

collect more jowar than they actually have can be explained only in terms of the procurement price. This price was fixed at Rs 43 to 45 per quintal, which was considered reasonable in view of the fact that the prevailing prices in the producers' markets at harvest time in the previous season were about Rs 30 per quintal. Farmers, therefore, should have found the procurement price attractive enough to have sold their surpluses to the co-operatives. And yet they didn't. Evidently, whatever the price at which the smaller farmers had been forced to sell their produce last year, the bigger farmers with the bulk of the marketable surplus expect a price higher than Rs 45 per quintal.

Here is the significance of Maharashtra's experience for Subramaniam. The procurement price fixed by Maharashtra is higher than the all-India support price for jowar of about Rs 38 per quintal announced by the Food Ministry some time back on the advice of the Agricultural Prices Commission. With arrangements for buying grain from farmers which other States, and certainly the Food Corporation, "will find difficult to better or even match, Maharashtra's experience indicates that at the price announced by the Food Ministry very little grain is likely to pass into the Government's hands anywhere. Along with the price of jowar, the Ministry had also announced prices for paddy, bajra and maize. It is not unlikely that the farmer's idea of a reasonable price for these foodgrains as well may vary from that of the Food Ministry and the Agricultural Prices Commission.

### Action against Capitation Fees

THE meeting of the Indian Medical Council at Bangalore last week has focussed attention on some of the crucial problems of medical education in this country. While the reports in the Press have highlighted the Council's concern at and opposition to the increase in the number of medical colleges, the Council was actually preoccupied with the problem of ensuring a satisfactory qualitative standard in medical education. To this end it suggested an amendment to the Indian Medical Council Act which would make it obligatory for new medical colleges to get the approval of the Council in regard to staff, equipment, accommodation, laboratory and library, before admitting students. Also, the Council warned the Universities of Mysore and Nagpur that if they did not set right certain irregularities in admitting

students to their MBBS courses, the recognition given to their examinations would be withdrawn.

The proposed amendment and the warning are placed in their proper perspective by the reports that at least the warning to the University of Mysore is a sequel to the Council's apparently ineffective protests against the levy of capitation fees in medical colleges in that State, a subject commented on in these columns in the issue of May 15, 1965. A new medical college in Davangere, Mysore, organised by a certain "Bapuji's Association" (the word 'Bapuji' apparently refers to Gandhiji) formed by leading members of the Lingayat community in-the town, has filled in all its 100 seats by charging capitation fees ranging from Rs 7,000 to Rs 11,000 (the figures are thus actually higher than those mentioned in our earlier comment!). A majority of the students have come from States other than Mysore and it has been alleged that considerations of academic merit were thrown to the winds.

The Union Health Minister has reportedly opposed this venture and the Indian Medical Council has refused to recognise the college. But the promoters of the college have the staunch support of most of the State's top Congress leaders and the State Chief Minister is reported to have himself personally encouraged them. According to some reports, the purse to be presented to the Chief Minister on his 63rd birthday will be gifted to the college which, in turn, will be named after him. The University of Mysore is too weak to resist the political pressures and has apparently agreed to recognise the college in spite of the opposition of the Union Health Ministry and the Indian Medical Council.

It is thus evident that only the intervention of the University Grants Commission and the Union Government will succeed in persuading the University of Mysore to regularise medical education in areas under its jurisdiction. In the ultimate analysis, the way to root out the shameful practice of levying capitation fees is to rid education of opportunist entrepreneurs and politicians. Simultaneously the appropriate professional bodies need to be given a greater role. Against this background, the suggested amendment to the Indian Medical Council Act deserves wide public support as well as emulation in other branches of education.

### Insurance Kick-back

THE pace of growth of general insurance is none too satisfactory. Adjusted for changes in wholesale

prices and premium rates, the growth rate has been steadily declining since 1959, according to data released by the Controller of Insurance. Added to this is the exchange drain on account of the operations of non-Indian insurers, re-insurance abroad and the losses of Indian insurers on their business outside India. The drain came to Rs 175 lakhs in 1963. How this drain could be reduced and eliminated is being looked into by India Reinsurance and Indian Guarantee, the two specialised re-insurers. The magnitude of loss sustained by Indian insurers on their direct business of Rs 17 crores written overseas is surprisingly large, especially under that all-embracing head 'Miscellaneous'. If these losses are to be sustained year after year (formerly they took place mainly under Fire), the situation becomes serious indeed.

