuing pass books to all certificate holders as is done in the case of depositors in the Postal Savings Bank accounts, because the simple receipt that is at present issued in lieu of the purchase of certificate is liable to be lost and stocking of certificates is not easy especially for rural people.

16

41

The Committee feel that there is no justification for payment of commission at different rates on the various investment schemes.

1	2	3
17	42-43	A peculiar feature of the various agency systems is that the terms of appointment of agents, the securities they have to offer, etc., vary from system to system. While the Committee realise that to mobilize the savings resources of the various sections of the people there might have to be a variety of agencies, they do not consider it desirable that their terms of appointment, Commission, security etc. should vary from system to system. The Committee recommend that Government should remove to the extent possible these disparities and standardize the agency system, preferably one for institutions appointed as agents and another for individuals appointed as agents.
18	44	The Women's Savings Campaign had recommended that Government should permit unregistered organisations also to be appointed as authorised agents. The Committee suggest that Government should give earnest consideration to this recommendation of W. S. C. with the provision of suitable safeguards, if necessary. In this connection they might point out that agents of the W.S.C., although receiving commission, are voluntary workers since the commission that they earn goes to the social welfare organisations and not to individual members bringing in business.
19	45	The Committee observe that little progress had been made in the formation of savings groups, even in the urban areas, while in rural areas there are hardly any savings groups. The Committee, therefore, recommend that special steps should be taken to see that savings groups are formed in every Government office, business house, factory, farm, etc.
20	46-48	The percentage collections through the efforts of the agents had been on the decline since 1955-56. The collections brought in under the various agency does not compare

1	2	3
		favourably in the number of agents under each system. It is evident that special efforts are required on the part of the agents to justify the award of the agency and to improve the collections. The Committee recommend that such incentives to agents as might enable better collections might be provided.
21	49	The Committee invite attention to the fact that it is generally known that the message of small savings has reached rural areas even to a smaller extent than in urban areas and suggest that extra encouragement be given to the Rural Agency Systems namely, the Panchayat Agency System, the Primary School Teachers' Agency System and the Extra Departmental Branch Post Master Agency System.
22	50	The Committee realise that if the village level workers were to work as paid agents canvassing the National Savings Certificates, their primary aim of community development might suffer. Nevertheless since the village level workers have a well developed organisation in the block areas, the Committee suggest that the National Savings Organisation should utilize their agency to the extent possible at least for spreading the message of small savings and the movement. In addition the village level workers could also assist in organising women's organisations which might take up agencies under the Women's Savings Campaign.
23	51	The Committee recommend that since the Life Insurance Corporation has a well knit organisation of agents throughout the country, the feasibility of having agents for the National Savings in common with the Life Insurance Corporation and similar other agencies may be examined by Government.
24	55	No statistics regarding premature withdrawals from Post Office Savings Bank Accounts and premature encashments of savings certificates are available. The Committee recommend that it would be desirable to maintain statistics of the periods for which

1

2

3

different classes of savers kept their investments undisturbed as also the reasons for premature encashments etc., so as to enable suitable steps to be adopted to overcome the existing tendency for premature withdrawal and to direct the propaganda accordingly.

25

57

There appears to be a feeling that certain officials often bring pressure on the people to take savings certificates or to deposit more money in Post Office Savings Bank accounts to push up the figures of savings in their respective districts etc. so as to show better results of their efforts, with the result that often at the first opportunity the investors not being sufficiently influenced by the savings publicity or propaganda, cash their certificates or withdraw their deposits. The Committee regret the practices which have led to it. They suggest that it should be ensured that small savings are mobilized not by coercion but by persuasive methods so as to help develop the savings habits among the people and bring in long term savings which only could materially contribute implementation of the Plans.

26

53

The Committee feel that there might be another reason for premature withdrawal *viz.* the possibility of collusion between the agents and investors. Such investments when made are likely to be withdrawn at the earliest opportunity by parties concerned resulting in less net collections. The Committee consider that there is need for vigilance in this matter. Further, propaganda and other means of direct contact with investors and public should be fully developed so as to serve as a preventive measure in this regard.

27

60

The Committee feel concerned at the shortfall in net collections of small savings as compared to the targets during the last two years, which might effect adversely the progress of the Plan.

28

61

The Committee note that the collections during years from 1955-56 to 1957-58 have been more or less steady in spite of substantial increase in staff and expenditure.

