The New Village— I

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During the last few years attention has begun to be directed towards differential progress in agriculture in different parts of the country. It is becoming increasingly clear that while in sonic areas agriculture has begun to display considerable dynamism, its progress in other areas is still very slow. Identification of the factors — physical, economic and social — which contribute to these differences in progress is important [or understanding the dynamics of agricultural progress.

Case studies of villages of especially rapid or slow progress is a fruitful method of identifying these: factors because the sharp contrasts between the two situations bring out these factors prominently. Moreover the case study method by describing change in different aspects of the economy and social life of the selected village makes it possible to bring out the inter-relationship between these.

This study of a village m Central Punjab, an area which has experienced rapid technological change in agriculture and economic progress, has been undertaken with these objects in view.

It describes the various changes in agriculture experienced by the village, the inter-action between these, the shape of the agricultural enterprise and of the village after the improved practices advocated by extension workers have been largely adopted and, finally, the problems which agricultural progress and relative prosperity created.

Although the study is focussed on change in agriculture, progress in other directions — health, education, transport and communications and levels of living - has also been described,

A major conclusion emerging from the study is that change in agriculture is part of a larger process of social and economic change, as a result of which the complexion of the village and the character of village life are changing rapidly and a new village is emerging. Hence the main heading.

It is hoped that this study will be followed by case studies of slow progress in agriculture in north India and studies of both slow and rapid progress in other parts of the country so that the dynamics of agricultural progress are more adequately understood.

[This study will be completed in three other instalments to appear consecutively which will deal with "technological change in agriculture"', "the impact of change" and "factors behind technological change".

The views expressed are the author's and he alone is responsible for them.]

THIS study is based on a three-weeks' stay in 1963 in vill-ge Jitpur[1] of Ludhiana district of Central Punjab. This is a comparatively large, multi-caste, village with a population of about 1850. A village of this size was selected in order to observe the effects of change in agriculture and of economic progress on cultivators as well as non-cultivators and especially to see how far the latter had contributed to these changes and had benefited from them.

A major part of the study consisted of discussions with individuals and groups of cultivators about agricultural techniques and seeing the improved practices and devices at work. Several group discussions, in which anybody from the village could participate were held. In addition individual interviews were held with the Sarpanch of the village panchayat, the Chairman and the Secretary of the service co-operative, the Manager of the seed and fertiliser depot, the Village Level Worker, the Patwari, a few progressive farmers (on their farms), some Harijan leaders, one of the two fabricators of agricultural implements, and one young man who does electrical installation work in the village.

Data on demographic characteristics land-holdings and economic activity were collected for all households in the village through a household census. More detailed data on agricultural operations of medium-sized cultivators (those having holdings between 8 and 14 acres) and on employment and earnings of the Harijans were collected on a sample basis. Ten families of medium-sized cultivators and ten of Harijans were included in the sample. The object of the survey of the cultivators was to obtain a closer acquaintance with their farm operations and to obtain an approximate idea of their levels of production *and* income. It was also useful in seeing how far improvements like use of chemical fertilizers for which data on consumption for the block and the village were given by the block staff, were being followed by these cultivators. The sample survey of the Harijans was intended to obtain a more precise idea of their level of income.

Besides work in this village, several p*er* villages in the Block were visit-[1] in order to see other noteworthy developments. One of these village.-. had a successful co-operative milk producers' society supplying milk to the Government dairy at the State capital. Another had a number *of* progressive farmers settled in a garden colony which is one of several such colonies established in the Punjab in the post Partition years. Detailed discussions about agricultural progress and extension activities were held with the Block Development Officer and other members of the Block extension staff, and later with the Pilot Project Officer of the Package Programme, and a few specialists at the Punjab Agricultural University, Ludhiana. I am indebted to all these people, and especially to the B D O and his staff who had to spend considerable time with me, for their assistance in this study.

THE AREA AND THE PERIOD

Ludhiana is one of the more progressive agricultural districts of Punjab. Since 1960, it has been selected for the Intensive Agricultural Development (Package) Programme of the Ministry of Food and Agriculture. Accordingly, the intensity of agricultural extension effort in it is greater and the resources being made available for agricultural development are much larger than in an average district of the State. However, this more intensive effort began only in 1961; the district had not received ' any special attention earlier. The changes described in this study are the results mainly of developments which had taken place before inception of *the*

Package Programme, and, as the discussion brings out, are related to the social and economic changes which have occurred ail over Central Punjab in the post-Partition years and to development activities undertaken in all parts of the State. But it is weil to keep in view the fact that the very selection of Ludhiana as the Package Programme district indicates a relatively high standard of agricultural development and a potential for attaining rapid increases in agricultural production as a resell of the programme.

