

In obtaining deposits from non-members, the co-operative banks have to compete with commercial banks, scheduled and non-scheduled. The Reserve Bank study shows that co-operative banks have been offering rates no higher than those offered by banks. Some have been paying even rates lower than those offered by commercial banks.

Following the recent directive of the Reserve Bank, commercial banks have raised their deposit rates. This will have an impact on the co-operative banks if they do not adjust their interest rates accordingly. Considering that they can borrow from the Reserve Bank at concessional rates, the co-operative banks can well afford to be more aggressive in attracting deposits from outside by offering a little better rates than those offered by commercial banks. If they do not adopt an aggressive attitude they may face a fall in their deposits which, as the Reserve Bank Governor has emphasised, must be expanded in order to meet their growing responsibilities.

Bokaro, Made in USSR

A Correspondent writes:

TWO points emerge clearly from the official press release announcing a firm Russian commitment on Bokaro. First, Russian aid will take Bokaro to 4 million tons without a break after the initial phase of 15 to 2 million tons of steel and 7 to 10 lakh tonnes of pig iron. Second, the Indian consulting firm of M, N Dastur and Co is to be ditched because the design and engineering of the plant are to be exclusive Russian responsibility. It is stated that the management of construction and operation will be entirely Indian but what exactly this means remains to be seen. It is true that the consultancy agreement with Dastur regarding Bokaro was only initialled, never signed, partly due to opposition from the Finance Ministry. In any case, the interests of this firm with its fine cadre of 700 engineers built up specially to handle the project, could not be allowed to endanger the setting up of the plant. The Russians (like the Americans, in a different setting) were not satisfied with Dastur's project report. The Steel Minister announced at one stage that the report would only be "corrected here and there" to suit Russian specifications but later conceded that an altogether fresh report, which will take nine months, had become necessary.

The refusal to associate Indians with the design and engineering of Bokaro when a considerable amount of creditable preliminary work had already been done on it puts the two Great Powers on par so far as distrust of Indian skills is concerned. Bokaro is, of course, not in the same category as the expansion of Rourkela, Bhilai and Durgapur, where the central designs organisation of Hindustan Steel is playing an increasing, though by no means decisive, role. Nevertheless, its surrender to exclusive Russian designing will inevitably weaken our

hands in insisting upon Indian participation in the designing of the fifth and sixth public sector steel plants.

The principal redeeming feature of the preliminary agreement between Bokaro Steel and Gipromez is the Russian commitment that they would see it through to 4 million tonnes ingot capacity, though the phasing and completion dates — and amounts of credits — are still left unstated. Further details might be released when an inter-Government agreement is concluded next month.

**The
United Commercial Bank Limited**

Head Office: 2, India Exchange Place, Calcutta-1

I. P. Goenka

CHAIRMAN

| | | |
|--|-----|------------------------|
| AUTHORISED CAPITAL | ... | Rs. 8,00,00,000 |
| SUBSCRIBED CAPITAL | ... | Rs. 5,60,00,000 |
| PAID-UP CAPITAL | ... | Rs. 2,79,99,250 |
| RESERVE FUND & OTHER RESERVES | ... | Rs. 3,20,00,000 |

BRANCHES

| | |
|--------------------------|--|
| In India | ... In all Cities and Towns of Commercial and Industrial Importance. |
| In Pakistan | ... Karachi |
| In Malaysia | ... Penang, Kuala Lumpur, Klang, Raffles Place and Serangoon Road in SINGAPORE |
| In United Kingdom | ... London |
| Also at | ... Hong Kong and Kowloon |
| Agents | ... Throughout the World |

BUSINESS AND SERVICE

The Bank receives deposits, gives advances against approved securities, purchases bills, sells drafts and telegraphic transfers and transacts all types of Foreign Exchange Business. Through its internal net-work of branches and world-wide business arrangements it provides every kind of Banking service.

R. B. Shah
General Manager