The total gross premium income of Indian and non-Indian insurers in India amounted to Rs 38 crores and Rs 10 crores, respectively, in 1963, making a total of Rs 48 crores. By convention, that is, in terms of common business practice, about 15 per cent of this amount is given by way of commission to so-called agents who are, in practice, the nominees of clients seeking Insurance cover. These nominees do not generally procure business, rather the other way about. The 15 per cent cut, amounting in absolute terms to Rs 6 crores, is a concealed (though legal) rebate which goes to sweeten the lives of those who control the offering of business. Even LIC and its subsidiaries observe this unwritten but universal rule. Under-the-counter rebates and commission are, of course, extra. A common device now being used by leading insurance companies is to make underwriting of capital issues and granting of loans or guarantees of loans conditional upon the placement of the clients' entire insurance business with them. All these are clearly practices in restraint of trade, but who is bothered?

Complaints of cut-throat competition and fears of LIC spoiling the market have become less frequent and much less noisy of late. A large number of weak units have been eliminated which probably accounts for the restoration of normal blood pressure. For the time being, LIC is adhering to the standard rates though it is not bound by them and the other companies in their turn are careful not to annoy Big Brother. In fact, one hears some company chairmen welcoming the measures which LIC is taking to improve the tone of the insurance market. Times do change!

### Extending Deposit Insurance

URBAN co-operative credit banks have shown considerable progress during the last few years after a long period of stagnation. According to the Reserve Bank these banks had built up deposits of Rs 66 crores with capital reserves of Rs 21 crores by June 1962. About 67 per cent of the deposits of urban co-operative banks were received from non-members. That they could attract deposits from non-members to this extent is certainly a tribute to their strength and vitality.

Competition from the commercial banks is, however, getting more and more acute. In their drive for branch expansion, commercial banks have been penetrating deeper into residential areas of cities which were till recently regarded as the domain of the urban co-operative banks. With the expansion of education and employment among women, there has been a considerable increase in the number of women depositors. Deposits may now be tapped not only in the areas where income originates, in the industrial and commercial centres, but also in areas where the income is spent, in the residential areas.

Branches of commercial banks carry the prestige of their names and their more impressive capital structure. This may wean non-member depositors away from urban co-operative banks. An additional factor in favour of the commercial banks is that the coverage offered by the Deposit Insurance Corporation is now restricted to their deposits. Depositors of urban co-operative banks are not protected by deposit insurance. On both these counts urban banks suffer a serious handicap.

The proposal has been mooted, therefore, that insurance coverage should be extended to depositors of urban co-operative banks. This will involve inspection of these banks by the Reserve Bank since, to quote from a recent speech by the Governor of the Reserve Bank, "eventualities like liquidation and amalgamation of any bank covered by the scheme of the Deposit Insurance Corporation will entail liability on the Corporation and the latter depends on the Reserve Bank to safeguard its interest in such eventualities". In this connection the Governor sought to allay the apprehension of the co-operative banks that they would be subject to the dual control of the Registrar of Co-operatives and the Reserve Bank. He held out the assurance that co-ordination would be achieved between the two agencies in regard to inspection.

The Reserve Bank's periodical inspection

of banks gives depositors a sort of assurance that the security of their funds has the attention of the monetary authorities. The extension of deposit insurance to the urban co-operative banks will thus not only guarantee depositors safety of deposits upto Rs 1,500, it will also assure the larger depositors that their interests are being looked after.

### State Bank's Ten Years

THE State Bank has reason to be pleased with its performance over what it describes as "a decade of service". The bare facts are impressive enough. On July 1, 1955 the bank had only 477 offices; today it has 1206. Along with its subsidiaries it now accounts for 30 per cent of all bank offices in the country. This tremendous branch expansion has opened up many new areas to banking. The SBI's experience in its new branches, especially those in unbanked centres, has been revealing; it has proved that there is enough banking business in these areas which can be tapped.