1	2	3
		They feel that this trend underlines the necessity of more effective steps not only to work up to the targets laid down for small savings in the Second Plan but to improve on them.
29	62	The Committee recommend that special attention should be given to those States which offer savings potentialities and also where the performance has been poor.
30	65	The Committee suggest that Government might examine the feasibility of introducing following further measures to enhance the collection of small savings:
		(i) To enable better realisation of efforts required to be made in each area so as to work upto the plan target, the Government of India should lay down with reference to past achievements and future potentialities an annual target for the collection in each State which should be further broken up for each region, district, block etc.
		(ii) Government should examine the feasibility of allocating a certain percentage of the net collection in an area for the developmental work in that area. The precise proportion may be determined by the State Governments, and may be different for rural and urban areas.
		(iii) The system followed in the Bombay State of awarding prizes to the District which collects the largest savings might be extended to other States also. The feasibility of extending this scheme to areas smaller than districts such as blocks as well as to individuals, including agents, might also be considered.
		(iv) The Government should examine the feasibility of ensuring that all prizes at Government functions are given in National Savings Certificates. Similarly, bonuses, rewards etc. may also be given in savings certificates. The feasibility of extending this to other functions by issue of suitable

I

2

3

instructions, where necessary, and by persuasion, where possible, should be explored.

- (v) Government should take special steps to persuade more employers to introduce the scheme of regular savings from the salaries of their employees. With the amendment of the Payment of Wages Act in April, 1958 it should be possible for the employers to show better results in the matter.
- (vi) It is desirable that Government of India should fully explore the possibilities of securing compulsory contributions for small savings.

31

66

The Committee feel that an examination of the Savings potential of various classes of people is important in connection with the spreading of the savings movement. In this connection, they were informed that the Ministry of Community Development proposed to conduct a survey of the incidence of savings in rural areas. The Committee think that a survey should be made in urban areas also and an analysis of the results of such surveys properly utilised by the National Savings Organisation in spreading the savings movement among various classes.

32

67

The Committee find that so far no attempt has been made to correct or study statistics relating to savings with a view to finding out the savings potential of the different classes of people in rural and urban areas; the preferences for different saving schemes, reasons for premature withdrawal from Savings Bank accounts and premature encashment of national savings certificates etc. The Committee recommend collection of all these and other relevant data so as to improve and broaden the small savings movement and to make it an effective means of fulfilling the Plan.

33

68

The Committee suggest that the various types of statistics that are already received and which may be prepared in future should be properly collated, circulated to the various

1	2	3
		agencies of the N.S.O. and also publicised so as to enable the movement to be carried forward.
34	71	The Committee observed that whereas the net deposits in the Post Office Savings Bank increased from Rs. 1609 lakhs in 1953-54 to Rs. 3648 lakhs in 1955-56, there has been a decline since then, the deposits in the years 1956-57 and 1957-58 being Rs. 3128 lakhs and Rs. 1800 lakhs respectively. The Finance Minister also admitted while presenting the Budget for the year 1959-60 that the postal savings banks were still not doing as well as in the past. The Committee regret this trend and recommend that the reasons therefor be examined and attempts made to improve the savings banks collections.
35	72	The Committee observe that the Savings Deposit Certificates and Annuity Certificates which attract comparatively meagre savings and issued at the Treasuries and sub-treasuries under the various State Governments and at branches of the Reserve Bank of India etc. unlike the other Savings Schemes that are operated at the post offices. The Committee recommend that it should be examined whether any organisational change in this respect is likely to improve the popularity of the various savings schemes.
36	73	The Committee would also suggest that it should be examined whether the Savings Schemes could be operated at a larger variety and number of institutions—Government, semi-Government and even private—such as Post Offices, various banks, etc.
37	74	The Committee would suggest that the various investment schemes and the response of the public to them should be constantly reviewed to see what procedural and other improvements could be made therein. They feel that it would be desirable to appoint a small expert committee to make a comprehensive review and to make concrete suggestions for increasing collections thereunder.
38	75	The Committee were informed that it was not possible for Government to say whether the various savings schemes really attracted small savings. In regard to the savings

I

2

3

bank accounts, they were informed that the records were confidential and the amounts deposited or withdrawn by a person could not be disclosed. In this connection the Committee feel that it should be possible to put all individual withdrawals together at each centre without divulging individual accounts. The Committee further consider it desirable that information in regard to holdings of savings certificates etc. should be collected to the extent possible and sample survey be made to determine whether the objects of the savings movement were being fulfilled. They would therefore, suggest that statistics for this purpose should be collected to the extent possible and an analysis made thereof.

