



GOVERNMENT OF KERALA

KERALA 1961

**AN ECONOMIC
REVIEW**

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Government of Kerala

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INTRODUCTION

This Economic Review of the year 1961, highlighting the broad trends of development in the various sectors of the economy of Kerala is circulated among the members of the Legislative Assembly in pursuance of the recommendations of the Estimates Committee for the year 1958-59.

2. Statistics pertaining to the economic conditions of the State during the year become available only with a lag of a number of years. This makes it difficult to make any objective and accurate assessment of the economic conditions of the State during a particular year at the beginning of the succeeding year itself. The available information has been collected and analysed in the following chapters.

3. This report is prepared in the Bureau of Economic Studies.

CHAPTER I

DEMOGRAPHIC FEATURES

Kerala which accounts for 1.2% of the total land area of India has about 4% of the Indian population. The provisional figures relating to the 1961 census have been published and they give an insight into the problem of population in Kerala vis-a-vis other States in India. Population which stood at 135.49 lakhs in 1951 has reached 168.75 lakhs in 1961, thus recording an increase of 24.55% over the decade. The geographical area of the State is small compared to the demographic pressure. In fact the density has reached 1125 per square mile in 1961 as against 907 per square mile in 1951. The rate of population growth indicates that the density may well exceed 1300 by 1966. The sex distribution in the last half century shows that females outnumber males. The proportion of females which was showing a rising tendency over the last few decades has a slight set-back in the period 1951-61. For every 1000 males Kerala had 1022 females as per census figures for 1961. The sex ratio in 1951 was 1028 females for every 1000 males. Kerala has a higher birth rate (viz., 24.3 per thousand) than India as a whole (viz., 22.9 per thousand). The death rate is lower than the all India rate. All these factors point to an excessively high demographic pressure on the State's economy which is already faced with unwelcome characteristics like unemployment and lack of a developed industrial structure.

Rate of Growth

1.2. The most crucial of all demographic characteristics is the rate at which a population replaces itself over a period. This rate has a telling effect on the socio-economic structure of any particular country. If the process of economic growth is to have any impact through higher output levels on the living standards of the people it must be at a pace faster than the growth of population. Table 1.1 shows the population growth over the last decade in the different States of India. Kerala stands among the first six States having high rates of population growth. In fact only Assam, Gujerat, Punjab, Rajasthan and West Bengal have higher rates of growth than Kerala. But the problem of Kerala is peculiar because the population density per square mile in 1961 is 1125 while that for the above mentioned States is 252, 286, 431, 152 and 1031 respectively (Table 1.2). Only West Bengal approaches, anywhere near Kerala in this respect. But compared to Kerala Bengal has a higher rate of economic growth and tolerably good industrial situation. Kerala, on the other hand, is perhaps the most poorly developed State in India. Another interesting demographic factor in Kerala is the higher number of females in the total population. The only other State to which this feature is applicable is Orissa.

TABLE 1.1
Population growth (1951-61)

Sl. No.	States.	Population (in lakhs)—1961			Percentage increase in 1961 over 1951	Number of females per 1000 males	
		Males	Females	Total		1951	1961
1	Andhra Pradesh	181.75	178.03	359.78	15.63	986	979
2	Assam	63.18	55.42	118.60	34.30	877	877
3	Bihar	233.28	231.29	464.57	19.78	990	991
4	Gujarat	106.36	99.85	206.21	26.80	952	939
5	Jammu and Kashmir	19.03	16.81	35.84	9.73	N.A.	883
6	Kerala	83.46	85.29	168.75	24.55	1028	1022
7	Madhya Pradesh	165.99	157.96	323.95	24.25	967	952
8	Madras	169.15	167.35	336.50	11.73	1007	989
9	Maharashtra	204.19	190.85	395.04	23.44	941	935
10	Mysore	120.21	115.26	235.47	21.36	966	959
11	Orissa	87.72	87.93	175.65	19.94	1022	1002
12	Punjab	108.67	94.31	202.98	25.80	858	868
13	Rajasthan	105.58	95.88	201.46	26.14	921	908
14	Uttar Pradesh	386.65	350.88	737.53	16.67	910	908
15	West Bengal	186.11	163.57	349.68	32.94	865	879
16	Union Territories	28.24	23.98	52.22	26.69	863	850
	INDIA	2249.57	2114.66	4364.23	21.49	946	940

TABLE 1.2

Sl. No.	State	Density per Square mile		Percentage of rural to total population		
		1951	1961	1951	1961	
1	Andhra Pradesh	..	296	339	82.60	82.60
2	Assam	..	188	252	95.41	92.50
3	Bihar	..	578	691	93.23	91.57
4	Gujarat	..	225	286	N.A.	74.39
5	Kerala	..	907	1125	86.86	84.97
6	Madhya Pradesh	..	152	189	87.98	85.71
7	Madras	..	598	671	75.60	73.28
8	Maharashtra	..	269	332	N.A.	72.08
9	Mysore	..	262	318	77.03	77.97
10	Orissa	..	244	292	95.90	93.67
11	Punjab	..	340	431	81.00	79.90
12	Rajasthan	..	121	152	81.50	83.95
13	Uttar Pradesh	..	557	650	86.34	87.15
14	West Bengal	..	776	1031	76.11	76.85
	INDIA	..	316	384	81.53	82.16

1.3. Kerala has a higher percentage of rural population to total population than all India. Table 1.3 shows the variation of Kerala's population over the last fifty years and its effect on important ratios such as number of women per 1000 men, population density and land per capita.

TABLE 1.3

Year	Population (lakhs)			No. of women per 1000 men	Density per square mile	Total land per capita (acre)
	Total	Males	Females			
1901	63.80	31.66	31.72	1002	423	1.51
1911	70.15	35.48	35.67	1005	468	1.37
1921	78.13	38.91	39.22	1008	527	1.23
1931	95.02	47.06	47.96	1019	634	1.01
1941	110.37	54.53	55.84	1024	736	0.87
1951	135.50	66.81	68.69	1028	907	0.71
1961	168.75	83.46	85.29	1022	1125	0.57

1.4. In sixty years the density of population in Kerala has increased threefold and the per capita total land has dwindled from 1.51 acres to 0.57 acre. The per capita cultivated area at present in Kerala is below even 30 cents.

1.5. The percentage increase of population over the decade 1951-61 is highest in the Quilon District and lowest in the Palghat District. In fact Trivandrum, Quilon, Kottayam, Cannanore and Kozhikode districts have higher average growth rates than the State as a whole. Trivandrum, Alleppey, Ernakulam and Trichur have on an average more than 1400 persons per square mile (Table 1.4).

Birth and Death Rates

1.6. An examination of birth and death rates of Kerala reveals a trend which will keep the present rate of population without flagging. The birth rate in the State is a little higher than that of India, but the death rate is definitely much lower. Though the reduction in mortality by bringing about higher

TABLE 1.4

<i>Districts</i>	<i>Population (in lakhs)</i>		<i>Percentage increase in 1961 over 1951</i>	<i>Density of population (Numbers per Square mile)</i>	
	1951	1961		1951	1961
Trivandrum	13.28	17.38	30.90	1569	2052
Quilon	14.76	19.30	30.93	745	994
Alleppey	15.20	18.10	18.95	2160	2545
Kottayam	13.28	17.30	30.34	664	745
Ernakulam	15.30	18.59	21.46	982	1468
Trichur	13.63	16.34	19.93	1188	1422
Palghat	15.65	17.75	13.44	793	896
Kozhikode	20.65	26.19	26.82	809	1283
Cannanore	13.75	17.80	29.44	618	649
KERALA	135.50	168.75	24.55	907	1125

health standards is a desideratum the annual increase in the birth rate is a matter which requires cautious watching. During the period 1957 to 1958 the States to have registered a higher birth rate followed by a lower death rate are Kerala, Madras and West Bengal. The changes registered by Kerala are wider.

TABLE 1.5
Birth and death rates—State-wise

State	Birth rate per 1000 of population		Death rate per 1000 of population	
	1957	1958	1957	1958
Andhra ..	28.8	18.3	15.7	10.1
Assam ..	10.7	8.8	4.7	3.8
Bihar ..	14.1	13.2	7.8	7.7
Bombay ..	28.8	28.6	15.0	15.8
Kerala ..	23.8	24.3	9.6	7.5
Madhya Pradesh ..	N.A.	17.5	N.A.	11.6
Madras ..	26.7	27.0	14.2	13.1
Mysore ..	20.4	23.5	9.5	10.5
Orissa ..	26.0	25.6	19.0	18.4
Punjab ..	42.6	38.1	14.8	14.2
Rajasthan ..	6.3	N.A.	3.5	N.A.
Uttar Pradesh ..	14.9	15.9	8.5	9.7
West Bengal ..	22.5	22.7	10.0	9.5
INDIA ..	21.5	22.9	11.0	12.2

1.7. The high rate of population growth in Kerala is, no doubt, bound to affect adversely the economic growth of the State and living standard. The demographic pressure is indeed more acute in Kerala than in other States of India. The improvement in medical and health services has brought about reduction in the death rates without bringing any curbing effect on the birth rates. This has an accelerating effect on the rate of population growth. An effective curb on population growth is an important condition for the economic betterment of the people. The people of Kerala take pride in proclaiming that Kerala stands first and foremost in the matter of literacy. The precedents of the West suggest that as a country becomes more educated its birth rate falls. But curiously enough in Kerala the progress in literacy seems to have produced no effect on the population growth which goes on increasing year by year as the figures for the past few decades indicate. This potential for accelerated growth of population in this State makes it imperative that we think intensely in terms of population control. Family planning is of special significance to Kerala where the population pressure is perhaps the highest in the world. The present problems of mass unemployment and acute food shortage can be prevented from becoming chronic troubles only through a decline in the birth rate.

CHAPTER II

AGRICULTURE AND ALLIED ACTIVITIES

AGRICULTURE

The agricultural economy of the State witnessed an overall progress in 1959-60 compared to 1958-59. Production of all the important agricultural crops like rice, coconut, arecanut, tapioca etc., increased during the year. Full production figures for 1960-61 are not available but the results of crop forecasts made in the case of certain crops indicate moderate improvement in production. Food production is estimated to have increased during the year but at a lower rate than during the previous year. Considering the unprecedented floods that ravaged the State during last year, the smallest increase in agricultural production should be viewed with joy and relief.

Rainfall

2.2. Rainfall was more abundant in 1960-61 than in 1959-60. Table 2.1 shows the average monthly rainfall for the different districts in Kerala during 1960-61.

Land Utilisation

2.3. Land utilisation figures for 1959-60 as compared to those for 1958-59 show some increase in the area of forests, land put to nonagricultural uses, permanent pastures and other grazing lands, land under miscellaneous tree crops and net area sown. The increase under these categories is set off by the decrease in barren and uncultivable land, cultivable waste and fallows. The net area sown increased by 119 thousand acres during the period 1958-59 to 1959-60 and total cropped area increased by 161 thousand acres, leading to an increase in the area of multicropped land to the extent of 42 thousand acres. This is a sign of increasing intensity of land use. Table 2.2 shows the trend in the pattern of land utilisation in Kerala since 1955-56. There has been remarkable increase in the area under forests and net area sown which has been counterbalanced by decrease in the areas of barren and uncultivable lands, cultivable waste and fallow land other than current fallows. The increase in the area sown more than once over the four year period has, however, been quite small. The increase in the total cropped area over the period has been 232 thousand acres which works out to about 4% of the cropped area in 1955-56.

2.4. The district-wise classification of land area of Kerala according to mode of utilisation is given in table 2.3.

2.5. As is well known Kerala has the greatest density of population among the Indian States. Consequently the per capita land available for cultivation is the lowest in the State. Table 2.4 shows the intensity of land use and the per capita availability of cultivated area in the different States of India.

TABLE 2.1

Average monthly rainfall in Kerala during 1960-61

Sl. No.	District	No. of stations	Average rainfall (in millimetres) during												
			(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
			July 1960	August 1960	Sep. 1960	October 1960	Nov. 1960	December 1960	January 1961	February 1961	March 1961	April 1961	May 1961	June 1961	Total 1960-1961
1	Trivandrum	8	389.1	201.5	362.3	207.8	480.2	38.8	67.7	48.7	9.4	75.0	446.4	912.1	3239.0
2	Quilon	10	495.8	283.4	411.1	251.4	571.4	35.1	48.5	58.9	15.6	143.2	368.7	864.2	3547.3
3	Alleppey	9	676.7	373.8	474.2	198.4	422.0	27.7	28.2	110.2	13.6	126.7	456.5	1089.4	3997.4
4	Kottayam	15	694.0	401.7	403.6	268.3	361.9	37.5	15.0	57.6	15.6	132.7	418.1	855.2	3661.2
5	Ernakulam	10	760.4	377.5	535.9	311.9	311.5	31.2	2.6	21.1	5.5	134.7	656.9	829.9	3979.1
6	Trichur	4	865.6	287.0	415.9	296.1	218.9	2.7	..	28.0	24.8	95.3	644.0	1007.2	3885.5
7	Palghat	9	643.8	230.9	252.8	332.5	323.5	22.8	1.6	8.8	12.2	65.6	421.1	856.4	3172.0
8	Kozhikode	8	919.7	300.2	321.6	197.3	342.4	5.8	..	..	..	50.9	1041.4	1479.5	4658.8
9	Cannanore	8	947.9	439.3	303.0	124.1	283.6	1.8	0.4	2.0	3.4	58.2	558.3	1091.3	3813.3
	STATE	81	693.4	329.0	389.1	244.2	377.6	25.3	19.1	35.7	10.8	106.8	533.5	969.0	3733.5

TABLE 2.2

Land Utilisation in Kerala—1955-56 to 1959-60

(Area in '000 acres)

Sl. No.	Mode of utilisation	1955-56	1956-57	1957-58	1958-59	1959-60	Increase (+) or decrease (-) in 1959-60 over 1955-56
	Total geographical area according to village papers	9412	9412	9535	9535	9535	+ 123
1	Forests	2433	2459	2515	2589	2610	+ 177
2	Land put to non-agricultural uses	471	503	497	492	501	+ 30
3	Barren and uncultivable land	497	497	492	415	386	- 111
4	Permanent pastures and other grazing land	116	121	119	111	113	- 3
5	Land under miscellaneous tree crops	508	508	541	494	504	- 4
6	Cultivable waste	406	437	471	468	369	- 37
7	Fallow land other than current fallows	364	207	206	201	173	- 191
8	Current fallows	140	155	149	178	173	+ 33
9	Net area sown	4477	4525	4545	4587	4706	+ 229
10	Total cropped area	5466	5465	5463	5537	5698	+ 232
11	Area sown more than once	989	939	918	950	992	+ 3

TABLE 2.3

Total area and classification of area in each District in Kerala for the year ending 30th June 1960

District	Total geographical area according to Village papers	Forests	Land put to non-agricultural uses	Barren and uncultivable land	Permanent pastures and other grazing land	Land under miscellaneous tree crops not included in net area sown	Classification of reporting area						Total cropped area
							Cultivable waste lands other than current fallow	Fallow lands other than current fallow	Current fallow	Net area sown	Area sown more than once	(12)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Trivandrum	533983	110241	27335	5614	2462	1880	6556	3610	6704	364581	116490	481071	
Quilon	1159049	526629	28873	42247	4162	13903	16263	5721	9167	512084	114197	626281	
Alleppey	461568	1268	25276	7059	1180	11513	7746	2716	14666	390144	156180	546324	
Kottayam	1547434	614543	32045	70236	12676	43554	63497	5273	17400	688210	73284	761494	
Ernakulam	784381	136551	40744	28519	11082	24188	24012	5825	21765	491695	43893	545588	
Trichur	727137	328483	30668	14476	-3463	3705	22678	1747	13135	308782	164894	473676	
Palghat	1261285	246275	151460	71383	15483	70077	59222	29620	21773	595992	170131	766123	
Kozhikode	1634814	479514	64883	47687	8372	104517	75546	27605	38114	788576	84867	873443	
Cannanore	1424960	166150	99600	98835	54081	230791	93692	85830	29669	566312	67894	634206	
STATE	9534611	2609654	500884	386056	112961	504128	369212	172947	172393	4706376	991830	5698206	

2.6. The different ratios furnished in table 2.4 reveal that land use intensity in Kerala is fairly high compared to other States. The proportion of cultivated area to total geographical area does not give a correct idea of the extent of exploitation of available land since the topography of the State render a comparatively high proportion of the area unsuitable for cultivation. Forests cover a comparatively higher percentage of the land area and there are large tracts of rocky mountainous areas and sandy coastal lands. A more realistic yardstick is therefore provided by the proportion of cultivated area to total cultivable area. This proportion is one of the highest in the State compared to other States. The fact that the percentage of fallow lands is lowest in the State (with the exception of Union Territories) is clear proof of land being put to the maximum use. The comparatively low percentage of the area sown more than once to net area sown may lead one to think that there is much scope in Kerala for increasing the total cropped area by adoption of multi-cropping. This may be correct to some extent but the high percentage of area under perennial crops in the State imposes limitations on the progress that can be made in this direction. Kerala's position is the worst in the matter of per capita cultivated area.

Agricultural production

2.7. Table 2.5 gives the distribution of the total cultivated area among the different crops and the production of the crops during the years 1958-59 and 1959-60.

2.8 The production of food grains increased by 82.54 thousand tons though the area under food grains did not register any substantial increase. Area under cultivation as well as production increased substantially in the case of ginger, turmeric, arecanut, banana, cashewnut, tapioca, coconut, cotton, and tobacco; the increased production in the case of perennial crops like coconut, and arecanut cannot, of course, be attributed to the increase in area during the year. There was an increase in the area under pepper not accompanied by any increase in production. There was noticeable decrease in area and production in the case of certain minor crops like sesamum and groundnut. The total cropped area increased by 161.5 thousand acres (about 3%), quite a significant increase to be achieved over an year. The distribution of area between food-crops and nonfood crops remained constant during the two years.

2.9. Table 2.6 gives the trend in area under cultivation, production and average yield per acre of the principal crops of the State during the last four years.