The SBI's task is not just that of opening new offices — it has to serve as a banking overhead. The fact that there is a branch of the State Bank at an outlying centre means also the existence of remittance, safe custody and banking facilities for other banks. It would be interesting to know how many banks have followed the SBI to the less banked centres.

The vast organisational changes that the branch expansion programme has entailed, the large increase in staff and the decentralisation of central control through opening more local offices have all been undertaken at a time when the bank's business has been expanding very rapidly. Some years ago the Bank was a favourite target of criticism for being the recipient of PL 480 funds, but now most of these funds have been transferred (Chairman Dehejia has mentioned that only Rs 21 crores of PL 480 funds are still with the bank.) The transfer of these funds notwithstanding, the State Bank's present deposit level shows a striking increase over the decade as does the level of its advances. In fact with PL 480 funds out of its system the bank has reverted to its commercial character with a high advances-deposits ratio. (The experience of the last busy season is only added confirmation of this.) Alongside its usual business, the bank has stepped up its advances to small industries and co-operatives and these are forming an

increasingly sizeable part of its total business.

All in all, the SBI would be justified in taking pride in its performance. It has had a distinguished line of Chairmen. The terms of John Matthai and H V R Iengar were taken up with problems of transition; and P C Bhat-tacharyya's period saw the bank being launched on its expanding developmental role. One cannot also fail to mention the transformation of the bank in the next three years when B Venkalappiah was at its helm. This was the period when the vast internal organisational changes were carried out without disruption of the bank's normal business and its expanding developmental role.

### Census Publications

THE extraordinarily wide and ambitious nature of the 1961 Census of India is clearly evident in the "Guide to the 1961 Census Publication Programme", published by the Office of the Registrar-General. Besides a census of population, the 1961 Census programme included a census of housing and industrial establishments, of land holdings, land rights and household industry, and of scientific and technical personnel in the country. In addition, the various States and Union Territories were encouraged to undertake special surveys of a total of 580 villages, 166 handicrafts, and fairs and festivals. Several other special studies have also been planned and the scope of the tabulation programme is unusually broad.

Thanks to this extensive programme, the total number of Census publications is estimated at 1,476, of which 86 will relate to all India. Since these figures may frighten prospective users of census data, it may be mentioned that a total of 746 publications will pertain to special surveys, 48 reports not for sale will refer to administrative matters and 369 will be district census handbooks which will bring together the census data as well as the available non-census statistics for each district in a single volume. Of the remaining 313 publications, 170 volumes will contain the Census tables for States and Union Territories or the country as a whole and 22 will contain an atlas presenting the highlights of the census data in attractive maps and illustrations.

The unique nature of this programme has won encomiums for its highly competent and imaginative architect, the Registrar-General and

ex-officio Census Commissioner, who is now additional secretary in the Planning Commission. But there has been increasing concern at the slow pace of publication of Census data. Nearly four years after the 1961 Census was taken, i.e. at the end of 1964, only 222 of the 1,474 Census publications were "likely to be published" and the actual achievement was inevitably short of this estimate. Admittedly, India has a large population and the compilation of the Census tables is done through hand-sorting and, not infrequently, hand-operated calculators. Also, the data on the size of the population, by sex, literacy, work status and the industrial category of workers in rural and urban areas of every district were published some time near the middle of 1962. It also needs to be said that the Registrar-General has always adopted an enlightened approach towards scholars interested in using the Census data for analysis and research. Yet not all

interested students would care or dare to approach the "high authorities" in Delhi. So dissatisfaction with the delay in publication becomes inevitable.

In fact, however, the Census authorities are not entirely responsible for the delay. Very often, the suitable printing presses are not available to take up the onerous task of printing a mass of numbers. But there is reason to think that the vast scope of the Census programme has led at least some State officers to take a distorted view of the priorities in publication. Village surveys have sometimes received preference over the main Census data. And it is time to take a hard look at the practice of writing an official report on the Census data for each State or Union Territory, a task for which administrative officers are not always fitted. We should probably switch over to the pattern in USA where the Census Bureau is mainly a collector and publisher of data and undertakes, by and

large, only evaluative studies. While the 1971 Census of India will inevitably use more of sampling procedures and mechanical aids in tabulation of the data, a proper phasing of all the operations and a stricter enforcement of priorities will be most essential.