Secondly, Ludhiana and a number of smaller towns of Central Punjab have seen rapid growth of small scale industry in recent years. The centre of this development is the town of Ludhiana itself, in which there has been a phenomenal growth of machine tool and light engineering industries. Lately, this development has overflowed to the larger villages, especially those which have certain advantages like location along the Delhi Amritsar (Grand Trunk) road. This growth of small-scale industries has important effects on the rural economy and agricultural techniques, which are discussed below. Moreover, the agricultural changes described in mis study and growth of small scale industry in towns are both part of a larger process of socio-economic change. However, for the purposes of this .study I look care not to select an industrial village. Such villages are still few in number and selection of one of these would nave interfered with analysis of agricultural change which is me main tneme of this study. The influence of industrial growth described in this study is the regional effect which has been felt by ah villages in this area.

The selected village is well served with road transport, has electricity and has attained a high level of agricultural productivity. But, it is not exceptional in any of these respect;; in this area. The majority of the villages in this C D block are which two miles of an allweather motorable road and the motor transport facilities available to them *are* almost as good as those available to this village. Electric supply has been extended to 88 out of 107 villages of the block. As regards agricultural productivity, the average yields of crops reported for this village arc comparable to yields reported for the block. Similarly, in the level of fertiliser *use,* which is a good index of acceptance of agricultural improvements, the village is not exceptional. The average figure of 34.0 kg of chemical fertilizers used per acre under crops reported for this village, has been attained or exceeded by a number of other villages in this block and by several blocks in this district.

II

The Village and the People

THE VILLAGE

Jitpur is a medium-sized, multi-caste village, having 299 households and a population *of* about 1,850. It is located at a distance of two miles from a small tehsil and block headquarters town, which itself has a population oi" only about 6,000 and is not much more than a large village. Jitpur is situated on an all-weather moiorable road which links it with this town on *one* side, and with a market town (population about 25,000) on me other. There is a regular bus service with 12 buses plying each way on this road. In addition, four three wheeler Tempos are plying continuously. As a result, a motor transport vehicle is available on this road every ten minutes throughout the day. The village is not suburban in character ; Ludhiana, the nearest iarge city (population over 5 lakhs) is about 25 miles from it. But these details about frequency of road transport nave been given in order to indicate now quickly and easily trie villager can move out of the village. This fact was brought home to me during the first visit to the village. When I reached the village, 1 was told that a prominent village leader whom I had expected to meet, had led for tne State capital mat very morning. 1 was disappointed at the prospect ox not being able LO see him. But before 1 left the village four hours later, the man had returned. The entire trip to the State capital, located a bo at 40 miles away, including his making certain enquiries about his vork in the capital had taken just six nours. This rapidity of travel by road, in which this village or the villages of this block are by no means exceptional, is a very powerful factor in the travel of new ideas to the village and in lessening of the distance in time, in ways of thinking and in levels of living between the people of the villages and those of the towns, which on turn is an important factor in technological progress in me villages.

Another first impression may be recorded also, in order to give a perspective of the technological level to which the village has access now. The village has two shops of fabricators of agricultural implements. These are owned by two extended families of Ramgarhiya Lobars (smiths), resident of the village. One of these shops is on the approved list of fabricators of agricultural implements for the State Department of Agriculture. It manufactures *rahats* 'iron Persian wheels), iron ploughs, buckets, steel trunks and similar articles of sheet steel, besides doing repair work. This shop with its electric motors, a power press, lathes and other power-driven machines is comparable in equipment and technical skill of its workmen to any small manufacturing unit, in the neighbouring tehsil town or even in Ludhiana. Several young men from Lobar families of Jitpur are working in Ludhiana as skilled workers in small engineering units and the men working in tiie village have .hayed behind, not because they are inferior in skill or capacity to work to those who have gone out, but only because they feel thai they can make as much or more money by running the family shops in the village. These men understand machines — electric motors, tractors, trucks, flour mills, almost any machine that is likely to be used in the viliage— and their presence in the village is a major factor in technological progress. It means that if an electric motor or other power driven agricultural implement like a chaff cutter or sugarcane press goes Dirt *of* oilier, it will be repaired quickly and efficiently, and if the repair cannot be done locally or a part needs to be replaced, the cultivator will be suitably advised to get this done from the block headquarters town or Ludhiana. He need not be afraid of being ic:Y helpless in case of a breakdown or of long expensive delays or heavy repair costs. It means furl her that the cultivator or his young son has a nigh standard of technical competence to look up to. The fact that this standard already exists in the village gives an impetus to him and to his young son to handle machines and to correct small defects himself. During subsequent discussions in the village, many cultivators explained thai they seldom have any problem with their electric motors; that they could correct small defects themselves and went to the tehsil town only in case of a major trouble like a burnt armature. One elderly cultivator went so far as to say that the longer they worked their motors the fewer breakdowns these had.

