

of these latter problems require more technical research, but better co-ordination between the irrigation department and the extension services can go a long way towards increasing the returns from irrigated agriculture. But basically, there is need for the strictest scrutiny of the proposals put up by the States before the Planning Commission in the context of the number of incomplete projects. If the economic and technical soundness of the projects in the overall national context is taken as the sole criterion for including them in the Plans, the current deplorable situation will improve substantially. The magnitude of the tasks ahead demands that we purge the parochial loyalties encouraged by our federal set-up and concentrate our energies on the progress and welfare of the country as a whole.

There is an urgent need also to ensure better maintenance of existing works, particularly in the category of minor irrigation schemes. The number of "derelict and semi-efficient" irrigation tanks needing renovation in different parts of India runs into hundreds of thousands. In Mysore State alone, the number of such tanks is stated to be roughly 40,000; and their renovation would cost about Rs 8 crores. The situation in respect of wells is similar. The critical factor that prevents proper attention being paid to the problem of maintenance is organisation. If the 1966 Livestock Census can include in its scope the number of wells and tanks, with some information on the year in which they were constructed and their present condition, the targets of renovation can be made a part of the Plans. And the officers concerned can be made responsible for the purpose. Since the Livestock Census already collects information on the number of diesel and electric irrigation pumps, the addition of questions on wells and tanks would not be too difficult.

Cloth Arithmetic

THE downward revision of some multipliers under the new scheme of cloth control should benefit both mills and the Exchequer, though traders might have reason to grumble. The revision would reduce the stamped prices on the controlled varieties of cloth by 5 to 8 per cent as compared with those under the voluntary scheme which has been extended by five days for administrative convenience. The new prices will not, in fact, be lower than the prices actually realised hitherto by mills which were in many

cases lower than those stamped on cloth. The difference used to be shared in unaccounted money between traders and millowners while consumers were charged the stamped price or more.

The new scheme is based on the division of controlled gray (unbleached) varieties into 13 average count groups, of which 6 are based upon Indian cotton (all carded), and 7 on foreign cotton (2 carded and 5 combed). In each group, the average counts (i.e., the number of hanks of yarn which make a pound of weight) of warp (lengthwise yarn) and weft (breadthwise yarn) are specified along with the count variations permitted within the group and the number of reeds and picks (warps and wefts per inch) approximate to each group. The realisation multiplier states in paise the amount which the mill should realise per kilogram of yarn woven. In group I, for example, which consists of 14s warp and 10s weft made out of Indian carded cotton, with reeds and picks of 40, the realisation should be 553 paise per kilogram of yarn woven; if this kilogram of yarn is converted into, say, 8 square metres of cloth, the price of cloth should be about 69 paise per square metre. The realisation would be permitted to vary by 4 paise per count of yarn in this group for each count variation within the group from 13 to 16s warp and 9 to 12s weft. As the counts and construction (reeds and picks) go higher, i.e., they get finer, the realisation multiplier goes up. In Group XIII (80s x 100s, reeds and picks 82), the multiplier is 2,698 paise per kilogram of yarn woven, with an allowance of 11 paise per count of permissible variation. If this kilogram of yarn makes, say, 20 square metres of cloth, the ex-mill price of cloth should be Rs 1.35 per square metre.

Besides the realisation multiplier, permissible maxima have also been laid down for processing charges, e.g., costs

of dyeing, bleaching, printing, mercerising, sanforising, etc. No allowance has, however, been made for changes in reeds and picks—a variable on which most mill managements operate with some enthusiasm without changing the price. The textile inspectorate to be set up for implementation of the scheme would have to keep a close watch on such variation as well as the amount of 'size' (starch) added to the cloth in place of yarn.

Co-operative Banks' Deposits

STRESSING the importance of expanding the resources of the co-operative sector in order to finance its expanding activities, the Governor of the Reserve Bank pointed out some time back that "the record of co-operative banks in attracting deposits and generally mobilising resources available in the rural areas has, apart from a few exceptions, shown that there is much room for further progress". According to a study of co-operative banks published in the September issue of the Reserve Bank *Bulletin*, borrowings formed 57 per cent and 47 per cent of the working capital of the State and the Central cooperative banks, respectively, at the end of June 1962. So much reliance on borrowed funds clearly shows the basic weakness of the co-operative movement.

In the case of urban co-operative banks, however, borrowings formed only 3.4 per cent of working capital which amounted to Rs 90.11 crores in June 1962. This creditable performance was due mostly to deposits received from 'individual non-members and others' which formed 66.7 per cent of their total deposits. This is proof that co-operative banks are not without sources of funds which can be vastly expanded provided they take proper steps. The accompanying table will give an idea of the importance of deposits from individual non-members and others' for the co-operative sector.

Deposits of Cooperative Banks from Non-Members

(Amounts in lakhs of rupees)

	State Co-operative Banks		Central Co-operative Banks		Urban Co-operative Banks	
	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
Current deposits	616	29	1181	36.7	382	69.5
Savings deposits	485	71	2575	73.6	1174	66.2
Fixed deposits	1321	45	2701	69.7	2266	78.6
Other deposits, including deposits at 3 days' notice, recurring deposits, etc)	467	22	463	65.9	551	40.9
Total	2889	35.7	6920	58	3873	66.7

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

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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

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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