Impact of the Second Plan on Agricultural Production

2.10 The year 1961 marked the end of the Second Five Year Plan during which an investment of over 13 crores of rupees was made for agricultural development and irrigation in the State. Besides, a fair share of the expenditure

TABLE 2.4
Land use intensity in the different States of India (1956-57)

Sl. No.	State	Percentage of cultivated area to geographical area.	Percentage of cultivated area to total cultivable area.	Percentage of fallow land to cultivated area.	Percentage of area sown more than once to net area sown.	Per capita cultivated area (hectares)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Andhra Pradesh	43.13	72.49	22.32	9.41	0.35
2	Assam	21.41	82.64	11.62	17.29	0.30
3	Bihar	44.81	70.15	31.10	30.30	0.18
4	Bombay	57.07	86.05	11.14	4.66	0.51
5	Jammu and Kashmir	29.12	66.92	34.38	13.55	0.20
6	Kerala	53.48	86.28	7.21	20.75	0.13
7	Madhya Pradesh	36.51	70.86	14.85	13.61	0.54
8	Madras	47.02	71.31	27.49	18.94	0.19
9	Mysore	56.04	83.73	13.17	3.22	0.54
10	Orissa	39.05	69.73	20.05	7.97	0.38
11	Punjab	59.86	85.49	7.31	31.36	0.40
12	Rajasthan	36.49	49.25	44.56	10.36	0.69
13	Uttar Pradesh	61.61	84.87	8.07	26.20	0.26
14	West Bengal	66.80	90.96	9.94	16.78	0.19
15	Union Territories	32.00	88.30	4.58	34.24	0.19
	INDIA	46.70	75.08	17.37	14.27	0.34

NOTE: Cultivated area has been obtained by adding together the net area sown and the area under miscellaneous tree crops.

TABLE 2.5
**Distribution of the cultivated area over the various crops and
 production of the crops (1958-59 and 1959-60)**

Sl. No.	Crop	1958-59		1959-60	
		Area (acres)	Production (Tons)	Area (acres)	Production (Tons)
FOOD CROPS					
1	Rice	1898804	939420	1900142	1021593
2	Jowar	3783	654	3640	630
3	Ragi	12539	7225	13265	7710
4	Other cereals and millets	14262	2830	14521	2885
5	Pulses	109676	17383	108911	17235
6	Sugarcane (gur)	21759	35021	22010	35780
7	Pepper	223916	25030	226080	24880
8	Chillies	8202	2193	8321	N.A.
9	Ginger	22034	7662	27326	9820
10	Turneric	10597	3785	11450	4087
11	Cardamom	73756	1316	70542	1260
12	Areca nut	123833	6795	131361	7208
			(million nuts)		(million nuts)
13	Mangoes	145357	N.A.	146857	N.A.
14	Citrus fruits	4603	N.A.	4603	N.A.
15	Bananas and other plantains	98336	287964	110430	324621
16	Cashewnut	114189	71368	129525	80388
17	Tapioca	553207	1527298	594922	1646625
18	Sweet Potato	22100	N.A.	20837	N.A.
19	Other vegetables	56453		62610	
20	Other food crops	191651		203932	
	Total food crops	3709057	(67%)	3811285	(67%)

TABLE 2.5—(Contd.)

Sl. No.	Crop	1958-59		1959-60	
		Area (acres)	Production (Tons)	Area (acres)	Production (Tons)
NON FOOD CROPS					
1	Groundnut	..	15647	31950	12700
2	Castor	..	N.A.	557	N.A.
3	Sesamum	..	5720	43514	4291
4	Coconut	..	3248 (million nuts)	1217091	3365 (million nuts)
5	Cotton	..	7860 (bales of 392 lbs. each)	20710	8250 (bales of 392 lbs. each)
6	Tobacco	..	700	1540	850
7	Tea	..	39737	92988	39737
8	Coffee	..	6961	41509	7292
9	Rubber	..	22158	288450	21263
10	Other non-food crops	..	143172	148612	
	Total non-food crops	..	1827656(33%)	1886921 (33%)	
	Total area sown	..	5536713	5698206	

TABLE 2.6
Area under, production and average yield per acre of the principal crops of Kerala

Sl. No.	Crops	Area (thousand acres)					Production (thousand tons)					Average yield per acre in Lbs.				
		1957-58	1958-59	1959-60	1960-61*	1960-61*	1957-58	1958-59	1959-60	1960-61*	1960-61*	1957-58	1958-59	1959-60	1960-61*	1960-61*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
1	Rice	1894.70	1898.70	1900.14	1913.20	910.00	939.40	1021.59	1040.70	1076	1108	1204	1218			
2	Pulses	111.44	109.68	109.91	109.02	17.51	17.38	17.23	17.27	355	352	354	355			
3	Tapioca	528.71	553.21	594.92	N.A	1487.10	1527.30	1646.62	N.A	6300	6184	6200	N.A			
4	Coconut (a)	1144.77	1175.43	1217.09	N.A	3199.00	3248.00	3365.00	N.A	2794	2764	2765	N.A			
5	Areca nut (a)	122.83	124.00	131.36	N.A	6754.00	6795.00	7208.00	N.A	54988	54800	54872	N.A			
6	Cashewnut	108.82	114.00	129.52	N.A	68.01	71.00	80.39	N.A	1400	1395	1390	N.A			
7	Bananas and other Plantains	100.25	98.34	110.43	N.A	292.87	287.96	324.62	N.A	6544	6559	6585	N.A			
8	Cardamom	69.66	74.00	70.54	N.A	1.26	1.30	1.26	N.A	40	39	40	N.A			
9	Pepper	224.66	223.94	226.08	226.96	26.02	25.04	24.88	24.80	259	250	247	245			
10	Ginger	22.91	22.04	27.32	28.84	9.20	7.66	9.82	10.77	899	779	805	837			
11	Turmeric	15.09	10.60	11.45	N.A	5.39	3.79	4.09	N.A	800	801	800	N.A			
12	Lemon Grass (b)	52.52	53.13	N.A	N.A	1.05	1.32	N.A	N.A	4.5	5.6	N.A	N.A			
13	Sugar Cane	21.57	21.76	22.01	22.60	348.40	350.30	357.80	374.90	36180	36050	36414	37114			

(*) Forecast.

(a) Production of coconut and areca nut is given in million nuts and the average yield per acre in number of nuts.

(b) Production is in terms of oil.

Note : Plantation crops are excluded.

of over Rs. 4 crores made on Community Development also has gone to strengthen the agricultural structure of the State. It will not be out of place to review the effect of this investment on agricultural output. Table 2.7 shows the increase in output of the principal crops in 1959-60 over 1955-56 which, it may be noted, represents only the effect for the first four years of the Second Plan.

2.11. There was sizable increase in the production of paddy, coconut, arecanut, cashewnut, sugarcane (gur), tea and coffee all of which have comparatively high prices. On the other hand, there was considerably high percentage fall in the production of turmeric, ginger and sesamum over the four year period. Another commodity which suffered some fall in production is pepper. The fall in production in absolute terms was not great in the case of any of the commodities. Therefore, there was an overall increase in the value of agricultural output. But the percentage fall in production of ginger (25%), turmeric (71%) and sesamum (43%) is too high to be ignored. As no specific target had been set in the Second Plan for production of any of the commodities except rice, it is difficult to evaluate the progress achieved in this respect. As for rice the increase in production aimed at was 3.46 lakh tons but the actual increase during the period of the Plan has been only 1.73 lakh tons.

2.12. The increase in the total value of output reckoned at 1955-56 prices over the first four years of the Second Plan period was 12.6%. This may be justifiably taken to represent the performance of the agricultural sector as a whole. The percentage increase of 12.6% for four years works out to an annual increment of 3.2% in the gross agricultural output. At the all India level the indices of agricultural production (base 1952-53=100) rose from 116.8 in 1955-56 to 128.7 in 1959-60 showing an increase of 10.2% over the four year period. This works out to an annual increment of over 2.5% only. The above results show that the State has acquitted itself creditably in the field of agricultural development. It may, however, be mentioned in this context that natural factors which did not affect Kerala caused the agricultural production to be low in other parts of India in 1959-60. All the same, it can be safely said that the growth in agricultural output in the State during the Second Plan period has been quite comparable with that in India as a whole. The fact that Kerala did not get a fair share of the country's Second Plan outlay goes to enhance the value of the achievement.

2.13. The export value yielded by the cash crops of Kerala in 1959-60 was about Rs. 100 crores. The importance of these crops from the national point of view will be evident from table 2.8 which gives the State's output of each of her important cash crops as percentage of the all India output of the same crop.

TABLE 2.7
Increase in the value of production of the important crops during 1955-56 to 1959-60

Sl. No.	Name of crop	Production in 1955-56 ('000 tons)	Value of production in 1955-56 (Rs. crores)	Production in 1959-60 ('000 tons)	Value of production in 1959-60 at 1955-56 prices (Rs. crores)	Increase in value of production (Rs. crores)	Percentage increase
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Rice	869	41.4	1022	48.7	7.3	17.63
2	Pulses	17	0.4	17	0.4	..	..
3	Tapioca	1569	7.8	1647	8.2	0.4	5.13
4	Sugarcane	327	1.3	358	1.4	0.1	7.69
5	Pepper	27	7.1	25	6.6	-0.5	-7.04
6	Ginger	13	2.8	10	2.2	-0.6	-21.43
7	Turmeric	14	1.1	4	0.3	-0.8	-72.73
8	Sesamum	7	0.6	4	0.3	-0.3	-50.00
9	Bananas	311	8.5	325	8.9	0.4	4.70
10	Coconut	310†	49.4	337†	53.7	4.3	8.71
11	Areca nut	648†	9.9	721†	11.0	1.1	11.11
12	Cashew nut	56	3.8	80	5.4	1.6	42.10
13	Rubber	21	6.8	22	7.1	0.3	4.41
14	Tea	30	14.2	40	18.9	4.7	33.09
15	Coffee	3	1.6	7	3.7	2.1	131.25
16	Cardamom	1	3.0	1	3.0	..	..
	Total	..	159.7	..	179.8	20.1*	12.58*

†Crores of Nuts.

*Net increase

TABLE 2.8

**Kerala's Contribution in the Indian Output of the
Principal Crops of the State**

<i>Sl. No.</i>	<i>Crop</i>	<i>Year</i>	<i>Area in Kerala as percentage of all-India area.</i>	<i>Production in Kerala as percentage of all-India production.</i>
(1)	(2)	(3)	(4)	(5)
1	Rice	.. 1958-59	2.35	2.96
2	Pulses	.. 1958-59	0.19	0.15
3	Tapioca	.. 1956-57	84.56	81.07
4	Coconut	.. 1958-59	68.41	72.90
5	Arecanut	.. 1956	57.13	46.23
6	Bananas and other plantains	.. 1956-57	27.33	17.22
7	Pepper	.. 1958-59	97.42	97.69
8	Ginger	.. 1958-59	59.33	60.00
9	Sugarcane	.. 1958-59	0.46	0.49
10	Cardamom	.. 1951-52	50.05	55.94
11	Tea	.. 1960	12.07	11.92
12	Coffee	.. 1957-58	18.66	10.07
13	Rubber	.. 1960	94.40	89.92

2.14. Considering the vital importance of the cash crops of Kerala in the economy of the State as well as India it is imperative that they should be developed on a well planned basis. Planning in this respect is also inevitable because land is a scarce factor so far as the State is concerned and it has, therefore, to be put to the most economic use. In view of the food deficit in the State the development of food crops has also to be attended to. The following is a brief discussion of the principal crops of the State which will throw some light on their present position regarding production, demand and allied factors.

Paddy

2.15. Paddy is the most important crop of the State. It occupies 34.7% of the cultivated area of the State and contributes 23.6% of the total value of agricultural production. The existing area under paddy classified as Virippu, Mundakan and Punja is as follows:

	<i>Irrigated.</i>	<i>Unirrigated.</i>	<i>Total</i>
Total area ..	7,84,000	11,21,200	19,05,200
(i) Virippu ..	3,55,000	6,14,200	9,69,200
(ii) Mundakan ..	3,80,000	3,66,600	7,46,600
(iii) Punja ..	49,000	1,40,400	1,89,400

NOTE: The figures are subject to revision.

Among the nine Districts of the State, Palghat is the biggest producer of rice. Production of rice in the State in 1959-60 was 10.22 lakh tons. The present requirement of rice in the State at the rate of 14 oz. per adult per day is 19.28 lakh tons.

2.16. The area under paddy cultivation has increased from 18.34 lakh acres in 1952-53 to 19.00 lakh acres in 1959-60 and production of rice from 7.10 lakh tons to 10.22 lakh tons. The average yield per acre of rice which was 867 lbs. in 1952-53 rose to 1204 lbs. in 1959-60. The yield rate of rice in Kerala is quite high compared to most other States in India. Kerala had the third highest yield rate among the Indian States in 1955-56. But by 1958-59 States like Andhra Pradesh and Mysore marched ahead of Kerala in this respect pushing her down to the sixth place. Still Kerala's position is better compared to the all India average.

2.17. The quantity of fertilisers used for paddy in 1960-61 is estimated to have been 43.6 thousand tons i.e., 25 thousand tons of nitrogenous fertilisers and 18.6 thousand tons of phosphatic fertilisers. The quantities of compost and green manure used in the year for the crop were 116.2 thousand tons and 250 thousand tons respectively. About 5 lakh acres of paddy area have been brought under improved seeds. A number of improved strains of seed have been evolved in the research institutions of the State and many of them have found favour with the ryots.

Coconut

2.18. The crop next in importance to paddy in Kerala is coconut which accounts for 21.0% of the area under all crops and 28.1% of the total value of gross agricultural production. The State possesses as much as 70% of the all-India area under coconut and is responsible for about 73% of India's output of the crop. Among the Districts of Kerala, Kozhikode occupies the first place in the matter of coconut production followed

by Alleppey. Coconut has the status of a subsidiary food especially in Kerala but its main use is in industries. India is now a net importer of coconuts and coconut oil, the indigenous production having failed to keep pace with the growth of industries (eg. Soap Industry, Vanaspathy Industry) which use coconut oil as raw material. The imports of coconut and coconut oil into India have been steadily increasing during the last few years. The other important coconut growing States in India are Mysore, Madras and Andhra Pradesh with 14%, 8% and 5% of the total area under the crop.

2.19. Kerala has a fairly developed oil mill industry which depends on coconuts for raw material. More important than this is coir industry which is the State's largest cottage industry employing about 6 lakh persons. It uses coconut husk as raw material. Coir, the product of the industry is an important export commodity. India exported coir and coir manufactures worth Rs. 8.37 crores in 1959-60. Coconut palm leaf and coconut shell are also valuable bye products obtained from coconut palms. The economic importance of coconut to the State is enhanced by the fact that it is the most popular crop in the State.

2.20. There has been sustained increase in the production of coconut over the last few years. But the increase in production was brought about by the increase in area under coconut rather than any improvement in the average yield per acre. The average yield per acre has actually declined a little in recent years in spite of the development efforts made under the Plans. This paradoxical situation may be attributed to the increasing prevalence of coconut diseases and failure on the part of cultivators to underplant the coconut gardens at the proper time. Diseases like the leaf rot disease affecting the crop are proving a serious menace to the crop. The scheme for comprehensive spraying of the palms in affected areas undertaken in the Second Five Year Plan is an effective step towards controlling the disease.

Tapioca

2.21. Tapioca occupies 9.7% of the total cultivated area and yields 6.2% of the total value of agricultural production in the State. Quilon is the District which contributes the largest share to the State's production of tapioca, the next biggest portion being contributed by Alleppey District. Tapioca is a poor substitute for food grains but it is widely used as food by the poorer classes of people. Its demand for consumption as food may be expected to decrease in the long run as the standard of living of the common masses rises. The crop may then be put to alternative uses such as for making starch or feeding the cattle. The cheap starch made from tapioca will find a ready market in the textile industry of the country. It is a low priced crop and the average value of production per acre of tapioca is one of the lowest for any crop. The

solution to this problem is to step up the yield rate by intensive cultivation. Consistent with the demand for the crop the area under it can be reduced as yield rate increases. This may be feasible as the response of tapioca to improved methods of cultivation is very generous and as the land thus released could be put to more economic use.

Pepper

2.22. Pepper occupied a very privileged place among the cash crops of Kerala from very ancient times. The high demand for it in foreign markets coupled with the monopoly Kerala enjoyed in the crop had made it the most coveted export crop of the State. Pepper enjoyed a boom as late as in the first quarter of the last decade when its price shot up to Rs. 4,000-5,000 per candy. The picture has altogether changed in recent years. Now pepper is faced with severe competition from other producers like Indonesia and Sarawak. The price has fallen to such a low level that it is now one of the less economic crops of the State. Kottayam ranks first among the Districts of Kerala in the matter of pepper production. Pepper, with 4.1% of the State's cultivated area under it, contributes only 2.0% of the value of agricultural output of the State. The production of pepper has been falling steadily, though slowly, from 1956-57 onwards but the area under the crop has been showing some increase during the period. Kerala still continues to maintain its virtual monopoly in the production of pepper in India; the State accounts for about 98% of the country's production of pepper. In 1960-61 India exported 19.40 thousand tons of pepper.

Arecanut

2.23. Arecanut is one of the most economic crops of the State. Arecanut is grown on 2.3% of the State's cultivated area but it is responsible for 8.1% of the gross income from agriculture. Kozhikode and Cannanore are the major producers of the crop among the Districts of Kerala. These two Districts between themselves contribute almost 50% of the State's output of arecanut. India is a net importer of arecanut and imported 3.8 lakh maunds of arecanut valued at Rs. 72 lakhs in 1959-60. Though Kerala is one of the most favoured regions in India for the cultivation of arecanut her average production per acre is below the all-India average. And the yield rate has not shown any signs of improvement in recent years. The total production of the crop as well as area under it has, however, been steadily increasing during the last few years. Area under arecanut has increased from 121.41 thousand acres in 1956-57 to 131.36 thousand acres in 1959-60 and production has risen over the same period from 6617 million nuts to 7,208 million nuts. The average gross value per acre yielded by the crop is as high as Rs. 1,356. But well maintained arecanut gardens in fertile areas yield as much as

Rs. 4,000 per acre. The spreading of yellow leaf disease is causing considerable damage to the crop.