This level of competence in handling machines is in striking contrast to that found in an average village in parts of the country, where the village smith or carpenter confines himself to making and repairing the traditional agricultural implements and is either incapable of, or does not care to handle, even such non-power-driven improved implements as iron ploughs or sugarcane crushers.'-'

THE PEOPLE

The distribution of households by caste is given in Table 1. Detailed data on land ownership, cultivation and other economic activities, disiri bution of population by age ,md sex, lite*racy* and standard of education are given, caste-wise, in the Appendix Table.

The Bazigars arc not: perrnaiKni residents of the village. They live in semi-permanent huts in one corner of (he village and are dependent maii'y upon casual agricultural or non-agricultural labour. They also rear buffaloes or cattle for sale of milk or animals. They are a semi-nomadic people who stay at the outskirts of large villages and small towns for months at a time. In recent years, they have been trying to settle down as cultivators or cutivators-cum-labourers and are being assisted in this process by the Slate Government with allotment of land for cultivation and with financial assistance.

There are sharp differences in lund-ownership and occupation among the different castes as will be seen from Table 2. The Jats are *the* principal land-owner-cultivators: they own and cultivate practically all the land of the village. Among the other castes, Mahajans, Mistris and 'other artisans' are essentially non- cultivators. The Harijans have agricultural labour as an important source of income; but they have no rights in land. Of the 104 land-owning families in the village, 96 are of Jats, and of the 82 fanilies of cultivators, 76 are of Juts. These cultivate 96 per cent of the land of the village. The concentration of land-ownership and cultivation in the hands of a single caste could hardly be greater.

Further, as the data of the Appendix Table bring out, the participation of Jats in non-agricultural occupations is relatively small. A number of Jats have gone our of the village in the Army and elsewhere; but among those living in the village, more than 90 per cent are engaged in cultivation.

Mistris, Mahajans and the older artisans' depend upon occupations other than cultivation. In the case of Mistris, the principal occupations are those of mason, carpenter and muln. the latter including skilled work in machine shops in the village and outside. OUT of 56 workers living in (he village, as many as 43 are classified as engaged in skilled work. Fourteen of these masons, 12 are carpenters, and 11 arc smiths. The principal occupations of Mahajans are petty snonkeeping and white collar services. Four families take up cultivation of tneir small holdings. Agricultural *and* non-agricultural labour is also reported by a few persons, obviously those who are uneducated or are too poor to do anything else. A number of persons among the Mahajans are not doing any work. These are old people, who ue-.-end upon ineir pensions and/or remittances from sons in service outside the village.

The 'oilier artisans' follow their traditional occupations, Supplementing earnings from these by labour, agricultural and non agricultural. Their numbers are sufficiently small (I to 3 nousehoids each) to enable them to make a meagre living in this way.

The Harijans are the big landless-group. A new amilre have their traditional occupations scavenging for six families of Balmikis, weaving ,or six families of Juiahas -- as important sources of income. But the great majority (75 families), who are called Ramdasias or Ravidasias depend almost exclusively upon agricultural and/or non-agricultural labour. These people gave up their traditional Chamar's work i e fling or careas - ses *of dead* cattle and making of leather goods, about 40 years ago. But even wncn they practised it. it contributed only a small proportion of their incomes, and their main reliance was on labour- Out of 110 Hunjan workers living in the village, as many as 91 were reported to be engaged in egriculuirai and/or non agricultural laboar. Fifteen among these are *sanjhers* (attached agricultural labourers) working for cultivators for an annual payment, given in most cases as a share of produce: 13 are non-agrkul-Krai labourers. while thhe remainder take up casual agricultural or *no))*-agricultural work as one or the other becomes available.