Finally, a word about the distribution of Census publications. The Manager of Publications in Delhi has proved to be not up to the task of ensuring easy availability of Census reports at least in the major cities. At the moment there are delays of a minimum of about four to six months between the formal publication of Census reports and their availability in libraries which have placed standing orders. Purchase orders with agents of Government publications in a city like Bombay remain unexecuted for more than four months. It is time something is done to streamline the machinery for distributing Census reports as well as other official publications.

#### CAPITAL VIEW

## Shastri's Doubtful Triumphs

Romesh Thapar

FOR some days now we have been offered in the press a peppery diet of Lal Bahadur's triumphs in Canada and London. Our correspondents have been vying, one with the other, to convince us that the king-pin at the Commonwealth Conference was 'the firm, determined, difinified' Prime Minister of India. Now endless columns of vague, interpretative reporting from abandoned Algiers seeks to make out that we have scored 'a decisive victory' against China, Pakistan and Indonesia — although on this occasion the credit is given to the bureaucrats in the absence of Lal Bahadur and Swaran Singh. I do not quite know who is being confused by the victory bells being rung by Indian correspondents in London and Algiers, but the whole performance is apt to cause political constipation at home.

We need to remind ourselves of a few of the facts which stand out rather sharply in the flood of self-congratulatory words and equations which crowd the columns of our newspapers. Abroad, there is a great deal of questioning about the precise attitude which India has on events in Viet Nam. Lal Bahadur's ambivalence on the immediate issue of U S bombings (alternating between the demand for an immediate stoppage and the call for a 'pause'), his hesitation in returning to the principles enunciated at the

1954 Geneva Conference (principles which, when applied, compromise the U S presence in South Viet Nam) and his involvement, however peripheral, in the moves initiated in London by Prime Minister Wilson (himself an open supporter of U S policy in Viet Nam) has made India appear as if she is frightened to cause offence to anyone. A most unfortunate impression!

Then again, on the holding of the Algiers conference, bad staff work and lack of co-ordination between the Foreign Minister and his Secretary have sparked the story that India was only too willing to 'sabotage' the conference. And, now, even the credit for the postponement is claimed by those who were denouncing India's sabotage. We did not have to stick our fingers into this mess as we did. Sometimes it is better to mobilise others for the dirty work. Whatever persuaded our bureaucrats to become so active? A holiday abroad?

Indeed, already there is talk that the build-up we have been giving ourselves may well represent an attempt to provide an antidote for what is to follow — the implementation of the British-sponsored formula on the Rann of Kutch, the formula which it is presumed will open the way for a peaceful demarcation of a border which Pakistan has challenged, Delhi, it is said, expects sharp criticism about a so-

called 'betrayal' and is attempting to muffle it with stories of Lal Bahadur's triumphs in the West.

Certainly, there are advantages which a military dictatorship has over a democratic state where it is difficult to doctor embarrassing news. For example, Pakistan expended a great deal of energy publicising her 'victory' in the Rann of Kutch. But when a similar attack in the Kargil area in Kashmir was thrown back and two strategic pickets were seized by the Indian army on the Pakistan side of the cease-fire line, there was silence. The local commander had proved an important point: a military dictator, ship is fearful of accepting a military defeat. The punishment administered at Kargil to the Pakistani army has had a sobering effect on Rawalpindi. It could have been administered in Kutch, too. Do our political and military big-wigs appreciate this?

If, as we are told, Ayub of Pakistan is now genuinely concerned about a final solution of border disputes, and is at the same time prepared to treat the Kashmir issue separately, there is no reason why we should not respond warmly. We do not need Harold Wilson to hold our hands. There would be overwhelming support in both countries for an initiative which would de-activise the disputed sectors of our borders as a first step to their exact