Cardamom

2.24. Cardamom is a costly spice which occupies 1.3% of the total cultivated area in the State and accounts for 1.2% of the total value of agricultural production. Cardamom cultivation is concentrated in the District of Kottayam. The area under the crop and its production showed a fall in 1959-60 compared to the previous year. Kerala's share in the all-India output of cardamom is about 56%. In 1958-59 India exported cardamom worth Rs. 64 lakhs of which Kerala's share was as much as Rs. 58 lakhs. The export trade in the crop has been declining both in quantity and value in recent years. The export price of cardamom has fallen from Rs. 17.64 per kilogram in 1956-57 to Rs. 12.27 per kilogram in 1960-61. Consequently the value of production per acre of the crop has also fallen considerably since yield rate has been remaining more or less constant. Prevalence of Katte disease and attack of pests like cardamom thrips are causing great damage to the crop.

Ginger

2.25. Ginger is cultivated on 0.42% of the area under all crops in the State and yields 0.32% of the total value of production. Kerala is by far the largest producer of the crop among Indian States, contributing about 60% of the all-India production; the next biggest producer, viz. Madhya Pradesh, contributes only about 12% of the all-India output. The Districts of Kottayam and Kozhikode are responsible for about 60% of the ginger production in Kerala. Though the State has the most suited soil and climate for the cultivation of the crop the average yield is only slightly higher than the all-India average. The yield per acre of the crop in terms of value is one of the highest for any crop grown in the State but the cost of production is also high as the seed rate is high and as the crop requires heavy manuring. The response of the crop to manuring being quite generous there is much scope for increasing the average yield per acre provided adequate attention is paid to protecting the crop from the attack of pests and diseases. The production as well as yield per acre of ginger in Kerala was exhibiting a decreasing trend in the past few years but the position has begun to show signs of improvement from last year. More than 50% of the ginger produced in India is consumed internally. Out of the total quantity of ginger worth Rs. 71 lakhs exported from the ports of Kerala in 1958-59, foreign export was valued at Rs. 29 lakhs only.

Turmeric

2.26. Turmeric is a comparatively low priced spice. Turmeric accounts for about 0.3% of the gross cultivated area

as well as agricultural production in Kerala. Almost 90% of the production of turmeric in the State comes from the three Districts of Palghat, Kottayam and Kozhikode. Kerala produces only about 8% of the all-India output of turmeric. The production of turmeric in Kerala stood at a lower level in 1958-59 and 1959-60 compared to previous years, though the production in 1959-60 showed improvement from that in 1958-59. The value of production per acre of the crop is comparable with that of a number of crops which are widely grown in Kerala. There is considerable scope for increasing the same through improved methods of cultivation. The export of turmeric from the port of Cochin alone in 1959-60 was about 600 tons valued at Rs. 8 lakhs. The major portion of these exports went to foreign countries.

Cashewnut

2.27. The importance of the crop lies in the fact that it is used as raw material in the cashew processing industry which employs over 70,000 workers and brings in valuable foreign exchange through the export of its products, viz., cashew kernels and cashew shell liquid. The indigenous production of cashewnut is insufficient to feed the cashew factories in the State. As a result the State has, in recent years, been importing annually raw cashew worth several crores of rupees. More than 50% of the present requirement of raw nuts is being met from imports. During the period January—September 1961 India imported about 99 thousand tons of raw nuts valued at Rs. 7.7 crores. The value realised from exports of cashew kernels and cashew shell liquid during the same period was Rs. 15.54 crores.

2.28. The above facts point to the necessity of stepping up cashew production in India. The brunt of the responsibility falls on Kerala which is the chief producer of the commodity in India. In Kerala the crop covers 2.0% of the total cultivated area and contributes about 1.6% of the total value of agricultural output. The average value per acre yielded by the crop is not very high. But it should be noted that cashew is grown mostly on infertile lands which can be put to no better use. Cultivation expenses being low the proportion of net value of production to gross value of production is comparatively high in the case of this crop. Attempt has been made in recent years to increase the area under cashew by giving loans to private planters and raising cashew plantations on suitable forest lands. These steps, especially the latter one, have been quite successful though their effect on production will manifest itself only after a few years.

Lemongrass Oil

2.29. Lemongrass is cultivated on about 1% of the total cultivated area of the State. The share of lemongrass oil in the total value of agricultural output of the State is about

0.4%. Kerala is practically the only producer of lemongrass oil in India. The Malabar area and the Districts of Ernakulam and Kottayam are the important centres of lemongrass production in the State. The exports of lemongrass oil from Kerala have been showing steady increase in recent years though the value realised from exports suffered a fall during 1957-59. In 1959-60 Kerala exported lemongrass oil worth Rs. 1.45 crores.

Bananas

2.30. India is the chief producer of the fruit in Asia while Kerala leads the Indian States. Kerala accounts for about 27% of the all-India area under banana but only 17% of the Indian production of it. This is not because Kerala is in any way less suited for the crop than the other parts of India but because of the fact that in Kerala, unlike in other States, banana is largely grown in house compounds and left to take care of itself rather than cultivated. No other banana growing region in the world has so many varieties of banana as met with in Kerala. The variety called 'Nendran' or 'Ethakai' is practically the only one variety cultivated on a commercial scale in the State. The average value of yield per acre of bananas is found to be quite high even at the present low level of yield rate; the net value will be much lower since the cultivation cost is quite high in the case of this crop. Several varieties of banana, when properly cultivated and manured, yield 40,000 to 50,000 lbs. of fruits whereas the present average yield per acre in Kerala is as low as 6,500 lbs. The bunchy top disease has been doing considerable harm to the crop.

Agricultural Marketing

2.31. Agricultural marketing assumes special importance in Kerala in view of the fact that a comparatively high portion of the agricultural produce is made up of cash crops. An efficient marketing organisation is essential for assuring fair prices to the producers through elimination of the long chain of middlemen and for improving the quality of the produce placed on the market. Proper grading of commodities, maintenance of their quality at a high level and prevention of adulteration would go a long way in boosting our export trade in agricultural products. This aspect calls for special attention since many of our agricultural export commodities are facing competition from other producing countries which have entered the market in recent years.

2.32. A recent survey conducted by the Bureau of Economic Studies has thrown some light on the marketing of agricultural produce in Kerala. The survey was concerned only with marketing at the producer's end. A striking fact revealed by the survey is that co-operatives play only an insignificant part in the marketing of agricultural produce in Kerala. The

major portion of the produce is sold in the villages of production without being carried to a market place. The proportion of the produce brought to the markets varies for individual crops. Table 2.9 shows the percentage quantities of each of the important crops sold in markets, in the producing villages and through co-operative societies.

TABLE 2.9
Percentage sale of crops in markets, villages and through co-operative societies

<i>Crop</i>	<i>Percentage of quantity sold</i>			
	<i>All</i>	<i>In markets</i>	<i>In villages</i>	<i>Through co-operative societies</i>
1. Paddy ..	100.0	1.6	98.4	..
2. Coconut ..	100.0	17.5	81.1	1.4
3. Tapioca ..	100.0	50.4	49.6	..
4. Arecanut ..	100.0	42.2	56.1	1.7
5. Pepper ..	100.0	60.1	34.7	5.2
6. Ginger ..	100.0	9.5	90.5	..
7. Cashewnut ..	100.0	34.8	65.2	..

2.33. As for prices realised they are generally the highest for sales through co-operative societies and the lowest for sales in the producing villages. Marketing charges form about 1.3% of the value of the crops marketed. This includes transportation charges and other marketing charges roughly in the ratio 3: 1.

2.34. Table 2.10 gives the marketable surplus and the quantity actually marketed in the case of each crop during 1958-59 as percentages to the total production during the year.

TABLE 2.10
Marketable surplus and marketed surplus (1958-59)

<i>Crop</i>	<i>Marketable surplus</i>	<i>Marketed surplus</i>
	<i>(Percentage to total production)</i>	
Paddy ..	21	23
Coconut ..	84	80
Tapioca ..	52	50
Arecanut ..	88	88
Pepper ..	90	89
Ginger ..	95	94
Cashewnut ..	96	96

The marketable surplus has been arrived at by deducting other essential items of disbursement like rent paid, home consumption, seed, etc., from the total production. The marketed surplus of some crops is greater than the marketable surplus because sales have been effected from previous year's stock. The marketed surplus is found to be less in some cases as a portion of the current year's marketable surplus has been added to the stock.

Food Situation

2.35. The chronic food deficit of the State is too well known to need special mention. The fast growing population of the State is making the position worse every day. The present requirement of foodgrains for the State at the rate of 14 oz. per adult per day is 19.28 lakh tons. As against this the present production of foodgrains in the State is about 10.40 lakh tons. The very unfavourable position of the State in the per capita availability of foodgrains will be evident from table 2.11 which gives the per capita availability of cereals for the different States in 1958-59.

2.36. We have about 4 lakh people more to feed this year than we had last year. The increase in population adds 59 thousand tons every year to our annual requirement of foodgrains. This annual addition to requirement itself will increase over time as population increases. In order to meet this additional requirement alone the State has to step up her annual production of foodgrains at the rate of 5.5% per year. The present rate of increase in the annual production of foodgrains is 4.4%. If this rate remains unchanged the food problem of the State will continue to get worsened every year.

2.37. The supply of foodgrains in the State was considerably greater in 1961 than in 1960. The year witnessed an increase of about 20,000 tons in the production of rice in the State. The arrival of rice into the State from outside increased remarkably during the year. The total arrival of rice was 7.27 lakh tons in 1961 as against 5.52 lakh tons in 1960 which meant an increase in supply of 1.75 lakh tons. The increase in supply from the two sources adds up to a total increase of 1.95 lakh tons during the year. The central allotment of foodgrains to the State also was greater in 1961 than in 1960. The monthly figures of arrivals of rice into Kerala and Central allotment of foodgrains to the State are furnished in table 2.12 and table 2.13 respectively.

2.38. The allround improvement in supply position was not reflected in the price levels. Rice prices were almost uniformly higher in 1961 than in 1960. In 1961 also the prices showed the usual trend of steady increase from the beginning of the year to the month of November, but the prices at the beginning of each quarter of the year was higher than the prices at the corresponding time point of the previous

TABLE 2.11

**Per capita availability of cereals in the
different States (1958-59)**

Sl. No.	States	Daily per capita availability in 1958-59	
		gms.	ozs.
(1)	(2)	(3)	(4)
1	Andhra Pradesh	471	16.6
2	Assam	411	14.5
3	Bihar	338	11.9
4	Bombay	381	13.4
5	Jammu and Kashmir	442	15.6
6	Kerala	153	5.4
7	Madhya Pradesh	649	22.9
8	Madras	409	14.4
9	Mysore	393	13.9
10	Orissa	343	12.1
11	Punjab	519	18.3
12	Rajasthan	517	18.2
13	Uttar Pradesh	374	13.2
14	West Bengal	348	12.3
	INDIA	405	14.3

year. A slight fall compared to last year was noticed towards the end of the year at centres in north Kerala.

2.39. The increase in the price of rice during the last few years was much greater in Kerala than in India as a whole. The wholesale price indices for rice in Kerala and India for the last few years are given below:

(Base: 1952-53=100)

Wholesale price indices

	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
India	78	97	105	105	105	108
Kerala	84	105	107	114	124	125

The above figures show that while in India as a whole rice prices rose by about 38% during the Second Plan period the prices in Kerala rose by about 49%. This divergence in rice price between the whole of India on the one hand and Kerala on the other is perhaps due to the peculiar position of the State being the only rice eating State in India with a large deficit in foodgrains production.

TABLE 2.12
Arrival of rice into the State by rail and road
(Tons)

Month	1961						1960	
	Arrival by rail			Arrival by road	Total	Arrival of paddy by road	Total arrival of rice by rail and road	
	From Andhra Pradesh	From Madras	Others					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
January	15,481	13,815	820	30,116	14,126	44,242	2,222	44,294
February	18,563	12,838	561	31,962	11,988	43,950	2,708	42,736
March	30,575	17,380	998	48,953	17,458	66,411	3,217	40,674
April	21,741	13,077	620	35,438	17,188	52,626	9,605	39,564
May	24,631	16,373	190	41,194	17,845	59,039	1,773	59,316
June	33,301	14,290	114	47,705	22,759	70,464	524	51,934
July	27,391	13,439	2	40,832	20,022	60,854	277	55,966
August	35,252	9,299	188	44,739	25,386	70,125	330	41,293
September	27,475	16,984	6	44,465	22,561	67,026	432	43,711
October	16,219	16,203	237	32,659	25,861	58,520	736	56,829
November	19,789	12,774	965	33,528	27,111	60,639	2,536	27,571*
December	25,195	19,888	1,878	46,961	25,820	46,961	2,931	47,641*
TOTAL	2,95,613	1,76,360	6,579	4,78,552	2,48,125	7,26,677	27,291	5,51,529

* Does not include arrivals by road.

TABLE 2.13
Central allotment of rice to the State

<i>Month</i>	<i>(Tons)</i>	
	<i>Central allotment</i>	
	1961	1960
January ..	12,000	10,000
February ..	12,000	10,000
March ..	12,000	10,000
April ..	12,000	10,000
May ..	12,000	15,000
June ..	24,000	20,000
July ..	30,000	30,000
August ..	33,000	38,000
September ..	21,000	12,000
October ..	24,000	12,000
November ..	24,000	12,000
December ..	24,000	27,000
TOTAL ..	240,000	206,000

ANIMAL HUSBANDRY

2.40. Except in poultry development, where there is satisfactory progress, in all the other aspects of animal husbandry Kerala is backward in comparison to other Indian States. Animal husbandry in the State contributes just more than 3% to the regional income while the share of this sector in the national income of India is about 8%.

2.41. Table 2.14 shows the livestock population in the State according to the 1961 livestock census as against the livestock population in 1956. There is a slight fall in the number of male cattle but the number of milk yielding cattle has risen by about 10% over the five years. Cattle population as a whole has registered an increase of 7% over the period 1956-61. Male buffaloes have increased by about 8%. Male cattle and buffaloes are mainly used for draught purposes. But in Kerala there is not much of a deficiency in the draught cattle power. Therefore even a fall in the male cattle or buffaloes would not matter very much. But the reduction in the female buffalo population as has occurred during the period 1956-61 is not in keeping with the requirements of the State. Other livestock like goats and horses have increased in numbers during the five year period 1956-61 but the number of sheep has recorded a considerable fall.

Milk Production

2.42. Milk yield in Kerala is very low and it enables a daily per capita consumption only less than 2 oz. as against a minimum of 10 oz. recommended by the Nutritional Advisory Committee of the Indian Council of Medical Research. As in other States, the she-buffaloes yield more milk than the cows in the State. While the average annual production of milk per cow is about 924 lbs. the average annual production of a she-buffalo is of the order of 1,325 lbs.

TABLE 2.14

Number of Livestock and Poultry in Kerala

<i>Sl. No.</i>	<i>Item</i>	1961 <i>Census</i>	1956 <i>Census</i>	<i>Percentage increase or decrease</i>
(1)	(2)	(3)	(4)	(5)
1	Cattle:			
	(a) Males over 3 years:			
	(i) Used for breeding only	11,213	11,026	+1.7
	(ii) Used both for breeding and work	27,613	..	..
	(iii) Used for work only	504,270	553,155	-8.8
	(iv) Others	26,132	37,718	-30.7
	TOTAL	569,228	601,899	-5.4
	(b) Females over 3 years:			
	(i) Breeding:			
	(a) In milk	434,541	395,375	+9.6
	(b) Dry and not calved even once	644,614	575,269	+12.2
	(ii) Working	14,253	7,083	+101.2
	(iii) Others	39,354	19,223	+104.7
	TOTAL	1,132,762	997,950	+13.5
	(c) Youngstock	984,452	910,527	+8.0
	TOTAL CATTLE	2,686,442	2,510,376	+7.0

TABLE 2.14—(Contd.)

<i>Sl. No.</i>	<i>Item</i>	1961 <i>Census</i>	1926 <i>Census</i>	<i>Percentage increase or decrease</i>
(1)	(2)	(3)	(4)	(5)
2	<i>Buffaloes:</i>			
	(a) Males over 3 years:			
	(i) Used for breeding only	3,082	4,406	—23.8
	(ii) Used both for breeding and work	11,398	..	..
	(iii) Used for work only	256,848	247,313	+4.0
	(iv) Others	6,567	5,895	+11.4
	TOTAL	277,895	257,254	+8.2
	(b) Females over 3 years:			
	(i) Breeding:			
	(a) In milk	60,584	61,336	—1.2
	(b) Dry and not calved even once	61,627	63,752	—3.3
	(ii) Working	8,253	10,109	—18.4
	(iii) Others	5,784	3,288	+75.9
	TOTAL	136,248	138,485	—1.6
	(c) Youngstock	71,285	91,914	—22.4
	TOTAL BUFFALOES	485,428	487,653	—0.5
3	<i>Sheep</i>	36,217	97,820	—63.0
4	<i>Goats</i>	1,252,138	955,570	+30.9
5	<i>Horses</i>	10,258	1,690	+507.0
6	<i>Other Livestock</i>	136,288	115,128	+18.4
	TOTAL LIVESTOCK	4,606,771	4,168,237	+10.5
7	<i>Poultry</i>	9,600,903	6,795,045	+4.13

2.43. The vicious circle of bad feeding and poor breeding is prevalent in Kerala also as in most other States of India. Poor feeding results in the deterioration of what little good breed is available in the State. The low yielding and useless cattle are a drag on the fodder resources. Almost the same

amount of feed as required for the high yielding cow or she-buffalo is necessary for the upkeep of the low yielding variety also. The provision of balanced feed will help increase the productivity of cattle. There is little land set apart for grazing purposes in the State. Rice straw which is deficient in nutrition is the main fodder available in the State. Cattle feed in the State therefore should be supplemented with fish meal and tapioca. Planned cultivation of fodder plants in the forest areas of the State will go a long way in solving the problems of lack of nutrition and limited availability of fodder resources.

2.44. Improving the breed of cattle is an urgent necessity in view of the very low production and per capita consumption of milk in the State. Mere improvement in the quality of the cattle alone will not give the desired increase in yield. The number of milch animals has also to be increased. In respect of improvement of the breed artificial insemination work has already been taken up in the key villages and artificial insemination centres in the State. Five key village centres were started in the First Plan and the number was increased to 14 in the Second Five Year Plan. There are at present 16 key village centres in the State. The work done in these centres, however, is progressing slowly.