Since the *sanjhees* get a share of the produce. it may be thought that they are share croppers and not. labourers. The impression is strengthened by the -act thai some *sanjhees* besides contributing labour, pay proportionate share *of* the land revenue and Cost of seed, fertilizer. etc. The annual contract (usually verbal) between the cultivator and the *swijhre* specifies the items to be contributed by the latter *and* the crops of which he is to receive a share. (Usually the *sutijhee* gets a snare of the grain and cash crops: but is not given any .share in fodders or by-products like chaff , cotton sticks, etc.) But the cultivators were emphatic in maintaining that the *sanjhees* were agricultural labourers.

Table 1 : Distribution of Households by Caste

Caste	No of Households	Population
(1) Jat	105	780
(2) Ramgarhiya Mistri (smith, mason, carpenter)	37	205
(3) Mahajan* (Brahmin, Khatri and Arora)	46	289
(4) Harijan (Ramdasia, Balmiki, Julaha)	87	517
(5) Other artisans: Darzi (tailor), Kumhar (potter); Nai (barber); Jhiur (water-carrier); Teli (oil-presser); Gujar (grazier)	15	92
(6) Bazigar	9	48
Total	299	1831

The term Mahajan is used by the villagers for all these three castas of traders-cum-white collar workers. It has been retained *here* for the sake of convenience even though 1 realise that quite different castes, like Brahmin and Khatri are included in the group. The number of households by individual caste is as follows : Brahmin, 27; Khatri, 17; Arora 2.

that they had no part in decision making, in cultivation and that giving them a share of the produce was only another method of paying for their labour. The Harijans themselves did not contest these claims nor did they make any reference to their having had rights in land at any time in the past.

The remarkable adherence of castes to their traditional occupations and roles in the village may be noted. Ownership and cultivation of land is concentrated in the hands of the Jars. The only other participants in cultivation are Harijans; but their role is confined entirely to furnishing labour. The Mahajans and the Mistris, the two other major castes of the village, have confined themselves to their traditional roles of traders-eum-white collar workers and skilled artisans respectively. This adherence to traditional occupations and roles is in striking contrast to the technological and economic progress which the village has made in recent years. It shows that economic progress need not involve basic changes from the traditional roles and patterns of economic activity of the different castes. On the other hand, as the following discussion will bring out, this very adherence, *voluntary or forced,* has provided a major incentive to economic and social progress. The fact that castes like the Mahajans and the Mistris did not have an opportunity for participation in land-ownership and cultivation within the village, meant that as population increased and aspirations rose with spread of education and increasing contacts with the outside world, these castes sought an escape from the limitation of local economic opportunity in emigration. Each caste chose the occupation(s), for which it was best suited because of its traditional occupation and role in the village. Among the Jat cultivators also, young men from families with small holdings sought an escape from declining incomes at home in emigration. As a result, the area acquired an active tradition of emigration which has been a major influence in economic and social progress. The alternate response of traditionally non-cultivating castes participating in land-ownership and cultivation with varying degrees of combination between cultivation and the traditional occupation of the caste, which is found in villages in many parts of the country, was not made here. Both the social situation and the laws were responsible for this. The land-owning cultivating Jats were too powerful and too deeply attached to the land to allow non-cultivators to acquire rights in it. Secondly, acquisition of land by non-cultivators was prohibited under the well-known Punjab Land Alienation Act of 1901.

EMIGRANTS

The figures of Appendix Table include data on those emigrants from the village who are unmarried and those who are married but keep their families in the village. These persons have been included for two reasons. Firstly, since emigration is an important factor in technological and social change in the village, some data on numbers who have gone out of the village are of interest for this study. Secondly, people of these two categories, even though living outside the village are part of the social, and to an extent the economic, situation of the village. The men with families living in the village send remittances and themselves visit the village as frequently as possible. Most of those from cultivating families continue their interest in land. The unmarried ones have equally strong links and interests. Their parents, uncles and other relations in the village are the only family they have. They look to them for assistance in getting married and in setting up their own homes in future. These two categories of emigrants are best thought of as constituents of village families, who are living outside it. Many of them will come back; others will remain 'men of the village', until they establish themselves sufficiently to take their wives and children with them.