39

76

The Committee observe that in spite of the recommendation in the First Five Year Plan that new methods for small savings should be explored, only two new Schemes that have been introduced since then (i) the 15 year Annuity Certificates introduced in 1954 and (ii) the Cumulative Time Deposit Scheme introduced from 2. 1. 59 other schemes being only slight variants of the existing ones. While the former has not been much of a success the latter was introduced three years after the National Savings Advisory Committee had recommended in 1956 that the introduction of that Scheme should be expedited. The Committee consider such delays in introducing investment schemes, especially those recommended by the Advisory Committee, as very unfortunate. In this connection the Committee commend a suggestion that to facilitate acceptance of the Cumulative Time Deposit Scheme by labour and Class III and IV Government employees the lowest monthly deposit should be lowered from Rs. 5 to Rs. 2 per month.

40

77

The Committee understand that the existing small savings schemes do not appeal much to vast sections of the public, especially the agricultural and the labour classes. The Committee recommend that the feasibility of modifying the existing schemes and of introducing new and more attractive schemes should be constantly explored.

1	2	3
41	78	The Committee feel that in view of the need for increased internal resources to meet the requirements of the Plans, the scheme of prize bonds might with advantage be introduced in India after divorcing the element of gambling from it as indicated in para 79.
42	80	The Committee feel that it might be worthwhile considering a scheme of issuing gold bonds against gold surrendered by people. The bonds could be made encashable after 10 to 12 years. To make the scheme a success, the purchase price might also be fairly reasonable with a reasonable interest and protected against gold price fluctuations. The Committee recommend that Government may examine the feasibility of introducing such a scheme with proper safeguards and incentives in India.
43	83	The Expenditure on publicity at present forms only a little over 2% of the total expenditure on Small Savings Schemes and little over 16% of the total expenditure excluding commission and payments to P. & T. This low expenditure on publicity appears strange to the Committee since the savings movement has yet to spread in the country and a climate favourable to savings has yet to be created. The Committee therefore recommend that it should be realised that intelligent publicity which would reach every home offers the best means of spreading the savings movement and that expenditure on this account should not be grudged.
44	87	The Committee feel that under the present arrangements there is a possibility of the publicity done through the various agencies being duplicated without its reaching a proportionately larger area or population. The Committee, therefore, suggest that the present arrangements for publicity by various agencies should be reviewed so as to minimize possibilities of organisational overlap as well as duplication of same types of publicity and also so that it may reach a wider section of the population.
45	90	The Committee feel that in order that the savings movement may succeed and spread the savings drives should avail of in a larger measure the assistance of notable public men, Members of Legislatures, political parties, etc.

- | | | |
|----|----|---|
| 46 | 91 | The Committee feel that the publicity in regard to savings schemes should be integrated with plan publicity with particular reference to the local development plans, so as to enthuse the public to save for fulfilling those plans which interest them most. In this matter, the Committee feel that the agency of the States and non-official and voluntary bodies would be invaluable in the conduct of publicity. |
| 47 | 93 | The Committee cannot help concluding that the Savings Movement in the country suffers from being conducted by several independent organisations even on the official side. The Committee wonder why an arrangement similar to that of Khadi Commission, Handloom Board, etc. could not be arrived at in the case of the National Savings Movement also. |
| 48 | 95 | The Committee cannot help feeling that the Savings Movement is too much dominated by an official outlook. It seems that the movement in spite of the National Savings Advisory Committees, etc., is still far from being a peoples movement which alone would ensure its success. |
| 49 | 96 | The Committee feel that an arrangement like that of Women's Savings Campaign which is a voluntary organization with little official assistance could with advantage be extended to be the pattern all over the country. |
| 50 | 97 | <p>The Committee suggest that a reorganization of the National Savings Movement on the following pattern:—</p> <ul style="list-style-type: none"> (i) There should be broadly speaking a single organization for conducting the National Savings Movement in the country. It might have a separate Women's Branch. The organization should be built from below to make it a genuine people's movement. (ii) In the rural areas at the Panchayat level there should be a Panchayat Savings Committee consisting of voluntary workers. They should have the assistance of prominent |

non-officials of the area. The Committee should be made responsible for all the savings work in the area of the Panchayat.

