

March 24, 1962

on a rebel camp in Morocco. The proposed dual nationality for Europeans in Algeria for five years after independence, within which time they would choose to be either Algerians or French is another concession which the extremists resent.

But what the Algerian nationalists and de Gaulle's supporters both fear is the capacity for mischief of the rebel settlers, even though both the nationalists and de Gaulle were at first inclined to discount the threat posed by their rebellion. General de Gaulle is unlikely to be deterred in his slow but sure and steady moves with his policy in Algeria after a fresh vote of French confidence. And the world lauds the innate courage and persistence which marked the progress of the General's policy in Algeria.

United Bank Emerges Stronger

THE united Bank of India has always enjoyed the distinction of being one of the biggest banks in the country in its ranks, though its deposits have never been quite comparable to those of the others in the group. The measure of confidence which the Reserve Bank has in the United Bank will be found in its active sponsorship of the merger of two smaller banks with the United Bank last year. The Tejjpur Industrial Bank Ltd and the Cuttack Bank Ltd were merged with the United Bank under schemes of amalgamation prepared by the Reserve Bank of India and sanctioned by the Central Government under Section 15 of the Banking Companies Act.

The merger of these two banks with the United Bank makes it a little difficult to assess precisely the factors which contributed to the increase in deposits recorded during 1961 a year of all-round progress for the bank. With an increase of over rupees seven crores the total deposits of the United Bank now stand at Rs 58.87 crores. The increase has been mainly under Cash Certificates. Fixed Deposits and Savings Bank Deposits rather than in deposits under Current Accounts. This is in consonance with the pattern of growth in the banking system as a whole and reflects some degree of conversion of current deposits into either savings

or fixed deposits. Needless to say, the merged banks have also made some contribution to the strengthening of the deposits but they have also left a legacy; the merger will call for a consolidation of the business of the merged banks and this is a lime-consuming process. There is no doubt, however, that the United Bank has clearly emerged stronger as a result of the development? of the year and when it has gone through the process of consolidation, it will be in an even stronger position than it is today.

In line with the experience of other banks during 1961, the United

Letter to Editor

Branch Expansion and Efficiency

YOUR 'Weekly Note' of February 24 hailing the extensive branch expansion of the State Bank of India as something done "more than well" calls for comment. You give such a generous pat on the back of the State Bank, and yet fail to say anything about the unpleasant fact that the expansion was undertaken without any preparation whatsoever, thereby resulting in very rapid promotions and depletion of experience in established branches with fast increasing volumes of business and damaging the Bank's efficiency all round.

When, therefore, you point out in your editorial of March 3 that customer service has not MI far been seriously considered as something influencing the spread of banking habit, you understate the position very considerably. In the target-hunting pastime of opening more and yet more branches, customer service has been sacrificed. Indeed it has sharply deteriorated in recent years. Dissatisfied customers are even told, though verbally, that there is a serious shortage of trained officers and men in consequence of the expansion programme. Posts remain unfilled and there is a reluctance to sanction new posts needed as there are no trained men to fill them. The steep decline in efficiency must have acted as a serious damper to the spread of the banking habit, which was the aim of the expansion programme. The loss on this score may not be measurable in terms

of deposits not materialising, be it is undoubtedly there. Apart from the damage inflicted on old branches owing to dilution of experience, indifferent service in the brand new branches do not provide the kind of publicity needed to boost the banking habit!

Now the irony of the situation is that the brunt of this big expansion has fallen on the shoulder not of the top-Might administrator who failed to act in time, but a the junior supervisors who paid dearly today in vicarious expiation. With the exception of very few, these junior officers are obliged to work almost the whole of their waking hours and even then they seldom have the satisfaction of having done "full justice" to their work.

One only hopes, but does not feel very certain, that the measure now being taken belatedly to re-emit and train up officers and men for the second phase of expansion will not be handicapped by short-sighted and petty accountancy mentality, so that the mountain volume of banking work is in perpetually hedevilled by a chronic shortage of trained personnel to keep pace with requirement and all that it will mean to thousand of customers who would want to avail of the Bank's services.

SUDHA GAUTA

Calcutta,
March 20.