2.45. Statewise utilisation of milk as on 1956 is furnished in Table 2.15. In Kerala out of a total of 205,000 metric tons of milk, 97,000 metric tons of milk or 47.3% of the total is consumed as fluid milk. Consumption of milk in the fluid form is the most desirable form of consumption. The pattern of consumption in the State is satisfactory compared to many other States. But further progress in this direction is feasible. West Bengal consumes more than three quarters of its production in the shape of fluid milk. The main limitation as regards milk consumption in the State is that the milk yield is not sufficient for its population.

2.46. Poultry keeping has an important place in the animal husbandry sector in Kerala. It is a popular cottage industry in the rural households. It is estimated that Kerala had a production of 168 million eggs as against the all India production of 2,206 million eggs in 1956. The egg production in the State is thus about 7.6% of the all India production. In the matter of productivity Kerala birds are comparable to those of the other States in India.

2.47. The improvement of the animal husbandry sector in the State is important because of the deficit in foodgrains production. Only large production will enable milk and meat reach poorer sections of the people. The heavy dependence on the cereals is mainly because large sections of the people cannot afford to purchase meat and milk. Proper feeding and breeding of animals to improve production and marketing and

processing of the products are worthy investments which will lead to higher all round development of the animal husbandry sector.

TABLE 2.15
Utilization of Milk—Statewise—1956

(In '000 Metric Tons)

Sl. No.	States	Consumed as fluid milk		Converted into milk products		Total quantity
		Quantity	Percentage	Quantity	Percentage	
1	Andhra ..	552	27.8	1434	72.2	1986
2	Assam ..	73	57.0	55	43.0	128
3	Bihar ..	1120	51.5	1055	48.5	2175
4	Bombay ..	571	32.1	1209	67.9	1780
5	Jammu and Kashmir	72	52.2	66	47.8	138
6	Kerala ..	97	47.3	108	52.7	205
7	Madhya Pradesh ..	439	33.5	872	66.5	1311
8	Madras ..	359	42.7	481	57.3	840
9	Mysore ..	247	32.9	504	67.1	751
10	Orissa ..	152	54.7	126	45.3	278
11	Punjab ..	850	34.5	1613	65.5	2463
12	Rajasthan ..	371	27.6	974	72.4	1345
13	Uttar Pradesh ..	2186	40.5	3212	59.5	5398
14	West Bengal ..	516	77.5	150	22.5	666
15	Centrally Administered Territories ..	106	55.5	85	44.5	191

FISHERIES

2.48. Fish being an important supplementary item of food for the people of Kerala, fishing industry has a prominent role to play in the State's economy. Kerala's many fishing grounds are spread over the 360 mile coast line and more than a lakh of fishermen are directly engaged in the catching of fish. The fishing crafts used by the fisherfolk, however, are not modern and even the indigenous crafts used are sufficient only for about 65% of the active fishermen. About four-fifths of the fish landings in Kerala are from the sea and the rest from inland fisheries. The present annual fish production in the State is of the order of 3 lakh tons and of this about 2½ lakh tons are locally consumed. Kerala abounds in certain varieties of fish like prawns and shrimps which are good foreign exchange earners.

2.49. Kerala possesses a wide variety of fishes and of these shark, cat fish, sardine, silver bellies, mackerel, soles and prawns are commercially very important. Table 2.17 shows quantity

and value of fish landings in Kerala in 1959-60, classified according to the variety of fish. More than 30 lakh maunds (about 1 lakh metric tons) of commercially important fishes valued at Rs. 2.08 crores were caught from the various fishing grounds in 1959-60. The year 1959-60 was a comparatively lean year as regards fish production in the State.

2.50. Fish caught in Kerala accounts for a good percentage of the total fish caught in India. The following table gives the fish landings in Kerala as compared with that in India for the past few years:

TABLE 2.16

<i>Year</i>	<i>Fish landings in Kerala (’000 metric tons)</i>	<i>Fish landings in India (’000 metric tons)</i>	<i>Fish landings in Kerala as percentage of that in India</i>
1958 ..	290.7	1064.4	27.3
1959 ..	178.3	822.8	21.7
1960 ..	308.3	1159.9	26.6

TABLE 2.17
Fish landings in Kerala (1959-60)

<i>Sl. No.</i>	<i>Name of Fish</i>	<i>Weight (in Mds.)</i>	<i>Value (Rs.)</i>
1	Shark and Dog fish	.. 76424	941251
2	Skate and Ray	.. 31398	270115
3	Cat fish	.. 117905	1233480
4	Oil Sardine	.. 1155080	6958749
5	Other Sardines	.. 352222	1830084
6	Chupeodes lile	.. 57636	211486
7	White Bait	.. 45022	357942
8	Silver Bellies	.. 113225	696074
9	Pellona	.. 19747	137436
10	Sciaenidae	.. 107998	389047
11	Ribbon fish	.. 51011	408804
12	Chamban	.. 13360	59250
13	Lactarins	.. 31396	281382
14	Mackerel	.. 655880	5973851
15	Seer	.. 31741	346509
16	Tunny	.. 13139	226031
17	Soles	.. 274286	1196379
18	Prawns	.. 162118	1455900
19	Miscellaneous	.. 841502	5721955
		4151090	28695725

2.51. Shrimps and prawns are exported to other countries especially U.S.A. The following table gives the figures for export of shrimps, lobster and frog legs for the three years 1957-58 to 1959-60.

TABLE 2.18

<i>Year</i>	<i>(’000 lbs)</i>		
	<i>Shrimps</i>	<i>Lobster</i>	<i>Frog legs</i>
1957-58	.. 1007.8	85.7	311.8
1958-59	.. 1559.8	81.8	142.6
1959-60	.. 1686.0	54.4	302.2

2.52. The exports of shrimps and prawns alone to other countries from Kerala in 1959 was valued at Rs. 1.23 crores.

2.53. There is a considerable gap between the price paid by the consumer of fish and the price obtained by the fisherman due to the prevalence of a number of middlemen in the distribution mechanism. It is not uncommon to find powerful rings of middlemen controlling the fish market in certain localities. Only marketing of fish on co-operative basis will ensure a satisfactory price for the fishermen. The Indo-Norwegian Project initiated a pilot fish marketing scheme in 1957 and this scheme succeeded in popularising iced fish in the marketing routes. With the establishment of a Cold Storage and Refrigeration Plant at Quilon, frozen fish has also been made quite popular. In 1959 a sales organisation comprising of the owners of machanised boats at Quilon was set up and the members were assured of minimum beach prices for different species. In Kerala there are altogether 241 fishermen co-operative societies having a total membership of 33,332 at the end of 1958-59.

FORESTS

2.54. Forests have a key place in the Kerala economy. Forests occupy about 28% of the geographical area of the State. Besides being a source of raw materials for various forest based industries they contribute about Rs. 5 crores to the State’s revenue. Forests in the State effectively protect the soil from erosion and have a moderating effect on the climate. Per acre yield from forests is higher in Kerala than in the other States. The yield is of the order of Rs. 15 per acre for this State while for India as a whole it is about Rs. 4 per acre. Most of the forest lands are conserved by the State Government as Reserve Forests while in the northern part of the State a wide expanse of forest land is controlled by the private sector. The area under Reserve Forsts is about 22.3 lakh acres. There are also large tracts of land known as “unreserves” most of which lie in the Malabar area. In

addition to the reserves and unreserves there are large tracts of private forests in the Malabar area. These private forests are fit for conservation and have to be promptly brought under the State sector in order to facilitate a planned development of forests.

2.55. State-wise forest area as on 1956-57 is shown in Table 2.19. Kerala has a higher average forest area than India as a whole. Assam leads the States in the average closely followed by Madhya Pradesh.

TABLE 2.19
Forest area—Statewise 1956-57

<i>States.</i>	<i>Total land area ('000 Hectares)</i>	<i>Forest area ('000 Hectares)</i>	<i>Percent of forest area to total land area</i>
(1)	(2)	(3)	(4)
Andhra Pradesh ..	26913	5555	20.64
Assam ..	14473	4873	33.67
Bihar ..	17330	3916	22.60
Bombay ..	48917	6267	12.81
Jammu and Kashmir ..	2397	566	23.61
Kerala ..	3809	955	25.07
Madhya Pradesh ..	43540	13534	31.08
Madras ..	12958	1788	13.80
Mysore ..	18678	2691	14.41
Orissa ..	15541	3561	22.91
Punjab ..	12257	375	3.06
Rajasthan ..	34176	1438	4.21
Uttar Pradesh ..	29357	3572	12.17
West Bengal ..	8828	1022	11.58
Union Territories ..	2594	878	33.85
INDIA ..	291768	50991	17.48

1 Hectare—2.471 acres.

2.56. Kerala holds a very low place as regards per capita availability of forest land. Assam and Himachal Pradesh have about 2½ acres of forest land per person while Kerala has only 20 cents. The per capita forest area for Kerala falls even short of the all India average.

TABLE 2.20
Per capita availability of forest land

<i>State</i>	<i>Acres</i>
Assam	2.60
Manipur	2.48
Himachal Pradesh	2.36
Madhya Pradesh	1.80
Orissa	1.10
Maharashtra	0.55
Mysore	0.40
Gujarat	0.30
Kerala	0.20
INDIA	0.55

2.57. The out-turn of timber, firewood, poles etc., from Kerala's forests for the last few years are shown in Table 2.21. Teak and rosewood are among the important varieties of timber found in Kerala forests. Timber is acquiring a growing demand owing to the increase in house construction activities. It is most important that timber resources in the State are developed in order to cope with the demand in the third and succeeding plan periods. The out-turn of teak logs in 1959-60 was below that in 1958-59, but in 1960-61 it has reached almost the same level as in 1958-59. There is a phenomenal increase in the out-turn of round logs other than teak. It is almost double the out-turn in 1959-60. As regards sawn and squared timber there is a fall in 1960-61 compared to the previous years. The rising trend in the outturn of firewood observed in 1959-60 continued during 1960-61.

2.58. Table 2.22 shows the earnings from Kerala forests during the last four years. There is an increasing trend in the earnings which in the last year has reached more than Rs. 4.5 crores.

TABLE 2.22
Earnings from Forests—Kerala

<i>Year</i>	<i>Rs. (Lakhs)</i>
1957-58	298.51
1958-59	322.02
1959-60	339.43
1960-61	453.41

TABLE 2.21

Out-turn of Timber and Fire Wood

Sl. No.	Item	Unit	1957-58	1958-59	1959-60	1960-61
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	A. Round logs:					
	(i) Teak	.. (Cft.)	665709	1186772	897685	1186833
	(ii) Others	.. (Cft.)	1930069	3269874	3448706	6698623
2	B. Sawn and Squared Timber:					
	(i) Teak	.. (Cft.)	415	377	216	1622
	(ii) Others	.. (Cft.)	46126	144425	9656	3725*
3	C. Rough Poles	.. (Nos.)	461563	411290	300930	252340
4	D. Fire wood	.. (Tons)	24070	52293	165866	179383
5	E. Posts	.. (Nos.)	..	..	..	1447

*During the year 23516 Nos. of B.G. Sleepers were also turned out.

Forests and soil conservation deserve all the money Government can afford to spend because of their potentialities for more and more revenue. Afforestation besides yielding valuable revenue can provide wide spread and continuous employment to the mass of unemployed in the State. There are many forest-based industries in the State including 13 plywood factories, one paper factory, one hard board factory and 96 match (including splints and veneers) factories. All these units depend on forests for their raw materials. Besides these the Mavoor Rayon Pulp Factory and the proposed Veneer factory at Pallipuram depend on Kerala's forest resources. Artificial regeneration of different species of forest plants is therefore vital for the economic advancement of the State. During the Second Plan period 8355 acres were planted with timber trees and 8821 acres with soft wood trees. In the Third Five Year Plan it is proposed to plant 30,000 acres with teak, 15,000 acres with softwood, 500 acres with wattle, 15,000 acres with eucalyptus and 1000 acres each with sandalwood and bamboo. Fuel plantations are also proposed to be considerably raised during the Third Plan period. There are a number of valuable minor forest produce like sandalwood, canes, ivory, honey etc. The Third Plan provides for regeneration of cane over an area of 1000 acres and to undertake cultivation of serpentina in suitable forest areas to provide raw material for the proposed phyto-chemical plant. The Third Plan also includes special schemes to solve such problems as large scale encroachment on forest, smuggling of forest produce etc.

IRRIGATION

2.59. The total area irrigated in Kerala reached 8.78 lakh acres during 1958-59. This was about 30% of the net sown area under field crops. The irrigated area in the State is served mainly by tanks, wells and canals. The following table gives the source-wise area irrigated and the progress on irrigation made in the State.

TABLE 2.23

Area irrigated from different sources in Kerala State

Sl. No.	Source.	Area irrigated		
		1951	1956	1959
1	Government Canals ..	3,17,674	3,27,671	3,76,848
2	Private Canals ..	68,074	68,113	73,043
3	Tanks ..	72,286	77,400	79,032
4	Wells ..	25,726	28,499	34,882
5	Other Sources ..	2,59,628	3,09,380	3,15,023
	TOTAL ..	7,43,388	8,11,063	8,78,828

2.60. Government canals are the main source of irrigation in Kerala though private canals, tanks and wells benefit

a considerable portion of the total cultivated area. At the end of the First Five Year Plan three major irrigation projects, viz., Peechi, Chalakudi I, and Malampuzha were yielding irrigation benefits to about 75,290 acres of paddy land. A net area of 1,12,150 acres of paddy land was additionally brought under irrigation during the Second Plan period through the major irrigation schemes, Malampuzha, Chalakudy I and II, Peechi, Vazhani, Neyyar I and II, Mangalam, Walayar, Cheerakuzhi and Meenpara. This makes the total area benefited by major irrigation schemes at the end of the Second Five Year Plan period 1,87,440 net acres. New major irrigation schemes envisaged in the Third Five Year Plan for the State are Kallada, Pamba, Kuttiyadi, Chitturpuzha, Kanjirapuzha and Valapattanam. It is expected that by the end of the Third Plan period a total area of 3,27,440 acres will be benefited by major irrigation schemes.

2.61. A considerable portion of the cultivated area in the State is benefited by minor irrigation works such as spring-fed tanks, diversion weirs with channels, lift irrigation works, salinity control works, drainage schemes and surface reservoirs. Such minor works play an important role in the economy as irrigation is needed for supplementing monsoon rainfall during the first and the second paddy seasons. Even a rough estimation of costs and benefits of the two types of irrigation—minor and major—shows that minor works in addition to yielding quick benefits are more economical than the major irrigation works. An investment of Rs. 8.88 crores in the Second Plan on major irrigation has found benefit only for 1,12,150 acres of paddy land while an investment of Rs. 2.30 crores in minor irrigation works has yielded benefit to 1,05,870 acres of land. The area irrigated by minor works of different categories under the Second Plan is shown below:—

	<i>Net area ('000 acres)</i>
1. Medium irrigation	36,000
2. Special Minor irrigation	7,610
3. Lift irrigation	13,140
4. Minor irrigation	49,120
	<hr style="width: 100%; border: 0.5px solid black;"/>
	1,05,870
	<hr style="width: 100%; border: 0.5px solid black;"/>

2.62. The committee on Plan Projects for the study and investigation of minor irrigation projects headed by Shri N. V. Gadgil has laid down certain valuable recommendations. Important among these are:—

(i) Provision of irrigation and drainage works directed towards fuller utilisation of the available resources of water and land, including provision of small storage reservoirs to back up canal irrigation on minor schemes;

(ii) Raising cash crops like sugar cane and garden crops on lift irrigation so as to render such schemes remunerative;

(iii) Upward revision of water rates in accordance with the recommendation of the Taxation Enquiry Commission as water rates for all the crops are very low both in Travancore-Cochin and Malabar regions;

(iv) Lift irrigation is important in Kerala in view of the topographical features. To minimise the operational costs of lift and encourage economic use of water, co-operative management of the lift irrigation schemes may be introduced. Government may also offer financial and technical assistance to such co-operatives.

2.63. Table 2.24 gives State-wise figures of total area cropped and area irrigated. Though, compared to a few States like Bombay, Madhya Pradesh and Mysore, a higher percentage of the cropped area gets the benefits of irrigation in Kerala, the food requirements of the State demand a still higher percentage of irrigated area in the State. Andhra, Assam, Madras, Punjab and Uttar Pradesh are placed in a better position as regards irrigation facilities.

TABLE 2.24
Total cropped area and area irrigated State-wise—1956-57

States	Total area cropped Hectares (000)	Gross area irrigated Hectares (000)	Percentage of gross area irrigated to cropped area	
			1955-56	1956-57
(1)	(2)	(3)	(4)	
Andhra ..	12444	3388	25.98	27.23
Assam ..	2429	620	25.54	25.52
Bengal ..	6061	1245	19.88	20.54
Bihar ..	10119	1774	17.98	17.53
Bombay ..	28474	1655	5.80	5.81
Jammu and Kashmir	771	314	40.11	40.73
Kerala ..	2211	449	20.07	20.31
Madhya Pradesh ..	17633	839	4.77	4.76
Madras ..	6938	2925	43.08	42.16
Mysore ..	10400	762	6.63	7.33
Orissa ..	6053	1141	18.85	18.85
Punjab ..	9626	3700	38.48	38.44
Rajasthan ..	13711	1693	12.70	12.35
Uttar Pradesh ..	21354	5045	25.54	23.63
Union Territories ..	886	158	17.90	17.83
ALL-INDIA ..	149110	25708	17.55	17.24

1 Hectare—2.471 acres.

2.64. Table 2.25 gives figures of gross and net irrigated area State-wise. Kerala has been able to convert more than a third of the net irrigated area into double-crop land.