The emigrants included in this Table total 89. Most of them are Jats, Mahajans and Mistris; the number of Harijans and other artisans is very small. Emigration from this village (and this area generally) has been mainly from castes which are socially and economically the most advanced, and the least from groups like the Harijans which were poor and depressed. The largest number of emigrants (42) are in the Army. More than half of these (23) are Jats; the remainder being Mahajans (10) and Harijans (7). The other occupations of the emigrants are skilled work (22), and white collar services and vaofessions (32). The Mahajans are either in white collar services and professions or in military service. The Mistris are mostly skilled workers though a few are in white collar services and professions also. They are conspicuous by their absence from the Army. The eleven Jats listed under skilled work are mostly drivers of buses and rrucks. They are about the only people in the village who take up this form of skilled work: the Mistris avoid it. This was explained by the villagers with the remark that the Jats alone have the physical strength and stamina required for this exhausting work.

The area has a long tradition of military service. The Jats and, to a lesser extent, the Brahmins were the first to join such service. The first recruits to the British Indian Army went in the last quarter of the 19th Century and there are many men in the village today, who have served in the first or the second World War. On the other hand the recruitment of Harijans to the Army is a very recent phenomenon. Six of the *7* young u en reported as being in military service, joined the service only after the declaration of the Emergency.

Migration to take up white cellar services and professions and skilled work also began several decades ago. The Mahajans were prominent in the former and the Mistris in the latter. Masons of this village have been going out for work on public works and private house construction for several decades. Before the Partition, they used to go for work on the Canals in West Punjab, and to towns like

Table 2 : Land Ownership and Cultivation

(in acres)

	Land Ownership		Cultivation	
	Families	Area Owned	Families	Area Owned
(1) Jats	96	1,033.0	76	1,065.0
(2) Mistris	3	11.5	2	9.5
(3) Mahajans	4	28.5	4	28.5
(4) Harijans	1	6.0*	0	0
Total	*104*	*1,079.0*	*82*	*1,103.0*

* Just allotted in a neighbouring village; cultivation not begun.

Lahore, Lyallpur and Rawalpindi. This tradition continues and several of them are now working in Delhi and towns of the Punjab.

This tradition of emigration has had very important economic and social consequences some of which are related to the main theme of this study. Emigration with its inflow of money, and new ideas especially from persons who came back to live in the village, brought rise in economic level of the families of the emigrants and rising aspirations and widening mental horizons for the whole village. The village people saw that there was oppor;unity outside, and that it was possible to avail of it instead of enduring a low and declining income at home. In *case* of cultivators, emigration meant also that the process of sub-division and fragmentation of holdings Mas less rapid than it would have been otherwise. The relatively comfortable size of holdings, which we note below as a major reason for successful technological change, is the result partly of emigration.

Two aspects of emigration which deserve special mention are going to canal colonies of West Punjab and to foreign countries. The canal colonies were a major avenue of emigration for cultivators of this area in the early years of this century, and the area is now full of cultivators who have come back to their ancestral villages after the partition of the Punjab. This return migration has, as explained in Section VI, been a significant factor in agricultural progress. But this particular village did not participate in migration to canal colonies. The explanation given for this was interesting. It was explained that the then Zaildar[4] of the village when asked by Government whether he or any person from his village, would like to take land in the canal colonies, had refused

Appendix Table

Selected Economic Data for Households, Caste-Wise

		Jats	Ramgarhia Mistris	Mahajans	Harijans	Other Articastes	Bajigar	Total
Number of households		105	37	46	87	15	9	299
Population:	Male	472	110	154	281	57	25	1099
	Female	308	95	135	236	32	23	832
	Total	780	205	289	517	92	48	1931
Population: above 15 years	Male	271	74	94	134	37	12	622
	Female	170	56	77	108	19	9	439
	Total	441	130	171	242	56	21	1061
Number of literate persons above 15 years	Male	68	37	71	30	8	1	215
	Female	8	17	13	---	—	—	38
	Total	76	54	84	30	8	1	253
Number going to school	Male	91	30	32	56	8	8	225
	Female	49	29	40	19	4	2	143
	Total	140	59	72	75	12	10	368
Land ownership and cultivation								
No of land-owning households		96	3	4	1	—	—	104
Area owned (acres)		1033	11.5	28.5	6	—	—	1080
Number of cultivating households		76	2	4	—	—	—	82
Area cultivated (acres)		1065	9.5	28.5	—	—	—	1103
Economic Activity								
No of workers:								
(*i*) including emigrants		245	70	83	120	29	13	—
(*ii*) excluding emigrants and living in village		213	56	53	110	26	13	—
No of workers in village in:								
Cultivation		194	—	9	—	—	—	203
Agricultural labour		1	—	1	91	4	1	
Non-agricultural labour		4	4	4		5	12	127
Skilled work		1	43	7	5	8	—	64
Service		1	1	13	8	2	—	25
Others (inc, shopkeeping, contract work, traditional village craft, etc)		5	7	14	5	5	4	40
Migrants:								
Military service		24	—	10	7	1	—	42
Skilled work (inc drivers of motor vehicles)		11	9	2	—	—	—	22