- (iii) At the next higher level *i.e.* at the Block level there should be a Block Savings Committee which should consist mainly of the representatives of the Panchayat Savings Committees in that Block and other prominent non-officials. It should be incharge of the savings work in that Block and coordinate the work of all the Panchayat Committees in that Block. It might be assisted by a whole time official who will provide secretarial and other assistance to the Block Committee and all the Panchayat Committees in that Block in doing their work and in collecting the savings.
 - (iv) In urban areas, there might be a Savings Committee for each well-demarcated area like the Municipal Ward, etc. and one for the entire urban area composed of the representatives of the former etc.
 - (v) There should be at the District level a District Savings Committee consisting of representatives of the Savings Committees of Blocks and of urban areas in that District and of non-officials. It might be assisted by a District Official.
 - (vi) The above pattern might be repeated at the State level with the formation of the State Savings Committee.
 - (vii) At the Centre, there might be a National Savings Committee consisting of the representatives of the State Savings Committees and leading non-officials and assisted by the National Savings Commissioner.
 - (viii) At various levels, the Savings Committees might have publicity advisory bodies to enable the publicity to be made effective.
-

1

2

3

- (ix) At each level the savings committee should have a Women's Savings sub-Committee.
- (x) At each level savings committees might have a publicity advisory sub-Committee to enable publicity to be made effective.
- (xi) All the Committees should meet regularly to enable them to function effectively and to give suitable directions to the officials and the voluntary workers. It should be their endeavour to assist in the formation of savings groups in rural as well as in urban areas and in various institutions and professions, etc., for the collection of savings.
- (xii) The National Savings Committee might be given adequate funds to enable it to satisfactorily discharge its responsibilities and also adequate powers to regulate its procedure as required by circumstances. It should be free of Government control in regard to day-to-day administration. There might also be adequate decentralisation within the organization to facilitate its becoming a people's movement so as to maximise the savings work.
- (xiii) If the above pattern of organisation is accepted, there might be no necessity of agents and the commission paid to them might be made available to the various Savings Committees for their work. Payments to non-official voluntary Welfare Organisations should however continue.
- (xiv) Further, there might also be no necessity of a large official organization. A few officials with qualities of leadership in them and experience of developmental work to assist the various committees and to give them expert advice in regard to savings work should suffice.

51

98

While undertaking the reorganisation outlined in para 97 the organization of the National Savings Committee in the U.K. (briefly given in Appendix VII) might be kept as the model to the extent possible.

1	2	3
52	99	The Committee would suggest that the organization suggested in para 97 should develop a close liaison with other organisations which might assist in savings work, <i>e.g.</i> , the Life Insurance Corporation, the Banks, the Co-operative Movement, etc. For this purpose, non-officials and officials connected with these movements may also be associated with the organization at various levels.
53	100	The Committee feel that the enthusiasm among the people for work relating to savings is at present dormant. They have no doubt that a reorganization as suggested above would enthuse the people and enable savings to be mobilised for the success of the Plans on which the future of the country so much depends.

APPENDIX IX

Analysis of recommendations contained in the report and the estimated economy likely to result from their implementation.

I. Classification of recommendations

A. Recommendations for improving the organization and working :

(Sl. Nos. 1, 2, 3, 4, 5, 6, 7, 8, 13, 15, 16, 17, 18, 19, 22, 23, 25, 26, 33, 35, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53.)

B. Recommendations for improving the collections :

(Sl. Nos. 14, 20, 21, 24, 27, 28, 29, 30, 31, 32, 34, 36, 37, 38, 39, 40, 41, 42.)

C. Recommendations for effecting economy :

(Sl. Nos. 9, 10, 11, 12.)

II. Analysis of the recommendations directed towards economy

Sl. No.	No. as per Summary of recommendations	Particulars
1	9	Expert enquiry into the payment to the P & T Deptt. on account of savings work which <i>prima facie</i> seems to be on the high side.
2	10	Increased expenditure on administration due to duplication of effort between State and Centre.
3	11	Extent of clerical and class IV staff in the Savings Offices.
4	12	Scope for economy in the employment of staff in the Savings Organisation.