TABLE 2.25
Irrigated area—State-wise (1956-57)

Sl. No.	States	Net area irrigated (Thousand Hectares)	Gross area irrigated (Thousand Hectares)	Percentage to total gross area irrigated		Gross area	
				1955-56	1956-57	1955-56	1956-57
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Andhra Pradesh	2860	3388	12.48	13.18	1.16	1.18
2	Assam	620	620	2.42	2.42	1.00	1.00
3	West Bengal	1218	1245	4.81	4.84	1.03	1.01
4	Bihar	1774	1774	6.97	6.90	1.00	1.00
5	Bombay	1463	1655	6.41	6.44	1.13	1.13
6	Jammu and Kashmir	301	314	1.17	1.22	1.03	1.04
7	Kerala	335	449	1.73	1.75	1.35	1.34
8	Madhya Pradesh	829	839	3.27	3.26	1.02	1.01
9	Madras	2233	2925	11.55	11.38	1.38	1.31
10	Mysore	740	762	2.64	2.96	1.02	1.03
11	Orissa	977	1141	4.46	4.44	1.17	1.17
12	Punjab	3019	3700	14.29	14.39	1.12	1.23
13	Rajasthan	1412	1693	6.22	6.59	1.18	1.20
14	Uttar Pradesh	4622	5045	20.96	19.62	1.08	1.09
15	Union Territories	131	158	0.62	0.61	1.21	1.21
	ALL INDIA	22534	25708	100.00	100.00	1.13	1.14

1 Hectare—2.471 acres.

CHAPTER III

PLANTATIONS

The plantation industry continued its forward march in the path of progress during 1961. The production of all the three plantation crops, tea, coffee and rubber increased in 1961 compared to the previous year. The country had a bumper crop of coffee in 1960-61 season. The increase in tea production during the year was also quite remarkable. Only in the case of rubber was the increase in production insignificant. The figures of area under the crops during 1961 are not available. A comparison of the area under the crops in 1959 and 1960 shows that the area maintained an increasing trend.

Tea

3.2. India ranks first among the tea producing countries of the world followed by Ceylon, China and Indonesia. World output of tea has been steadily increasing in the past years. While India's production increased by 15% over the last decade the production in Ceylon increased by about 33% and that in China by about 143%. Kerala's production of tea is only about 12% of the all India production. The other chief tea producing States in India are Assam (49%), West Bengal (25%) and Madras (12%). Tea production in India has not recorded any remarkable increase over the past few years. Table 3.1 gives the State-wise area under, production and average yield per acre of tea in India for the last few years.

3.3. The year 1961 seems to have been a better year than 1960 for tea producing areas in North India. The South Indian plantations, on the other hand, witnessed a fall in tea production during the first half of the year. But this fall was more than set off by the increase in production in North India during the half year. The net result was an increase in production to the extent of 5.5 million kilograms in six months over the production for the corresponding months of the previous year. Table 3.2 gives the State-wise production for South India and the total production for North India for the first half of the years 1960 and 1961.

TABLE 3.2
Tea production in India during January to June 1960 and 1961
(Thousand Kilograms)

Sl. No.	States	1960 (January-June)	1961 (January-June)
1	Madras	.. 17299	16204
2	Mysore	.. 885	965
3	Kerala	.. 19894	19133
4	Estimated production for factories not owning estates	3042	2905
	Total—South India	.. 41120	39207
	Total North India	.. 46126	53660
	TOTAL	.. 87246	92867

TABLE 3.1

Area under cultivation, total production and average yield per hectare of tea in each State of India for 1957 to 1960

States	*Area in '000 hectare						Production in '000 Kgms.						
	1957	1958	1959	1960	1960	1957	1958	1959	1960	1957	1958	1959	1960
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Assam	158.18	159.25	159.12	160.39	161,360	171,161	171,046	157,584					
West Bengal	81.31	81.64	81.95	82.29	75,397	76,193	80,107	81,363					
Bihar	0.72	0.73	0.73	0.73	98	68	56	40					
Tripura	4.96	5.04	5.16	5.22	2,094	2,412	2,481	2,108					
Uttar Pradesh	2.39	2.39	2.37	2.37	738	810	952	944					
Punjab (Kangara)	3.89	3.89	3.76	3.76	1,104	1,026	1,026	1,010					
Himachal Pradesh	0.42	0.42	0.42	0.42	82	117	145	129					
Madras	30.34	30.94	31.81	32.48	32,816	34,750	33,011	37,364					
Mysore	1.85	1.81	1.80	1.80	1,551	1,658	1,531	1,692					
Kerala	39.22	39.26	39.37	39.69	35,562	37,030	35,600	38,170					
TOTAL	323.29	325.36	326.49	329.15	310,802	325,225	325,955	320,404					

(*) Area relates to 31st March of the year indicated.

TABLE 3.1---(Contd.)

States	Average yield per hectare in Kg.			
	1957	1958	1959	1960
(1)	(10)	(11)	(12)	(13)
Assam	1,017	1,075	1,075	983
West Bengal	927	932	977	981
Bihar	135	94	77	55
Tripura	422	479	481	404
Uttar Pradesh	309	332	402	398
Punjab (Kangara)	284	258	273	269
Himachal Pradesh	194	279	345	307
Madras	1,081	1,123	1,038	1,150
Mysore	839	916	849	940
Kerala	907	943	904	962
TOTAL	959	999	998	974

3.4. Of the three plantation crops of Kerala tea is the most important foreign exchange earner. Tea really leads not only the plantation crops but all the export commodities of the State in foreign exchange earnings. It accounts for about 30% of the State's export earnings from agricultural commodities. Value of tea exports from Kerala in 1959-60 was about Rs. 22 crores.

3.5. The chief tea producing districts in the State are Kottayam, Kozhikode, Quilon, Cannanore and Trivandrum in that order. The District of Kottayam alone is having about 73% of the total area under tea in the State. There are no tea plantations in the Alleppey District. The remaining three Districts together have only about a thousand acres under tea. Table 3.3 gives the District-wise area and production of tea in the State during 1959. There was some increase in the area under tea in the Kottayam District but production in 1959 was less than that in 1958 in all the Districts.

TABLE 3.3

District-wise area under and production of tea in Kerala during the calendar year 1959

<i>Sl. No.</i>	<i>Districts</i>	<i>Area as on 31st March 1959 (hectare)</i>	<i>Production (Kgs.) 1959</i>
(1)	(2)	(3)	(4)
1	Trivandrum	.. 1094.01	982
2	Quilon	.. 3056.55	1648
3	Alleppey	.. ..	..
4	Kottayam	.. 28561.66	26186
5	Ernakulam	.. 154.99	56
6	Trichur	.. 400.94	726
7	Palghat	.. 571.88	595
8	Kozhikode	.. 3982.87	4212
9	Cannanore	.. 1447.77	1204
	TOTAL	.. 39270.67	35609

3.6. Table 3.4 shows the area and production of tea plantations in Kerala according to the sizes of estates. There has been considerable increase in the number of holdings in the smallest size group. The number of holdings in this size

TABLE 3.4
Area and production of tea according to the sizes of estates in Kerala—1959-60.

(1)	(2) Size of estates (Hectares)	(3) Number of Estates	(4) Area (Hectares)	(5) Production (Kgms.)	(6) Average yield (Kgms. per hectare)	
1	Upto 4.05	..	1460	960.56	168532.29	177
2	Above 4.05 to 60.70	..	112	1850.07	654245.38	354
3	.. 60.70 to 121.41	..	35	3180.95	2148371.40	676
4	.. 121.41 to 202.34	..	27	4352.93	3830496.89	2029
5	.. 202.34 to 404.69	..	71	20805.81	20638155.32	992
6	.. 404.69	..	18	3434.12	7716068.50	915
	TOTAL	..	1723	39584.44	35156869.78	888

NOTE: Area refers to 31st March 1960 and production to the calendar year 1959.

group increased from 1243 in 1958-59 to 1460 in 1959-60. Area increased by about 50% during the one year period though the increase in the number of holdings was only 17%. The production increased less than proportionately to the area. The average yield per hectare for this size group was therefore slightly less in 1959-60 than that recorded in the previous year. In 1958-59 the average yield showed a steady rising trend as size group grew bigger. But in 1959-60 the yield rate was highest for the size group 121.41 to 202.34 hectares. The yield rate for the size group was considerably higher compared to that in the previous year also. For bigger size-groups the yield rate was considerably less. The general trend showed a shift of higher average returns from the biggest size group to moderately big ones. The returns per hectare for size-groups below 121.41 hectares continued to be less than that for bigger ones. The average yield per hectare was on the whole less in 1959-60 than in 1958-59. Out of a total of 1723 holdings and estates which existed in 1959-60 almost 85% was in the smallest size-group of up to 4.05 hectares. But this size-group accounted for only 2.4% of the total area. The corresponding figures in 1958-59 were 75% and 2% respectively. Units of area up to 202.34 hectares (500 acres) each constituted about 95% of the total number of units but accounted for only 26% of the total area. The remaining 74% of the area is in big units forming only 5% of the total number of units; during the previous year the percentages stood at 75 and 6 respectively. The reduction in the percentages during 1959-60 was brought about by the increase in the number and area of small holdings in the size-group of area less than 4.05 hectares each.

3.7. Table 3.5 shows the State-wise area under cultivation and production of tea in India during 1960. The two main tea producing States in South India viz., Kerala and Madras, both registered an increase in the area under the crop as well as production during 1960. Their percentage shares in the acreage and production of tea also increased. The area and production in West Bengal remained practically unchanged but Assam, the most important tea producing State in India, witnessed a fall in area as well as production. At the all India level the area under tea increased slightly in 1960 but tea production showed a decrease compared to the previous year.

TABLE 3.5

**Distribution of Indian production of and area
under tea among the States 1960**

<i>Sl. No.</i>	<i>State</i>	<i>Production ('000 Kgms.)</i>	<i>Percentage</i>	<i>Area (Hectares)</i>	<i>Percentage</i>
(1)	(2)	(3)	(4)	(5)	(6)
1	Assam	.. 157584	49.20	160360	48.70
2	West Bengal	.. 81263	25.40	82290	25.00
3	Bihar	.. 40	0.02	725	0.22
4	Tripura	.. 2108	0.66	5216	1.59
5	Uttar Pradesh	.. 944	0.29	2370	0.72
6	Punjab	.. 1010	0.31	3763	1.14
7	Himachal Pradesh	.. 129	0.04	420	0.13
8	Madras	.. 37364	11.65	32484	9.87
9	Mysore	.. 1692	0.52	1803	0.56
10	Kerala	.. 38170	11.91	39693	12.07
TOTAL		.. 320404	100.00	329124	100.00

3.8. The disposal of India's tea output during the five years from 1955-56 to 1959-60 is furnished in table 3.6. The increasing trend in tea production observed during the previous years continued in 1959-60 also. Exports dwindled a little during the year while import fell to the insignificant figure of 1.5 thousand kilograms from the previous year's figure of 11.7 thousand kilograms. Consumption showed some increase over the year. The estimated consumption of tea in India during 1959-60 was 115.2 million kilograms as against the previous year's consumption of 108.9 million kilograms. But the increase in consumption compared to the 1957-58 level was only 2.5 million kilograms. Consumption of tea per hundred persons in India and Kerala for the last three years was as follows:

	<i>India</i>	<i>Kerala.</i>
1957-58 (kilograms)	28.58	23.36
1958-59	27.12	26.40
1959-60	28.15	N.A.

The per capita tea consumption at the all India level is higher than that in Kerala. The consumption data for Kerala for 1959-60 are not available but the trend in consumption observed in the two previous years indicates that the tea consumption level in the State is rising. The fact that there was considerable rise in consumption in the State during 1958-59 despite a fall in consumption at the all India level is, in all probability, a pointer of the increasing popularity of tea in the State.

TABLE 3.6

Disposal of Indian tea during 1955-56 to 1959-60

(Figures in thousand Kgms.)

<i>Year</i>	<i>Opening stock at the beginning of the financial year</i>	<i>Production during the calendar year</i>	<i>Import during the calendar year</i>	<i>Export during the financial year</i>	<i>Closing stock at the end of the financial year</i>	<i>Estimated internal consumption (2+3+4-5-6)</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1955-56	..	307704	221.71	183769	63367	100441.71
1956-57	..	308719	463.61	233088	51554	87007.61
1957-58	..	310802	240.81	191755	58104	112737.81
1958-59	..	325225	11.65	217322	57132	108876.65
1959-60	..	*327281	1.50	216145	59849	115221.50

*The figure relates to the financial year 1959-60.

3.9. Compared to the other tea producing States of India Kerala's consumption level is very low. During 1958-59 the consumption of tea per hundred persons was 64.67 kilograms in Assam, 79.43 kilograms in West Bengal and 34.56 kilograms in Madras. Tea consumption is, as a rule, higher in the north Indian States. In spite of increasing competition from other Asian producers like Ceylon and Indonesia, India has till now been able to maintain her position in the world tea market. But the situation may get more and more difficult in the years to come. If India would be able to expand the home market at a reasonable rate the tea industry can very well hold its own and meet any odds that may come in its way in the international market. It may be interesting to find that India could absorb the whole of her tea output if all the Indian States reached the present consumption level of West Bengal.

3.10. Table 3.7 gives the details of tea exports from India during the past six years. It can be seen from the table that the country's tea exports declined considerably during 1960-61. But the export prices improved during the year so that the fall in export earnings was proportionately less than the fall in volume of export.

TABLE 3.7

Volume and value of export of tea from India

<i>Year</i>	<i>Quantity (Million Kgms.)</i>	<i>Value (Rs. million)</i>	<i>Average price for Kgm. (Rs.)</i>
1955-56	183.769	1096.448	5.97
1956-57	233.088	1451.347	6.23
1957-58	191.755	1136.435	5.93
1958-59	217.322	1296.953	5.97
1959-60	216.145	1295.011	5.99
*1960-61	198.983	1235.887	6.22

*Subject to revision.

3.11. Kerala accounts for about 10% of the labour employed in tea industry in India. The employment in the industry in India as well as Kerala has been fairly constant over the past few years. The State-wise figures of employment in tea industry in India for the years 1955 to 1958 are given in table 3.8. The provisional figures of employment for 1958 show a 2% fall in the all India level compared to the previous year. This fall was chiefly due to a decrease in employment in Assam.

TABLE 3.8

Labour employed (daily average) in tea industry in India

<i>State</i>	1955	1956	1957	*1958
(1)	(2)	(3)	(4)	(5)
Assam ..	517,202	529,528	535,503	522,738
Bihar ..	743	1,063	902	792
Punjab ..	6,671	6,766	6,764	6,696
Uttar Pradesh ..	2,769	3,596	3,846	4,171
West Bengal ..	273,163	268,671	261,384	251,145
Mysore ..	6,811	5,242	5,951	5,396
Kerala ..	96,150	97,880	97,519	97,519
Madras ..	78,132	83,651	84,340	83,412
Himachal Pradesh ..	114	133	130	376
Tripura ..	7,901	8,153	7,918	7,993
TOTAL ..	989,656	1,004,683	1,004,257	980,238

* Provisional

3.12. The minimum rates of daily wages in the chief tea producing States of India for the year 1960 are furnished in table 3.9. Of the four important tea producing States, it is Madras which has the lowest wage rates. The wage rates in the other three States are more or less equal. But Kerala and Madras seem to be less considerate to women than the other States in the matter of giving wages. While the female worker in West Bengal and Assam earns just 4—5% less than her male counterpart does by way of wages, the female worker in Kerala and Madras are 25—30% worse than the male worker in respect of wages earned.

TABLE 3.9

Minimum rates of daily wages for tea plantation labour in 1960

<i>Sl.No., State</i>	<i>Total daily wages according to category of workers (Rs.)</i>			
	<i>Male</i>	<i>Female</i>	<i>Adolescents</i>	<i>Children</i>
1 Assam ..	1.71	1.62	..	0.86
2 West Bengal ..	1.74	1.64	1.64	0.95
3 Kerala ..	1.72	1.33	1.05	0.76
4 Madras ..	1.56	1.16	0.94	0.72
5 Tripura ..	1.25	1.11	1.11	0.62

Coffee

3.13. India's contribution to the world output of coffee is only 1.5%. But she ranks second among the coffee producing countries of Asia. In India coffee cultivation is concentrated in the three south Indian States of Mysore, Madras and Kerala. Kerala's share in the all India output of coffee is about 14%. Table 3.10 shows the State-wise details of area, production and average yield per acre in respect of coffee. Kerala with about 19% of the all India acreage under coffee contributed only 14% to the Indian output of the crop in 1957-58. The yield per acre of coffee in Kerala is the lowest for any coffee producing State in India. During the three years under review the area under coffee as well as production of coffee followed an upward trend in the State as well as India. But the yield per acre has not shown any definite tendency towards improvement. The yield rate in Kerala was less in 1957-58 than in 1956-57. For India as a whole the trend in yield rate was an increasing one over the period.

3.14. India had a bumper crop of coffee in the season 1960-61. During this season the country produced a record crop of 67,000 tonnes which was 19,000 tonnes more than the previous year's crop. Table 3.11 gives the State-wise production of coffee during 1960-61. This leap forward meant a doubling of production with reference to the 1955-56 level. Kerala's performance in the field was quite commendable. During the period 1955-56 to 1960-61 she increased her production by about 18%. The corresponding increases in Mysore and Madras were only 11.2% and 6% respectively. However, the 1960-61 production cannot be regarded as having set a stable high level in coffee production since favourable weather condition during the season was largely responsible for the unprecedented increase in output. The current year's estimated production of 48,000 tonnes substantiates this view.

3.15. Coffee is cultivated to an appreciable extent only in six out of the nine Districts of Kerala. Table 3.12 gives the District-wise area under cultivation and production of coffee in 1959-60. The Kozhikode District with about 69% of the total area under the crop and 63% of the total coffee production in the State ranks first among the coffee producing Districts. But the average yield per acre of coffee is the highest in the District of Palghat.