Cambodia cotton at 5 per cent below the appropriate ceilings. It is now left to the Textile Commis^oner to enforce the price control order should prices pierce the statutory ceilings.

Cotton prices have firmed up considerably over the past fortnight or so and if this trend persists, which seems quite likely, it will not perhaps be long before unofficial premiums emerge in respect of several varieties. Prices have firmed up even when mills are reluctant to enter into large fresh commitments because of the accumulation of large stocks of cloth with them at a time when credit is both difficult and costly. An improvement in the off-take of cloth is likely to give a big boost to the cotton market.

While the Indian Cotton Mills' Federation has given up its scheme of self-restraint designed to keep prices within appropriate ceilings, ready cotton merchants in Bombay have decided on a code of self-discipline aimed primarily to ensure that no cotton is sold to mills on credit. Under the scheme, no member or trader will buy or sell cotton or kapas above the appropriate ceilings and every trader will insist on delivery to be taken by mills and payment made strictly in accordance with the by-laws of the East India Cotton Association. Rules regarding time-limit for weighment of cotton are being tightened. Though mills are at present supposed to weigh cotton within four days after the contract, the actual position is quite different. The time limit is proposed to be extended to 11 days but mills failing to weigh goods within the extended time-limit will be required to pay carrying charges. Further, the sellers will henceforth disallow any "fancy stone allowance" to mills. The proposed code of self-discipline has been characterised as a desperate move on the part of cotton muccadums and merchants to ensure their survival in the context of the extremely stringent monetary conditions obtaining at present. It is extremely doubtful whether the trade will be able to observe the code of self-discipline and sell cotton to mills on its own terms.

Even though most varieties of cotton are at present quoted at around the ceilings, market reports indicate accumulation of stocks with growers and traders. This is rather intriguing- High prices and accumulation of stocks can go together only when prices are expected to rise still higher. If growers and traders continue to sit tight on their stocks even when prices are at or very near the statutory ceilings, it can only mean that they hope to be able to sell their product at well above the ceilings. In sympafhy with the increasing firmness in the spot material, cotton futures recorded a further rise last week; the August contract was bid up to a new high of Rs 768 (per 3 quintals).

OILSEEDS

Prices Continue, to Rise

THE oilseeds market displayed further remarkable strength last week, with prices rising to the highest levels for a few months. The strength was particularly marked in linseed and linseed oil. The quotation for spot linseed rose from Rs 45 to Rs 47.50 (per 50 kgs) and linseed oil improved from Rs 17.75 to Rs 19 (per 10 kgs). Linseed further were quoted well above the maximum price permitted during the week — the hedge contract is not allowed to rise (officially of course) by more than Rs 2 (per 100 kgs) during any week. While official trading remained suspended most of the time, in kerb dealings the June contract was bid up to Rs 95; correc-

five profit-taking brought down the rate to around Rs 93.70 near the week-end. The rise in prices was due more to scarcity of offerings than to any sudden increase in off-take though traders reported fairly satisfactory demand from paint manufacturers. Despite a fairly good harvest, the supply of linseed oil is said to be poor for this time of the season. The movement of goods is said to have been affected by the recent rains in Uttar Pradesh, Madhya Pradesh and Rajasthan. Apart from the restricted flow of supplies, sentiment in linseed was also aided by rumours that Pakistan was interested in purchasing Indian linseed oil. Linseed prices have been merely following the trend in mustardseed prices which have been moving up and up despite a record harvest. In Delhi, mustardseed oil was bid up to Rs 29 (per 10 kgs) last week; the quotation has been appreciably lower around Rs 23 some weeks ago.

