

# Weekly Notes

## Power Plant for Villages

WHEN the idea of setting up small gas plants operated on cow-dung was put up as a possible solution to the fuel problem in Indian villages, it looked very attractive indeed. First, because a fantastically high proportion—70 per cent was suggested as a firm figure—of the nation's energy comes from this single source, cow-dung, and it is also the best nutritive for the soil, most vital and freely available to the Indian peasant. If the cow-dung could be preserved for manuring agricultural land while fuel could be supplied to the villager, two birds could be killed with one stone. The main recommendation for the gas plant was that the cow-dung used for generating gas did not lose its property as manure in the process. The Kora Kendra in Borivli had been operating such a plant for a long time; it has been experimented with elsewhere, e g in the Ramakrishna Mission, Belur, and it had deeply impressed the Small Industries Team which had visited Japan some years ago and who had reported very favourably on its use in Japanese villages. But nothing much has been heard about this wonder gas plant in all these years. There were reports, however, that though the plant could be easily constructed and at a negligible cost, in the Community Projects where it had been tried out it did not work successfully because pipes tended to get choked. Apparently it did not get many sponsors and it does not seem to have been tried out on a wide scale. (*The Economic Weekly*,

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The General Electric Company of America has now taken up the problem of designing a small power plant for the villages in underdeveloped countries and set about it in a systematic way, bringing to bear upon it all its technical resources and engineering expertise. The plant will be small, compact and fool-proof, easy to operate and its maintenance will be no problem. It is in an experimental stage and still requires considerable development but if field tests carried out in underdeveloped countries in different parts of the world demonstrate its

usefulness and productivity, G E is prepared to take up the mass production of these small power units and supply them at a very low cost. The principle on which this power plant operates may be simply described as that of a refrigerator with a compressor component in the reverse. In a refrigerator, there is a hermetically sealed unit and power has to be fed into it to produce very low temperature. In the case of the small power units, heat has to be fed into the sealed units to generate electricity and heat can be from any source—solar energy, coal, wood-fuel, cow-dung, etc. It is an external combustion engine and its production on a mass scale is waiting to be taken up, pending the results of the field tests.

What prompted the G E to go in for something so different from its usual lines of production is partly the result of preliminary market evaluation of the progressively increasing volume of foreign aid flowing to the underdeveloped countries from the U S A and other countries. The rationale behind it is the realisation that large scale construction projects and modern organised industry cannot be a final solution of the economic problem of the underdeveloped countries suffering from heavy population pressure and over-crowding in agriculture.

In an excellent brochure on the subject "Some Proposed Engineering Projects for U S Technical Assistance Programmes" the G E has outlined the sort of solution it has in mind for the depressed, backward rural areas, in underdeveloped countries. A small power plant could supply lighting, operate various equipments for "educational aid, pump water for agricultural purposes, help to run a community health clinic, supply refrigeration for perishables and operate a communication system, with a transmitting and receiving, wireless set. Besides these, power could also be used for the distillation and filtration of water and run small workshops and industries,

## Cold War Angle

THIS makes a pretty picture indeed, but it is marred some-

what when in its enthusiasm describe all that a cheap power source could do to transform village life, the monograph goes on to cold war aspects of this, other innocent, proposition. The village security angle of these wondering midget power plants is as follows:

"A major security problem many of the less developed areas is that of developing an effective counter to guerrilla warfare, many instances, particularly Southern Viet Nam, this problem reduces to that of village security. It is at the village level where international economic aid programs have yet penetrated and it is at the peasant communities where Communist guerrilla forces are concentrating their forces. The lesson the West, as W W Rostow points out, is '... not merely a pro-military program of deterrence, but a program of village development, communications and indoctrination.' "

"Consistent with this observation is the recently announced US creation of a program in Viet Nam to establish a system of agro-villages and strategic villages. Agro-villages are self-contained communities with their own schools, hospitals and markets. Within walking distance of agro-village will be strategic villages—average population of 1,500—surrounded by wired fences and watch towers. It is also planned to distribute the thousands of radio transmitters and receivers to link the remotest village

Thus is the resuscitation of the village, be it in Asia, Africa or Latin America—ground between upper and lower millstones of market and security aspects of the program!

## L I C's Business Brisk

OVER the last three years, the Life Insurance Corporation has shown a sustained increase in the volume of new business completed. In fact, the rate of increase of new business has been stepped up from 15.9 per cent in 1960 to 22.3 per cent in 1961. This smooth and commendable progress, taken at i

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 Government 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