3.16. Table 3.13 shows the area of registered coffee estates in the State classified into different size-groups. There was an increase in the area as well as number of estates in the smallest size-group. While the increase in the number of estates was less than 1% the increase in the area was as much as 5% compared to the previous year. The number of estates in the two size-groups, 5—10 acres and 10—25 acres also

TABLE 3.10
State-wise area, production and average yield per acre of coffee in India

State	Area in acres			Production in tons			Average yield per acre in lbs.		
	1955-56	1956-57	1957-58	1955-56	1956-57	1957-58	1955-56	1956-57	1957-58
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Madras ..	63625	61504	64342	6530	5545	7672	230	202	268
Mysore ..	145934	152543	153695	24203	32035	31529	372	472	459
Kerala ..	44606	46057	50145	3433	4340	4435	183	211	198
Others ..	284	297	280	..	30	64	..	226	515
TOTAL ..	254449	260401	268462	34475	42000	43700	304	362	365

TABLE 3.11
Production of coffee for the year 1960-61
(In Tonnes)

<i>States</i>	<i>Arabica</i>	<i>Robusta</i>	<i>Total</i>
Madras ..	5,750	1,190	6,940
Mysore ..	33,035	18,180	51,215
Kerala ..	465	8,930	9,395
TOTAL ..	39,250	28,300	67,550

TABLE 3.12
District-wise area under and production of coffee in Kerala (1959-60)

<i>District</i>	<i>Area under coffee in acres.</i>	<i>Production (Bushels)</i>
Quilon ..	586	752
Kottayam ..	4228	52222
Ernakulam ..	170	3548
Palghat ..	4814	151437
Kozhikode ..	28449	481898
Cannanore ..	3262	77928
STATE ..	41509	767785

TABLE 3.13
Area and number of registered coffee estates in Kerala in 1957-58 classified according to size

<i>Size in acres</i>	<i>No. of registered estates</i>	<i>Percentage</i>	<i>Area (acres)</i>	<i>Percentage</i>
0—5	12412	85.71	19783	41.52
5—10	1312	9.06	4992	10.46
10—25	575	3.98	5013	10.52
25—50	77	0.54	2644	5.54
50—100	51	0.36	3288	6.90
100—150	12	0.09	1482	3.10
150—200	12	0.09	2004	4.20
200—250	8	0.06	1786	3.74
250 and above	16	0.11	6683	14.02
TOTAL	14475	100.00	47675	100.00

increased but the increase in area in this case was not commensurate with the increase in numbers. Considerable dwindling in the number was observed in the case of size-groups, 25—50 acres, 50—100 acres, 100—150 acres, 200—250 acres and 250 acres and above. As the decrease in area in any of the above size groups was not proportionately as high as the decrease in number, there was an overall increase in area to the extent of 2700 acres.

3.17. A huge increase in the production of coffee as witnessed in 1960-61 is not an unmixed blessing in a world afflicted with chronic coffee surplus. In spite of the glut in the world market India could hold her own because of the reputation she enjoys for the quality of her coffee. Still the only solution to the problem of marketing in the long run is to increase home consumption. The per capita consumption of coffee in India is one of the lowest in the world. Table 3.14 gives the per capita consumption of coffee in a few countries of the world. India's consumption level is lower than that of many of the countries which import coffee for consumption. United Kingdom, for example, consumes per capita 12 times as much as India. The consumption levels of U.S.A. and Sweden are more than a hundred times higher than India's. These facts point to the great scope for stepping up the home consumption of coffee in India on which rests the future of the coffee industry.

TABLE 3.14

Per capita consumption of coffee in certain countries of the world in 1957

<i>Sl. No.</i>	<i>Countries</i>	<i>Estimated per capita consumption of coffee in 1957 (K.gms.)</i>
1	France	3.65
2	West Germany	2.42
3	Italy	1.35
4	Sweden	6.56
5	United Kingdom	0.74
6	Canada	2.62
7	United States	6.13
8	Japan	0.05
9	Iraq	0.18
10	Turkey	0.03
11	Egypt	0.12
12	Union of South Africa	0.67
13	Australia	0.56
14	India	0.06
	(Kerala)	(0.11)

3.18. Table 3.15 reveals that in India as a whole the labour employed in coffee industry has gone up from 2.27 lakhs in 1955 to 2.61 lakhs in 1958, a rise of about 15%. The increase in the labour force, however, was not a steady one, for the number of persons employed in 1956 and 1957 was lower than that in 1955. Labourers in coffee industry in Kerala form about 8 to 9% of the total labourers in the industry in India. In 1959-60 permanent garden labour in coffee industry numbered 10681, permanent outside labour 9253 and temporary outside labour 1927, thus making a total of 21861 workers in the industry.

TABLE 3.15
**Labour employed (daily average) in coffee industry
in India**

<i>Item</i>	1955	1956	1957	1958
Garden labour permanent	97,990	105,821	106,688	141,599
Outside labour				
(i) Permanent	43,220	42,522	39,475	68,193
(ii) Temporary	86,023	50,810	49,377	50,862
TOTAL	227,233	199,153	195,540	260,654

- NOTE: 1. *Garden labour* means persons living and working in the garden. This includes the so called permanent labour of Southern India.
2. *Outside labour* (permanent) means persons working regularly in the garden but living outside it.
3. *Outside labour* (temporary) includes all labour not coming under either of the above two categories.

Rubber

3.19. Kerala is practically the only State producing natural rubber in India. In the State also rubber occupies the first place among the plantation crops in the area under cultivation. The area under rubber in the State works out to 4.5% of the total cultivated area whereas the percentage figures of area under tea and coffee are only 1.81 and 0.75 respectively. But in the matter of gross value yielded and employment generated tea industry is superior to rubber industry. So far as demand is concerned rubber enjoys a privileged position which the other two plantation crops do not enjoy. While tea and coffee has to depend on foreign markets for demand rubber has a ready market in India. Table 3.16 shows the consumption and production of rubber in India for the last ten years. The output of natural rubber in India is insufficient to meet the

TABLE 3.16
Consumption of rubber in India from 1952 to 1961
(In Metric Tons)

Sl. No.	Year	Consumption of Natural Rubber	Consumption of Synthetic Rubber	Consumption of Reclaimed Rubber	Total consumption	Production of Natural and Synthetic Rubber
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1952	21398	17	2121	23536	20181
2	1953	22731	16	2228	24975	21474
3	1954	25895	19	2266	28180	21837
4	1955	27984	107	2542	30633	22841
5	1956	29460	2447	3313	35220	23819
6	1957	32273	3080	3898	39151	24147
7	1958	35312	3304	4116	42732	24717
8	1959	39282	4410	4526	48218	23772
9	1960	45941	6561	5327	57829	25192
10	1961	48339	9598	5929	63866	26992

country's requirements. The gap between demand for and supply of rubber has been widening over the last many years. Consumption of rubber in India increased from 30.6 thousand tonnes in 1955 to 57.8 thousand tonnes in 1960 recording an increase of 27.2 thousand tonnes whereas production of natural rubber increased from 22.8 thousand tonnes in 1955 to 25.2 thousand tonnes in 1960 showing an increase of only 2.4 thousand tonnes. The production of natural rubber in India in 1960 was less than 50% of her consumption of rubber during the year. It can be seen from table 3.16 that the consumption of rubber in the country increased by more than 100% during the last decade. The increase in production during the decade was only 25%. As a result of the tremendous industrial development programme the consumption of rubber in the country may be expected to increase at a faster rate in the coming years. As the major producer of the commodity the responsibility to meet the challenge largely rests with the State. The steps taken recently by the State Government show that the State has resolved to meet the challenge.

3.20. In India rubber is cultivated in the States of Kerala, Madras and Mysore and in the Andamans. The area under rubber and production of rubber in each of these States are furnished in table 3.17. The area under rubber in 1960 was about 16,000 acres more than that in 1959. Kerala which recorded an increase of 15,000 acres was largely responsible for the above increase in area. Production increased only by about 1,300 tons over the previous year's figure. Strangely enough, the average yield per acre of rubber is lower in Kerala than in the other two producing States of Madras and Mysore. The yield rate in Kerala deteriorated in 1960 compared to the previous year while that in other States improved considerably. One of the reasons for the low average yield in Kerala is the existence of large areas of newly planted plantations in the State which have not started yielding. The proportion of such plantations is higher in Kerala because there has been considerable expansion in the area under rubber in the State in recent years. The low yield may also be attributed to the predominance of small holdings in the rubber plantation industry of the State.

3.21. Table 3.18 gives the number of units and acreage under rubber in each State in 1960 classified into holdings and estates. The average area of a holding as well as an estate is the smallest in Kerala. Comparison with the corresponding data for the previous year shows that the average size of an estate has further shrunk in Kerala; it dwindled from 239.75 acres in 1959 to 235.94 acres in 1960. The average area of a holding in Kerala increased from 3.23 acres in 1959 to 3.25 acres in 1960. The net result was a rise in the average area of a unit from 5.26 acres to 5.29 acres. In the year under review

TABLE 3.17
State-wise acreage, production and average yield per acre of rubber

States	1959			1960		
	Area in acres	Production in tons	Average yield per acre in cwt.	Area in acres	Production in tons	Average yield per acre in cwt.
Kerala	2,88,450	21,263	1.49	3,03,021	22,317	1.47
Madras	12,631	1,677	2.65	13,610	1,998	2.94
Mysore	3,949	430	2.18	3,949	440	2.23
Andamans	422	28	1.33	422	35	1.66
TOTAL	3,05,452	23,398	1.53	3,21,002	24,790	1.55

TABLE 3.18
State-wise distribution of rubber holdings and estates as at the end of 1960
 (Area in acres)

<i>States</i>	<i>Holdings</i>			<i>Estates</i>			<i>Total</i>		
	<i>Number of Units</i>	<i>Area</i>	<i>Average area of a holding</i>	<i>Number of Units</i>	<i>Area</i>	<i>Average area of an estate</i>	<i>Number of Units</i>	<i>Area</i>	<i>Average area of a unit</i>
Kerala	.. 56,759	1,84,813	3.25	501	1,18,208	235.94	57,260	3,03,021	5.29
Madras	.. 402	3,683	9.16	35	9,927	283.63	437	13,610	31.14
Mysore	.. 13	232	17.85	10	3,717	371.70	23	3,949	171.70
Andamans	.. ..	..	..	1	422	422.00	1	422	422.00
TOTAL	.. 57,174	1,88,728	3.30	547	1,32,274	241.82	57,721	3,21,002	5.56

TABLE 3.19

Classification of the area under rubber in India into holdings and estates of different size-groups as at the end of 1960

Acreage Group (Acres)	Holdings		Estates		Total	
	Number of Units	Area (acres)	Number of Units	Area (acres)	Number of Units	Area (acres)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Upto 5	49,636	94,739	..	..	49,636	94,739
Above 5 and upto 10	4,660	34,551	..	..	4,660	34,551
" 10 "	2,878	59,438	..	..	2,878	59,438
" 50 "	..	..	271	18,755	271	18,755
" 100 "	..	..	216	44,011	216	44,011
" 500 "	..	..	29	19,971	29	19,971
" 1000 "	..	..	18	21,667	18	21,667
" 1500 "	..	..	5	8,493	5	8,493
" 2000 "	..	..	8	19,377	8	19,377
TOTAL	57,174	1,88,728	547	1,32,274	57,721	3,21,002

Madras witnessed a fall in the average area of holding as well as estate with the result that the average area of a unit fell from 35 acres in 1959 to 31.14 acres in 1960. The position has remained unchanged in Mysore and Andamans.

3.22. The classification of area into holdings and estates of different size groups is furnished in table 3.19. It may be noted that holdings of size less than 5 acres constitute about 86% of the total number of units but account for only about 26% of the total area. About 94% of the units and 40% of the total area are in holdings of less than 10 acres each. The predominance of small holdings has its merits and demerits. It shuts out the economies of large scale operation from a large section of the industry. It retards capital accumulation and reinvestments. But there is one important point in its favour which is that it contributes to the general welfare by the distribution of wealth and income among a large number of people.

3.23. Table 3.20 shows the employment in the rubber industry in India classified into garden labour and outside labour. It can be seen from the table that the employment in the industry has been increasing over the past few years. The employment in the industry increased by a little less than 50% during the period 1955 to 1958. The vast major portion of the employment, of course, is in Kerala.

TABLE 3.20

**Labour employed (daily average) in
Rubber Industry in India**

<i>Item</i>	1955	1956	1957	1958
(1)	(2)	(3)	(4)	(5)
Garden labour				
permanent ..	27,459	29,945	33,672	40,733
Outside Labour				
(i) Permanent ..	12,102	13,432	15,287	17,052
(ii) Temporary ..	18,252	19,660	22,073	26,061
	57,813	63,037	71,032	83,846

CHAPTER IV

MINERALS

Kerala is backward in mineral output compared to most other States in India. In 1959 the value of mineral output was Rs. 2 crores which formed 1.5% of the total all India value of output. Table 4.1 gives the Statewise value of production and share contribution as percentage to all India value of production.

TABLE—4.1

Mineral Production (1959)

<i>Sl. No.</i>	<i>State</i>	<i>Total value of production (Rs. crores)</i>	<i>Value of production as % to All India Value of production</i>	<i>Percentage change in production during 1959 compared to 1958</i>
1	2	3	4	5
1	Bihar	50.3	35.9	+ 7.0
2	West Bengal	30.4	21.7	+ 6.3
3	Madhya Pradesh	15.3	10.9	+ 1.3
4	Bombay	9.9	7.1	— 22.1
5	Orissa	7.7	5.6	+ 13.2
6	Mysore	7.3	5.2	+ 4.3
7	Andhra	6.9	4.9	+ 9.5
8	Rajasthan	5.3	3.8	+ 15.2
9	Kerala	2.0	1.5	0.0
10	Assam	1.9	1.4	+ 11.8
11	Madras	1.7	1.2	0.0
12	Uttar Pradesh	1.0	0.7	0.0
13	Punjab	0.2	0.1	0.0
Total India		139.9	100.0	+ 3.9

4.2. The value of mineral production in India registered an increase of 3.9% in 1959 compared to 1958 mainly through a substantial increase in the volume of production in Bihar and West Bengal which accounted for nearly 57.6% of the all India production in 1959. In the case of Kerala, Madras, Uttar Pradesh and Punjab there was no change in the value of production during 1959 compared to 1958.

4.3. The level of change in the value of mineral output is an indicator of economic development. The static trend of

value of production noticed in the case of Kerala is discouraging in view of the fact that Kerala needs a rapid economic growth. Kerala is one of the most economically and industrially backward States in India. No attempt was made in the first two plans to develop mineral production in the State. Even in the Third Plan there is no programme for the development of minerals except the one for the expansion of the production of china clay in the Ceramic Factory at Kundara from 3,500 tons to 8,000 tons per annum and the establishment of a Sand Lime Brick Factory which will utilise a portion of the unexploited reserve of quartz sand and lime shell in the State.

4.4. Industrial development is a pre-requisite for economic growth. The industrial sector of Kerala is the least productive among the different sectors of the State's economy. It is only half as productive as agriculture. The income per earner of the industrial sector of the State is only Rs. 400 per annum whereas it is Rs. 1,325 for India. In industrial productivity Kerala has a large gap to cover in order to catch up with the rest of India. Kerala is still in the age of agriculture and forest-based industries. The process of industrial development involves a shift from agriculture and forest-based industries to mineral-based industries. The development of mineral production, therefore, calls for immediate attention.

4.5. One of the reasons put forward for lack of industrial development in Kerala is the absence of metallic minerals and fossil fuels. Nothing much can be said on this point in the absence of a detailed geological survey of the State. A geological survey should, therefore, be conducted to assess and exploit the mineral resources of the State.

4.6. It may be true that Kerala lacks metallic minerals and fossil fuels. But she is endowed with extensive deposits of non-metallic minerals such as fine quality china clay, quartz sand etc., and beach sands which consist of ilmenite, monazite, rutile, zircon etc. In fact Kerala has almost a monopoly in India in the production of ilmenite, monazite, zircon and rutile, which are foreign exchange earners. In 1958-59 Kerala accounted for 95.45% of the total ilmenite production in India and it constituted 95.75% of the total value also. Out of the State's total value of mineral production of Rs. 2.0 crores, nearly Rs. 1.71 crores is contributed by ilmenite.

Ilmenite

4.7. Ilmenite which is the chief mineral asset of Kerala is found in the beach sands of Quilon District. Quilon is one of the richest ilmenite production centres in the world. The mineral rich beach begins 4 miles north of Quilon and extends for 15 miles to the north. The total reserves of ilmenite in the State

is estimated to be about 34 million metric tons. Table 4.2 gives the production and export of ilmenite in Kerala for the last few years.

TABLE—4.2

Production and Export of Ilmenite

	<i>Production</i> (M. tons)	<i>Exports</i> (M. tons)
1958	290334	278558
1959	289251	283513
1960	238856	228697
1960 (Jan.-Nov.)	219826	186357
1961 (Jan.-Nov.)	154050	112704

4.8. There has thus been a gradual decrease in the volume of both production and export of ilmenite. The bulk of our export was going to the United States and the United Kingdom. Now there are several other rival producers like Norway, Canada, Malaya, Australia and South Africa.

4.9. Ilmenite is mostly used in the manufacture of white pigments. These white pigments are used in paints and enamels, rubber, plastics, paper, glass, cosmetics, inks, textile finishings, floor compositions etc. It is also used in the production of titanium metal. Titanium metal is 40% lighter than stainless steel and only 60% heavier than aluminium. It is as strong as stainless steel and has more than twice the strength of aluminium. It is also resistant to heat and corrosion and is unaffected by sea water and brine. This metal is used in the manufacture of aircraft, textile machinery, automatic pistons, spring balances, sports goods, gas turbine parts, electrical resistances etc. In spite of these varied uses of ilmenite, only a very small portion of the production is consumed within India. The Travancore Titanium Products Ltd., Trivandrum, utilises about 6,000 tons of this mineral for the manufacture of titanium dioxide. This is the only concern in India manufacturing titanium dioxide. In view of the rapid expansion of our steel industry, the demand for titanium dioxide pigment is expected to increase during the Third Plan period. It has, therefore, been planned to expand the production capacity of the Travancore Titanium Products Ltd., Trivandrum during the Third Plan Period. Many other industries can also be started based on ilmenite. In short the ilmenite reserves of the State offer wide scope for industrial as well as economic development. The present production has therefore to be stepped up considerably. It will provide employment to many unemployed persons in the State and it will also help to solve the problem of foreign exchange.

Rutile

4.10. Rutile is also a titanium mineral. It is found in the beach sands of Quilon. Kerala is the only State in India producing rutile. Rutile is used in the manufacture of welding rods. The entire production of the State is exported to Bombay and Calcutta. Table 4.3 gives the production and export of rutile in Kerala.

TABLE 4.3

Production and Export of Rutile

	<i>Production</i> (M. tons)	<i>Export</i> (M. tons)
1958	457	368
1959	483	503
1960	982	1053
1960 (Jan-Nov)	873	931
1961 (Jan-Nov)	681	714

4.11. There has been a steady increase in the production and export of rutile. In 1961, however, there was fall in the production and export compared to 1960. The demand for rutile is expected to rise in the coming years and therefore its output has to be stepped up. There is scope for more production as there are plenty of reserves. A portion of the sand bar at Neendakara alone is estimated to contain 7.40 lakh tons of the mineral.