The strength in linseed and mustardseed has had a profound impact on the general market psychology. Groundnut oil ready has been marked up from Rs 22 to Rs 23.10 (per 10 kgs) and what is more, centres which are the traditional suppliers of groundnut oil to Bombay have been making purchases of oil in the Bombay market recently. Castor futures have risen from Rs 77.40 to Rs 79.10. Bullish psychology seems to have firmly seized the market. Goods are no longer moving out from the producing centres in desired quantities. Growers and traders are reluctant to part with their stocks at the current prices, which, though quite high from the consumer angle, look low compared to the fantastic rates obtaining near the fag end of the last season. Stockists are in no mood to ponder over the marked improvement in the supply position of edible oils this season, partly due to record harvests and partly due to the import of 75,000 tonnes of soyabean oil for the vanaspati industry and 50,000 tonnes of mutton tallow for soap manufacturers. Unless the authorities take firm action to discourage holding and hoarding of stocks at various levels and inter-State movement of goods is freely allowed, it might become difficult to check the rise in oilseeds prices, improved supply notwithstanding. The way prices are surging forward at a time when the movement of mustardseed and linseed crops is expected to be in full swing is quite disturbing. Any relaxation of export curbs at this juncture is likely to complicate the situation further.

Export houses did not mention any important fresh business during the week. The further rise in groundnut oilcake prices has made fresh export business difficult, particularly with the U K. The buying by Communist countries too has been restricted of late. Cottonseed cake also did not evoke much interest. Export business in oils remains at p standstill. With the decline in overseas prices and a rise in domestic prices, the disparity between Indian and world prices has increased further.

BUSINESS NOTES

Madras Rubber

UNTIL a few months ago, the new tyre units were experiencing keen competition from well-established brands as a result of over-capacity in the industry, and had to keep their production much below installed capacity. But conditions have since changed for the better not only on account of improvement in demand, but also because concession and reliefs in the 1965-66 Budget have brought some benefits for the industry. Besides, there are indications of increased purchases of tyres from the new companies by the Government and semi-Government undertakings. In view of the unfavourable conditions then prevailing, Madras Rubber Factory worked at only 35 per cent of installed capacity during its financial year ended September 1964. Production has been stepped up gradually in the current year; towards the middle of March it ran at around 600 tyres per day and is expected to reach 75 per cent of the capacity by September. Some of the well-known automobile manufacturers now use the company's tyres as original equipment. The company is also steadily increasing its exports of types; the current year's exports are expected to be substantially higher than those of the past year when goods worth Rs 8 lakhs were exported.

In the meanwhile, the company has reported a set-back in its lesults for the year 1963-64. While sales turnover has nearly doubled to exceed Rs 5 crores, the gross profit has shrunk by more than a third to Rs 21.60 lakhs. After providing Rs. 18.92 lakhs (Rs 11.86 lakhs) for depreciation and nil for managing agents* commission and development rebate, which received Rs. 1.07 lakhs and Rs 18.40 lakhs, respectively, last year, the accounts show a profit of Rs 2.68 lakhs against Rs 3.12 lakhs a years ago. The dividend is skipped, and the profit together with the previous year's surplus of Rs 1.02 lakhs is carried foiward.

Phillips Carbon Black

A SUBSTANTIAL imorovement in its results has been recorded by Phillips Carbon Black in the second year of operation ended November 1964, when its sales expanded from Rs 91.08 lakhs to Rs 197.24 lakhs, and after providing Rs 24.23 lakhs (Rs 38.32 lakhs) for depreciation, the company earned a profit of Rs 24.16 lakhs compared to a loss of Rs 39.64 lakhs incurred in the previous year. After adjusting the profit against the previous losses, there still remains a debit balance of Rs 23.51 lakhs to be carried forward.

Considering trend of earnings, however, it seems the company wili not take long to wipe off this deficit. Production was increased to nearly 70 per cent of the installed capacity during the year, and is likely to be increased further. Interruptions in power supply have been greatly reduced following the installation of a new distribution system, and a much higher production rate has been recorded for the past few months. What is more encouraging is that the company's product has been in good demand, and all production is readily taken up by the market. The expansion of ten million pounds of capacity is expected to be completed by the beginning of next year.

From June 1964, the company raised its prices by about 5 per cent in order to counter the steadily rising costs of raw materials. The recent ten per cent duty on all imported materials will substantially increase costs, and a further revision of selling prices may become necessary, though the management says it shall make every effort to avoid this.