

face value, would certainly suggest that this gigantic organisation has progressed well under the stewardship of Shri P A Gopalakrishnan, and that the L I C has not lacked administrative ability and drive.

Having achieved new business of Rs 608 crores in 1961, the L I C may also appear to be well set on its way to the target of Rs 1,000 crores for 1965, the last year of the Third Plan. If the rate of increase is projected into the future the achievement of the target looks like a certainty. The retiring Chairman is "not unhopeful of reaching the target, but "with home difficulty". Does he suspect some slowing down in the rate of growth in the coming years?

There are two factors favouring the maintenance of the present rate of growth. First, the average sum assured per policy has shown a definite tendency to rise over the last few years. The number of new policies that have to be issued in order to achieve a given volume of business is thus tending to be smaller. This is likely to continue as incomes rise even though insurance is confined to the same class from which the bulk of the business has derived so far,

The other factor which favours a higher growth rate is the proportion of policies issued to those who had not taken out an insurance before. A certain proportion of policies is normally issued to newcomers, but that this proportion shows a significant rise may suggest a welcome spread in the insurance habit to "new classes of people. In view of the increase of income in the class canvassed so far and also the growth of members of this class, it is not possible to say yet to what extent the L I C has been breaking new ground. The growth potential, needless to say, in the sectors hitherto untapped or not tapped to any appreciable extent, must be relatively higher.

Breaking into Rural Sector?

IN this connection one naturally thinks of possibilities of introducing an expanding insurance in the rural sector. It will be recalled that one of the objectives — perhaps the only one which stood up against an criticism — in favour of nationali-

sation of insurance companies was the scope which nationalisation would create for a break-through into the rural areas. To what extent this has been achieved is not yet clear from the data provided by the L I C. True, one occasionally comes across some highly significant detail such as the success of the L I C agents in a village in Amravati district, where all the families have been persuaded to take out life insurance. We know only the name of the village, that it is Talni Puria and can also guess that it must be in the cotton-growing tract, for there is a mention in the circular issued by the L I C that this signal and outstanding achievement of the insurance agents was not accounted for, to any significant extent, by the prosperity of the cotton-growers, for the year in which all this business was underwritten. 1961, was actually a bad year for cotton. All the 81 families in this village have agreed to take out life insurance and 77 of the proposals were completed in ten days and only four were awaiting completion. The highest sum assured was Rs 20,000 which suggests that Talni Purna is not a poor village and the average sum assured per policy, viz Rs 2,730 confirms it. We have also been told that all the policies except five are on yearly payments which suggests the obvious, viz the families are agricultural and receive their money income in bulk at one time in the year when they sell their crop. But we have not been told anything; about the economic and social conditions of this village; so one would not know whether this burst of insurance consciousness could only be an exceptional phenomenon or whether it could spread to other villages also, given sustained and imaginative effort.

The organisational effort needed to push up business at the same rates as achieved in the last few years will undoubtedly be great. While the Corporation appears to have achieved a certain level of efficiency as a result of various measures implemented during the last four years the tasks ahead might call for efficiency of a different order of magnitude. In fact, they might need an organisational set-up basically different from that

which the Corporation now has. It is indeed encouraging that much thought is being devoted to these organisational problems. Shri B K Kaul, the new Chairman, certainly has a challenging task ahead of him.

Cooperative 'Supermarket' for Delhi

Our Delhi Correspondent writes :

ACCORDING to a survey made by the Indian Cooperative Union "there are about 170 co-operative stores registered in Delhi, most of which (nearly 100) are reported to be in a moribund state. The working of the active ones is also generally indifferent and ineffective". The survey also noted that co-operative stores "are poorly financed and are unable to provide reasonable credit facilities even to regular customers. In complete contrast, the private merchants invariably afford credit facilities". For the success of consumers' co-operatives, the study points out. "it is essential that the small co-operative stores are backed up by an efficient, well-stocked and adequately-financed wholesale service. Most of the co-operative stores at present do their buying individually from the private wholesale traders".

The ICU has proposed a wholesale co-operative service, called a "co-operative supermarket" as an important link between producers' and consumers' co-operatives. The ICU's scheme is at present under consideration by the Planning Commission. The 'supermarket' is proposed to be set up under the auspices of a body consisting of representatives of primary consumer stores and the ICU. The Cover ment will also be represented on its management. The "supermarket" will make bulk purchases directly from the producers and will make supplies on wholesale basis to the co-operative stores, providing them credit facilities. It will ensure adequate supplies of goods of quality at reasonable prices to the member stores and will assist them in training, management, publicity and also in other ways to improve efficiency.

Under the 'supermarket' will be a network of 50 consumer co-operative stores spread over urban and rural areas of Delhi. A 'model retail store' will also be set up under the direct control of the ICU. This store, says the ICU's memorandum