Monazite

4.12. Monazite occurs along with other minerals in the beach sands. Monazite contains thorium which is used in the production of atomic energy and atom bombs. The present production in the State is very small compared to the potential reserves. About 6.7 million tons of the mineral are estimated to be present in the sand bar between Neendakara and Kayamkulam. Table 4.4 gives the production and export of monazite in Kerala for the last few years.

TABLE 4.4

Production and Export of Monazite

	<i>Production</i> (in M. tons)	<i>Export</i> (in M. tons)
1958	372	457
1959	193	194
1960	76	25
1960 (Jan-Nov)	76	.
1961 (Jan-Nov)	137	56

4.13. A falling trend in production and export was noticed up to the end of 1960. In 1961 there was an increase in production as well as export compared to 1960. The Rare Earths Factory at Alwaye which produces thorium oxide, rare earth salts and trisodium phosphate, consumes about 1,500 tons of monazite per annum. The present production of monazite in the State does not meet the requirements of this factory and so monazite from Manavalakurichi (in Madras State) is now being used for production. The monazite from Manavalakurichi has a higher thoria content over that of Kerala. However the production in the State has to be stepped up to meet the requirements of the Rare Earths Factory at Alwaye. Monazite is obtained as a by-product of ilmenite. As large quantities of ilmenite are extracted in Kerala, the production of monazite can be easily increased if proper attention is paid to collect it as a by-product. The monazite thus obtained will be cheaper also.

4.14. In addition to the above minerals, sillimanite and zircon are also found in the beach sands of Kerala but only in small amounts. The present production of these minerals in the State is negligibly small. These minerals are mostly used in refractories. The production of these minerals may also be developed as there exists vast deposits. The total reserves in the Neendakara bar are estimated at 19.16 lakh tons of sillimanite and 7.99 lakh tons of zircon.

China Clay

4.15. Though Kerala is endowed with extensive deposits of high grade china clay the State contributed only 7.85% of the total value of production in India in 1959 whereas Bihar, Bombay and Orissa contributed 58.06%, 18.06% and 10.74% respectively. The volume of production in Kerala during 1959 was 12,394 m. tons valued at Rs. 2.52 crores where as in India the corresponding figures were 246,372 m. tons and 32.12 crores of rupees. At present there are only two major concerns in the State, one at Kundara and the other at Pappinieseri engaged in the production of china clay and manufacture of chinawares. The factory at Kundara is run by the State Government. Extensive deposits of china clay are found in Quilon and Trivandrum districts. Deposits are also found in Ernakulam, Kozhikode and Cannanore Districts. Apart from its use in the manufacture of Chinawares, china clay is used in textile, paper, rubber, soap, cosmetics, pencils and insecticide industries. The production of china clay in India is not sufficient to meet the internal demand. During 1956, India imported 7,282 tons of high grade china clay. The demand for china clay is likely to go up in the coming years in view of the developments in paper, textile, insecticides, rubber, soap, cosmetics and insulator industries. To meet this increasing demand the mining in Kerala can be expanded considerably as the quality of china clay available in Kerala is one

of the finest in India. The clay mine at Kundara which is in the public sector now produces 3,500 tons of china clay per year. It is proposed to expand its production to 8,000 tons per year during the Third Plan period. Similar expansion programmes are anticipated in the clay mines in the private sector also. There is ample scope for developing the production of china clay and ceramic industry in the State as there are huge unexploited deposits in the State.

Salt

4.16. It is difficult to give the exact production of salt in the State due to lack of statistics. The production of salt in the State during 1959 excluding the production of small scale unlicensed producers was 1077 m. tons valued at Rs. 0.13 lakh. This production formed only 0.03% of the total all India production in 1959, the biggest producer State being Bombay contributing 63.98% of the total all India production. The production in Kerala is inadequate to meet the needs of the people in the State. During 1959-60 the State imported 33,351 m. tons of salt at a cost of Rs. 16.48 lakhs through the ports of Cochin and Calicut alone. The possibilities for increasing the production of salt in the State may be explored.

Quartz sand

4.17. Extensive deposits of quartz sand are found in Shertallai, Panavally, Pattanakad and Pallipuram. At present the sand is being collected only at Pallipuram and Panavally. The annual production is about 3,000 tons. The glass factory at Alwaye consumes a major portion of the State's production. The production is expected to increase shortly in view of the fact that the Sand Lime Brick Factory at Pallathara which is now being established will be requiring about 30 to 50 thousand tons of quartz sand during the Third Plan period.

Mica

4.18. The production of mica in the State is negligible as it constitutes only 0.43% of the total all India production in 1959 as against 56.94% in Bihar, 21.57% in Rajasthan and 20.40% in Andhra Pradesh. The total crude mica production in Kerala during 1959 was 124 metric tons valued at Rs. 0.35 lakh as against the all India production of 28,694 m. tons valued at Rs. 242.68 lakhs. At present there is only one mica mine at Punalur even though mica is found in some other parts of the State also.

Clay

4.19. Clay which is the raw material for one of the most important industries of Kerala, viz., bricks and tiles, is found in almost all places in the State. But figures are lacking as to the exact production and total reserves in the State. There

are about 159 bricks and tiles factories in the State giving employment to 13,000 persons. The most important production centres in the State are at Quilon, Trichur and Kozhikode. The bricks and tiles industry of Kerala is one of the biggest in the whole of India. Tiles produced in the State are sent to other parts in India as well as to countries outside India. The exports are mainly through the port of Calicut. Singapore, Penang

TABLE 4.5

Export of tiles to ports in and outside India from Calicut during the years 1957-58 to 1960-61 (July-June.)

(in lakh Nos.)

	1957-58	1958-59	1959-60	1960-61
Export to foreign ports	213.7	167.5	206.4	273.8
Export to Indian ports	124.1	102.3	112.7	161.0
Total export	337.8	269.8	319.1	434.8

Port Swettenham and Ceylon are the important places to which the tiles are exported outside India. Ceylon consumes a major share of our total exports. Table 4.5 gives the export figures during the last few years.

Lime Shell

4.20. Lime shell is found mainly in the various back waters and estuaries of some of the rivers in the State. The Vembanad lake deposits are estimated to form 3 million tons. The estuary of the Kadalundi river and the lower reaches of the Pullut and Thottapally rivers which drain into the Cranganore lake contain a deposit of 6 lakh tons. Lime shell is used for the manufacture of white cement and chemicals. The total production of lime shell is estimated at about one lakh ton per annum. The Travancore Cements Factory at Kottayam consumes a major portion of the State's total production. With the establishment of a Sand-Lime Brick Factory at Pallathara, the demand for lime shell is likely to go up. The cement factory has already consumed a substantial portion of the deposits available in the Vembanad lake. In view of the limited reserves available, investigations should be made to find out new sources of supply.

4.21. Besides the above, gold occurrences are reported from Wynad and Nilambur areas. But the extent of total reserves are not known. Similarly lignite is found in some places at Varkala but only in very small quantity.

CHAPTER V

INDUSTRY AND POWER

In a predominantly agricultural country characterised by the vicious circle of low per capita income and low rate of economic growth, industrialisation is the keynote of economic development. Kerala is one of the most industrially backward States in India. In Industry and Mining the per capita income of Kerala during 1957-58 was only Rs. 124 as against Rs. 544 for all India. Even within Kerala the industrial sector is only half as productive as agriculture. The agriculture sector of the State cannot support more people as its capacity to provide employment is over saturated. There is acute unemployment and underemployment in the State. The per capita income of Kerala has been increasing at a very slow rate compared to India. There are a number of reasons for this, of which the most important one is the rapid growth of population without a corresponding increase in the regional income. Another reason is the increase in population dependent on low productivity activities especially in the industrial sector of the State. A third reason is that the population dependent on agriculture is increasing at a faster rate without any corresponding increase in the total cultivated area. The only way to divert this excess population from the agriculture sector is rapid industrialisation. The need for rapid industrialisation of the State is also urgent in view of the low productivity of the industrial sector.

Industrial Structure

5.2. The industrial economy of Kerala is one of small scale and cottage industries type. Nearly 82% of the total working force in Industry is engaged in small scale and cottage industries. Most of these small units are not well organised and they use very antique techniques of production. Coir and handloom are the most important industries of Kerala in which all the operations are done manually. Even in the case of factories the technique of production employed is very low. Cashewnut, Bricks and Tiles, Coir and Saw Mills and Wood works are some of the most important industries in the State. These industries account for nearly 60% of the total factory employment. Almost all the operations in these industries are done manually and they employ very little capital. One of the main reasons for the low productivity of the industrial sector is the predominance of such low productivity industries in the industrial structure of the State. The State-wise figures of factory employment are given in table 5.1.

5.3. It can be seen from table 5.1 that Bombay is ahead of all other States in regard to factory employment. Next to Bombay, West Bengal is having the largest number employed

in factory industries. In relation to population the factory employment in Kerala compares favourably with the rest of India. But it should be noted that the level of factory employment does not by itself show the industrial development of the State. The distribution of the factory employment among the different industries having different levels of productivity will indicate the actual level of industrial development. Table 5.2 gives these percentage figures for Kerala and some of the industrially advanced States in India.

TABLE 5.1

Employment in registered factories—1959 (Provisional)

<i>Sl. No.</i>	<i>State</i>	<i>Average daily no. of workers (in lakhs)</i>
1	Andhra Pradesh	2.1
2	Assam	0.8
3	Bihar	1.9
4	Bombay	10.8
5	Kerala	1.6
6	Madhya Pradesh	1.6
7	Madras	3.2
8	Mysore	1.9
9	Orissa	0.3
10	Punjab	1.1
11	Rajasthan	0.5
12	Uttar Pradesh	2.9
13	West Bengal	6.9
	India (including Union Territories)	36.3

5.4. It can be seen from table 5.2 that nearly 48% of the total factory workers in Kerala are employed in food processing industries whose productivity is very low. The smaller the percentage employed in food processing industries the greater will be the degree of industrialisation as can be seen in the case of industrially advanced states like Bombay, West Bengal and Madras. The lack of basic metal industries and metal-based engineering industries in Kerala is discernible from table 5.2. Even if we take population as a criterion for measuring the relative development of industries between different regions it can be seen from the following that in respect of basic metal industries and metal-based engineering industries Kerala is very much backward compared to India.

TABLE 5.2
Percentage of Employment in Factories

Sl. No.	Industry	India	Bombay	Kerala	Madras	West Bengal
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Food (except beverages)	..	6.5	48.1	11.2	8.1
2	Electricity, gas and steam	..	0.7	0.1	0.7	0.9
3	Transport equipment	..	6.9	2.6	13.8	10.4
4	Electrical appliances and supplies	..	1.2	0.2	1.2	2.7
5	Machinery (except electrical)	..	3.4	1.9	4.4	5.1
6	Metal products (except machinery and transport equipment)	..	2.8	0.5	1.6	5.3
7	Basic metal industries	..	1.3	0.7	0.6	9.4
8	Non-metallic products (except petroleum)	..	3.6	8.1	1.6	2.7
9	Petroleum and coal (including pumping and storing)	..	0.6	0.4	0.4	0.4
10	Chemicals and chemical products	..	4.2	2.5	6.1	3.1
11	Rubber and rubber products	..	0.6	1.4	0.2	3.0
12	Leather and leather products (except foot-wear)	..	0.1	0.0	2.6	0.2
13	Paper and paper products	..	0.6	0.6	0.1	1.8
14	Foot-wear, other wearing apparel, etc.	..	0.2	0.7	0.6	0.2
15	Wood works and furniture	..	1.2	6.6	0.9	1.2
16	Printing, publishing and allied industry	..	2.9	2.3	4.2	2.1
17	Tobacco	..	4.0	2.0	3.8	0.6
18	Textiles (including coir factories, jute factories, etc.)	..	47.4	20.4	36.8	40.1
19	Others	..	11.8	0.9	9.2	2.7
	ALL	..	100.0	100.0	100.0	100.0

TABLE 5.3

Indicators of Industrial Development—Non-food Industries—1958-59

<i>Sl. No.</i>	<i>Name of Industries</i>	<i>Kerala</i>	<i>Madras</i>	<i>Bombay</i>	<i>West Bengal</i>
1	Transport equipment	0.4	1.8	1.8	3.3
2	Electrical appliances and supplies	0.2	1.1	2.0	5.6
3	Machinery (except electrical)	0.5	1.2	1.7	3.3
4	Metal products (except machinery)	0.2	0.6	2.1	4.8
5	Basic metal industries	0.2	0.2	0.8	6.7
6	Non-metallic mineral products (except petroleum)	2.2	0.4	1.8	1.6
7	Petroleum and coal (including pumping and storing)	1.1	1.0	2.1	2.4
8	Chemicals and chemical products	0.9	2.0	2.7	2.4
9	Rubber and rubber products	1.8	0.3	1.6	9.0
10	Leather and leather products (except foot-wear)	0.0	5.2	0.5	1.0
11	Paper and paper products	0.7	0.1	1.4	4.8
12	Foot-wear and other wearing apparel	1.7	1.2	1.1	0.8
13	Wood works and furniture	5.0	0.6	1.6	2.0
14	Printing, publishing, etc.	1.1	1.8	2.4	2.1
15	Tobacco, beedi, etc.	0.4	0.8	1.6	0.3
16	Textiles (including coir factories, jute factories, etc.)	0.8	1.3	3.2	3.3

5.5. The indicators given in table 5.3 are worked out by dividing the percentage share of all India factory employment in the State for various industries with the percentage share of all India population in the corresponding State. If the value of the indicator is more than unity it denotes that the level of development is higher than the all India level and if it is less than unity it denotes a development less than the all India level. If the value of the indicator is equal to unity the level of development is equal to that of all India. The figures in table 5.3 compare the position of Kerala with that of industrially advanced States like Bombay, West Bengal and Madras.

5.6. In wood works and furniture Kerala is ahead of all other States in India. Similarly in the case of non-metallic mineral products which include bricks and tiles Kerala is more developed than the rest of India. In the case of all the other industries excepting footwear, rubber products, pumping and storing of petroleum and chemical industries Kerala is well below the all India level. The indicators reveal the deplorable position of Kerala compared to the industrially advanced States in India. The most striking example of industrial backwardness of Kerala is revealed by the stagnation even in those industries viz., rubber, paper and leather industries in which Kerala is endowed with facilities. Though Kerala accounts for 90% of the total rubber production in India, the development of the rubber products industry in the State is only 1/5 of that of West Bengal. In spite of rich forest resources which provide plenty of raw material for paper production, the paper industry of Kerala has not developed much. Similarly the raw material for tanning industry is available in plenty in Kerala. But, as a matter of fact, in the absence of an organised tanning industry in the State the raw material is taken to the neighbouring State of Madras to be processed and brought back as finished product to be sold at higher prices.

5.7. The data on processing and manufacturing companies indicate that out of a total paid-up capital of Rs. 819.15 crores in India at the end of 1957-58, Kerala accounted for only Rs. 13.55 crores, the percentage share of Kerala being 1.65. But in terms of number of companies the percentage share of Kerala was slightly better, the actual figures being 357 companies in Kerala and 10159 companies in India. The paid-up capital per industrial unit was Rs. 3.8 lakhs for Kerala as against Rs. 8.1 lakhs for all India. Table 5.4 provides a comparison of industrial backwardness of Kerala in relation to the rest of India.

5.8. The lack of basic metal industries and metal-based engineering industries which require modern techniques of production and huge capital investments mainly contributed to the industrial backwardness and low productivity of the industrial sector of Kerala. Only through a rapid development of

these industries a change in the economy from a predominantly agricultural to a predominantly industrial one can be brought about. These industries play a pivotal role in economic growth. The growth of these industries automatically develops ancillary, feeder and service industries. It also creates greater demand for consumer goods by a rise in income. One of the main causes of the difference in the levels of industrial development is, therefore, the relative importance of these industries in the industrial structure.

TABLE—5.4

**Processing and manufacturing companies at work
at the end of March—1958**

<i>Sl. No.</i>	<i>State</i>	<i>No. of Companies as percentage of all India total</i>	<i>Paid up capital percentage of all India total</i>	<i>Average paid-up capital per company (Rs. lakhs)</i>
1	Andhra Pradesh	1.6	2.0	10.1
2	Assam	0.9	0.1	0.9
3	Bihar	1.5	2.9	15.6
4	Bombay	23.4	31.5	10.9
5	Kerala	3.5	1.7	3.8
6	Madhya Pradesh	1.3	2.6	16.1
7	Madras	6.8	5.3	6.3
8	Mysore	3.0	3.9	10.6
9	Orissa	1.0	0.9	7.2
10	Punjab	2.9	1.3	3.5
11	Rajasthan	1.3	1.1	7.0
12	Uttar Pradesh	6.1	3.4	4.5
13	West Bengal	42.4	22.0	4.2
14	Delhi & Union territories	4.3	21.3	39.6
	INDIA	100.0 (10159)	100.0 (Rs. 819.15 crores)	8.1

(Figures in brackets indicate absolute values.)

5.9. The location of heavy industries should no doubt be decided on considerations such as availability of raw materials, availability of cheap power, facilities for transport, etc. The lack of basic metal industries in Kerala may be due to the absence of metallic minerals and fossil fuels in the State. It may be true that Kerala has no coal or iron. But it need not have prevented the development of metal-based engineering industries because the raw material for this industry could be got down from other parts of India. Kerala has a well developed transport system. The availability of cheap power and

TABLE 5.5

Distribution of factories according to employment—Kerala 1960.

Sl. No.	Industry	No. of workers					
		Less than 50	50-100	100-500			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		No. of factories	Workers as percentage to total	No. of factories	Workers as percentage to total	No. of factories	Workers as percentage to total
1	Textile and Knitting	229	26.3	27	9.4	16	16.8
2	Cashew	24	0.7	5	0.5	91	42.0
3	Printing and Binding	167	53.9	9	14.7	4	15.1
4	Coir	115	20.6	23	12.4	37	62.5
5	Saw mills and wooden furniture	148	54.3	20	22.5	9	23.2
6	Bricks and tiles	70	16.1	56	27.6	25	42.8
7	Tea	70	35.0	48	55.7	5	9.3
8	Repair of Motor vehicles	84	41.8	11	24.2	5	34.0
9	Beedi and Cigar	70	44.5	22	40.1	3	15.4
10	Rubber goods	51	53.4	3	7.9	5	38.7
11	Others	674	30.1	77	16.1	52	35.5
	All	1702	17.9	301	11.4	252	36.5

TABLE 5.5—(Contd.)
Distribution of factories according to employment—Kerala 1960

Sl. No.	Industry	No. of workers					All			Employment as percentage to total factory employment
		500-1000		1000 and above			No. of factories	No. of workers	Total workers	
		No. of factories	Workers as percentage to total	No. of factories	Workers as percentage to total	Workers as percentage to total				
(1)	(2)	(9)	(10)	(11)	(12)	(13)	(14)	(15)		
1	Textile and Knitting	7	23.0	3	24.5	282	100.0 (0.18)	10.8		
2	Cashew	55	47.5	5	9.3	180	100.0 (0.70)	41.9		
3	Printing and Binding	1	16.3	..	..	181	100.0 (0.04)	2.4
4	Coir	1	4.5	..	..	176	100.0 (0.12)	7.2
5	Saw mills and wooden furniture	..	..	..	..	177	100.0 (0.06)	3.6
6	Bricks and tiles	3	13.5	..	..	154	100.0 (9.13)	7.8
7	Tea	..	..	..	..	123	100.0 (0.06)	3.6
8	Repair of Motor Vehicles	..	..	..	..	106	100.0 (0.03)	1.8
9	Beedi and Cigar	..	..	..	..	95	100.0 (0.03)	1.8
10	Rubber goods	..	..	..	..	59	100.0 (0.02)	1.2
11	Others	5	13.2	1	5.1	809	100.0 (0.30)	17.9		
	All	72	26.7	9	7.5	2336	100.0 (1.67)	100.0		

(Figures in bracket indicates actual employment in lakh Nos.)

labour are also factors which should have contributed to the development of industries. Kerala is also endowed with rich natural resources in mineral sands, forest and fish wealth yet to be explored. In spite of these favourable factors, Kerala has remained industrially very backward. The major handicap to industrial development of Kerala is lack of capital which is due to the low level of income and under-employment. The rapid rate of growth of population in the State restricts rate of savings which is already less than that in India.

5.10. Another important factor for the industrial backwardness of Kerala is the predominance of low productive small industrial units. In 1960 there were 2336 factories of which about 2003 were small employing less than 100 workers and they provided employment to 29.3% of the total factory workers in the State. Table 5.5 gives the distribution of factories according to employment. There were only 9 factories which were really big employing above 1000 workers and of them 5 were in cashew industry.

5.11. As productivity is low the earnings of the workers are also low. It is clear from table 5.6. that with the exception of Andhra Pradesh the wage rate of factory workers is the lowest in Kerala compared to other States in India. The average per capita daily earnings for the different industries in Kerala are given in table 5.7.

5.12. The per capita earnings are the highest in rayon, soap, glass and engineering industries. The higher earnings in these industries can be attributed to the higher productivity of these industries due to improved techniques of production. The wage rate is found to be the lowest in cashew industry. This is due to the low productivity of the industry where the technique of production employed is labour intensive. From the above it can be concluded that the per capita earning is determined by the level of productivity in each industry.

TABLE 5.6

**Earnings of factory employees drawing less than Rs. 200
per month—1959**

<i>Sl. No.</i>	<i>State</i>	<i>Average per capita daily earnings (Rs.)</i>
1	Andhra Pradesh	1.63*(P)
2	Assam	2.73
3	Bihar	4.12
4	Bombay	4.77
5	Kerala	2.46(P)
6	Madras	2.61**
7	Madhya Pradesh	3.64(P)
8	Orissa	3.16(P)
9	Rajasthan	2.70
10	Uttar Pradesh	3.63
11	West Bengal	3.97

(P) Provisional.

* Relates to 1958.

** Relates to 1957.

TABLE 5.7

Earnings of Factory Employees

<i>Sl. No.</i>	<i>Industry</i>	<i>Average daily earnings per worker (Rs.)</i>			
		1959		1960 <i>1st and 2nd quarters</i>	
		<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>
1	Rice mills	1.77	1.05	1.80	0.99
2	Oil mills	2.31	1.77	2.30	1.13
3	Tea factories	2.08	1.49	2.10	1.47
4	Cashew factories	1.69	0.95	1.61	0.95
5	Beedi and cigar	2.06	..	2.19	..
6	Cotton textiles and knitting mills	3.13	2.60	3.21	2.58
7	Coir factory	2.90	1.99	2.91	1.86
8	Rayon	6.03	5.26	6.49	5.67
9	Timber industry	2.81	1.05	3.03	1.34
10	Paper mills	2.95	2.58	2.88	2.60
11	Printing press	3.42	1.53	3.47	1.85
12	Rubber plantation factory	2.25	1.77	2.53	1.46
13	Soap	6.28	4.26	6.37	3.41
14	Bricks and tiles	2.81	1.65	2.51	1.53
15	Glass	3.58	2.61	3.13	2.65
16	Cement	5.49	3.73	5.09	3.30
17	General and electrical engineering	3.87	1.27	3.68	1.22
18	Automobile repairing	3.90	1.51	4.33	1.53

1960—Provisional.

TABLE 5.8

Minimum wages fixed for unskilled male workers—1959
(Daily wages in Rs. unless otherwise specified)

Sl. No.	State	Beedi and Cigar	Oil Mills	Tanning and leather products	Rice, Flour and dal-mills	Printing Press	Cashew	Timber	Plantations
1	Andhra	..	1.37* (100)	1.75 (233)	1.00 (100)	..	..	..	..
2	Assam	..	..	..	1.55 (100)	..	..	..	1.76 (187)
3	Bihar	..	0.62* (83)	1.55 (100)	2.37 (100)	..	..	..	1.19 (100)
4	Bombay	..	1.25* (67)	1.12 (72)	1.55 (100)	29.25† (100)	..	..	..
5	Kerala	..	1.87 (100)	1.00 (100)	1.34 (216)	40.00†	1.87 (100)	1.87	1.00 (100)
6	Madhya Pradesh	..	1.44 (144)	32.50† (125)	35.00† (100)	30.00† (115)	..	..	..
7	Madras	..	1.12 (149)	1.12 (112)	1.44 (144)	..	..	..	1.16 (116)

*Per thousand beedies.

†Per month

(Figures in brackets are the wage relatives over 1953)

TABLE 5.8—(Contd.)

Sl. No.	State	Beedi and Cigar	Oil Mills	Tanning and leather products	Rice, Flour and dal-mills	Printing Press	Cashew	Timber	Plantations
8	Mysore	..	1.00 (100)	2.00 (152)	1.00 (100)	..	..	..	1.00 (100)
9	Orissa	..	..	..	1.00 (100)	..	..	..	..
10	Punjab	..	1.75 (100)	1.75 (100)	1.75 (100)	60.00† (100)	..	..	1.00 (145)
11	Rajasthan	..	1.50 (134)	..	1.50 (134)	..	..	..	..
12	Uttar Pradesh	..	1.00 (100)	1.00 (100)	1.00 (100)	..	..	..	1.00 (100)
13	West Bengal	..	1.92 (104)	2.15 (109)	1.12 (100)	..	..	..	1.45 (125)
14	Delhi	..	..	..	2.00 (113)	52.50† (150)	..	..	..

*Per thousand beedies.

†Per month

(Figures in brackets are the wage relatives over 1953)

5.13. It can be seen from tables 5.7 and 5.8 that except in the case of cashew industry the actual wages received by the workers in all the industries in Kerala are higher than the minimum wages fixed. The minimum wage fixed for the beedi and cigar industry in Kerala is higher than that for other States. In the case of all other industries the minimum wage fixed in Kerala is less than that in many other States.

Industrial Growth

5.14. A realistic appraisal of industrial growth in terms of capital investment and output is not possible in the case of Kerala for want of adequate statistical data. No data on capital and output are available for village and small industries except some information on the working of industrial co-operatives. The Census of Manufacturing Industries provides data on capital and output for certain important industries (factory sector) in all India. But most of Kerala's important industries viz., cashew, coir, bricks and tiles remain outside the coverage of this census. The coverage of census in regard to factory employment is only 16% in Kerala whereas it is 52% in India. The corresponding percentage coverage in the various States of India is given in table 5.9.

5.15. It can be seen from table 5.9 that only a very small portion of the factory sector in Kerala is covered by the census compared to other States in India. Also, the results of the census are made available only after considerable time lag. The latest year for which data are available is 1958. The figures for reorganised States are available only from 1956 onwards. In the following paragraphs an attempt is made with the census data to compare the growth of industries in Kerala with that in the other States in India during 1956-58.

5.16. The productive capital (fixed plus working capital) employed in Kerala (vide table 5.10) has increased by 12% in 1958 over that in 1956. The corresponding increase in India was 21%. The growth of indices of productive capital in other States excepting Assam and Uttar Pradesh was much more rapid than that in Kerala. In Assam and Uttar Pradesh there was a fall in the productive capital. The most remarkable growth was in Madhya Pradesh where the capital employed has almost trebled during these three years.

TABLE 5.9

Percentage Coverage of the Census of Manufacturing Industries

<i>Sl. No.</i>	<i>State</i>	<i>Percentage coverage</i>
1	Andhra	29
2	Assam	9
3	Bihar	69
4	Bombay	52
5	Kerala	16
6	Madhya Pradesh	23
7	Madras	49
8	Mysore	64
9	Orissa	73
10	Punjab	37
11	Rajasthan	40
12	Uttar Pradesh	62
13	West Bengal	70
	India	52

5.17. The increase in fixed capital in Kerala was only 8% as against 36% for India. The growth of fixed capital formation in all the other States except in the case of Rajasthan was more rapid compared to Kerala. In Assam there was a fall in fixed capital formation. In Madhya Pradesh the fixed capital employed has trebled by 1958.

5.18. The growth of indices of plant and machinery indicates that the rises in the fixed capital formation have mostly been confined to additions in plant and machinery. This is true of Kerala and all the other States in India excepting Mysore where the increase in fixed capital formation was mainly due to a higher growth of fixed capital items other than plant and machinery. In Assam alone there was a fall in the value of plant and machinery which was well reflected in the depletion of capital employed.

TABLE 5.10
Indices of Capital Formation

Sl. No.	State	Productive Capital			Fixed Capital			Plant and Machinery		
		1956	1957	1958	1956	1957	1958	1956	1957	1958
1	2	3	4	5	6	7	8	9	10	11
1	Andhra	100 (37.56)	110	115	100 (16.76)	115	140	100 (10.38)	117	151
2	Assam	100 (4.72)	104	90	100 (2.35)	103	88	100 (1.19)	104	97
3	Bihar	100 (127.39)	119	164	100 (73.99)	132	202	100 (51.40)	139	233
4	Bombay	100 (303.92)	108	111	100 (119.11)	109	120	100 (71.37)	111	126
5	Kerala	100 (21.66)	101	112	100 (12.29)	93	108	100 (7.09)	90	112
6	Madhya Pradesh	100 (8.60)	400	304	100 (4.55)	392	313	100 (2.33)	448	340
7	Madras	100 (73.68)	120	122	100 (35.28)	124	140	100 (21.31)	132	150
8	Mysore	100 (41.77)	117	138	100 (21.61)	113	134	100 (14.06)	115	123
9	Orissa	100 (12.20)	122	149	100 (8.15)	125	150	100 (5.73)	129	157

TABLE 5.10—(Contd.)
Indices of Capital Formation

Sl. No.	State	Productive Capital			Fixed Capital			Plant and Machinery		
		1956	1957	1958	1956	1957	1958	1956	1957	1958
1	2	3	4	5	6	7	8	9	10	11
10	Punjab	100 (24.06)	107	130	100 (10.81)	104	135	100 (6.53)	104	145
11	Rajasthan	100 (16.23)	101	100	100 (10.04)	95	104	100 (7.38)	93	106
12	Uttar Pradesh	100 (100.77)	105	97	100 (34.42)	112	115	100 (21.65)	114	118
13	West Bengal	100 (218.19)	112	111	100 (109.32)	112	114	100 (63.86)	117	123
INDIA										
	(Including Union territories)	100 (1004.54)	114	121	100 (463.36)	117	136	100 (287.12)	122	148

(Figures in brackets indicate absolute values in crores of rupees).

TABLE 5.11
Indices of Stocks

Sl. No.	State	1956	1957	1958
1	Andhra	100 (19.11)	105	96
2	Assam	100 (2.13)	107	91
3	Bihar	100 (42.95)	107	127
4	Bombay	100 (164.71)	111	106
5	Kerala	100 (8.24)	109	120
6	Madhya Pradesh	100 (3.65)	431	301
7	Madras	100 (34.71)	119	107
8	Mysore	100 (18.53)	125	140
9	Orissa	100 (3.39)	125	163
10	Punjab	100 (11.90)	113	129
11	Rajasthan	100 (5.62)	117	98
12	Uttar Pradesh	100 (63.92)	101	85
13	West Bengal	100 (93.19)	117	112
	India (including Union Territories)	100 (480.46)	114	110

(Figures in brackets indicate absolute values in crores of rupees).

5.19. Table 5.11 gives the changes in the value of stocks. Less capital locked up in stocks indicates a healthy sign of industrial growth. Usually a loss in the market for output results in accumulation of stocks. As stocks constitute a major share of working capital, a rise in the fixed capital particularly in plant and machinery generally involves a proportionate rise in stock also because there is an accepted ratio between fixed and working capital in all the industries. But slower the rate of increase of stock compared to the growth of plant and machinery the healthier will be the industrial growth as it is an important factor in strengthening the capital base of the industries. In this respect Kerala's position during the period under review was worse compared to the rest of India. As against a rise of 12% in plant and machinery there was a

rise of 20% in stocks in Kerala. In India the rise in stocks was only 10% against a rise of 48% in plant and machinery. The other States which have a higher growth of stock compared to the growth of plant and machinery are Mysore and Orissa.

TABLE—5.12

Value of stock as percentage to productive capital

<i>Sl. No.</i>	<i>States</i>	1956	1957	1958
(1)	(2)	(3)	(4)	(5)
1	Andhra	51	49	43
2	Assam	45	46	46
3	Bihar	34	30	26
4	Bombay	54	56	52
5	Kerala	38	41	41
6	Madhya Pradesh	42	46	42
7	Madras	47	47	41
8	Mysore	44	47	45
9	Orissa	28	28	31
10	Punjab	49	52	49
11	Rajasthan	35	40	34
12	Uttar Pradesh	63	61	56
13	West Bengal	45	45	43
	India	48	48	43

5.20. Table 5.12 gives a quantitative idea of stock in relation to productive capital. In India and most other States a falling trend was noticed in the share of stock in the total value of productive capital. In Kerala, Mysore, Assam and Orissa there was rise in the share of stock in the total productive capital. But compared to 1957 the share of stock fell during 1958 in the case of Mysore and remained stationary in the case of Kerala. The percentage share of stock in the total capital employed varies from State to State. In Kerala the percentage share is 41 as against the all-India figure of 43% in 1958. The lowest percentage share, viz., 26, was in Bihar while Uttar Pradesh has got the highest share, viz., 56%.

5.21. The ratios of gross output to total productive capital are given in table 5.13. The ratios provide a measure of the changes in the value of output per unit of total capital investment over a period of time.

TABLE 5.13
Output—Capital Ratio

<i>Sl. No.</i>	<i>State</i>	1956	1957	1958
1	Andhra	1.86	1.85	1.72
2	Assam	2.33	2.15	2.17
3	Bihar	1.07	0.90	0.70
4	Bombay	1.76	1.69	1.64
5	Kerala	1.07	1.11	1.12
6	Madhya Pradesh	2.26	1.42	1.03
7	Madras	1.73	1.58	1.53
8	Mysore	1.14	1.16	1.06
9	Orissa	1.11	1.07	0.88
10	Punjab	1.77	1.84	1.71
11	Rajasthan	0.95	1.02	1.01
12	Uttar Pradesh	1.61	1.59	1.57
13	West Bengal	1.71	1.58	1.64
	India	1.61	1.51	1.41

5.22. The output-capital ratio shows a downward trend in the case of India and all other States excepting Kerala and Rajasthan. It means that one unit of capital in India was less productive in 1958 compared to 1956. In other words it means that output is becoming more capital intensive in India and all the other States excepting Kerala and Rajasthan. This is true because industries for the whole of India are developing at a rate faster than that in Kerala. During the first half of the Second Plan period many big industries were started in Bihar, Madras, Madhya Pradesh, Orissa, West Bengal and Bombay. Most of the industries that had sprung up in these States were heavy and engineering industries, fertiliser industries and chemical industries which involved larger doses of capital investment in the initial stages accompanied by comparatively low output. The rise in fixed capital, especially that on account of plant and machinery shown in table 5.10 bears testimony to this fact. In Kerala there was no such comparable industrial development during the period under reference and so there was naturally a slow growth of capital investment compared to the rest of India. The behaviour of the indices of stock and plant and machinery together with the changes noted in the output-capital ratio indicates the existence of excess capacity in some of the industries in Kerala. The excess capacity was gradually reduced during the period under reference. This resulted in a rise in the value of output-capital ratio.

5.23. It is found from table 5.13 that the absolute value of output-capital ratio in Kerala is lower than that for all-India and other States excepting Rajasthan. It goes to show that industries in Kerala are more capital intensive than those in other parts of India. This is misleading and calls for explanation. The output-capital ratio calculated in the case of Kerala

relates to a very small portion of the factory sector in the State which, however, covers all the modern industries in the State, viz., soap, chemicals, rayon, aluminium, ceramics, plywood, engineering industries in which large sums are invested. The portion that is left out includes most of the State's important industries, viz., cashew, coir, bricks and tiles, wood works, etc., which use little capital investment. If these industries were also taken into account in the calculation of output-capital ratio we would have got a completely different picture of the output-capital ratio. In other words we are comparing the output-capital ratio of Kerala, which, as a matter of fact, is not truly representative of the industries in the State for reasons already mentioned, with that of other States where the ratio might perhaps be more truly representative of the industries in those States by virtue of larger coverage of the factory sector (vide table 5.9). The above facts clearly indicate the reason for the low output-capital ratio in Kerala as compared to other States in India.

5.24. The net value added by manufacture is a more reliable measure of industrial growth as it is the net value created by manufacturing process after deducting the value of inputs and depreciation from the value of gross output. The changes in the value of inputs over a period of time, therefore, do not affect the net value added. It is possible that while the value of gross output increases, the net value added may decrease or remain constant as a result of changes in the price of input and output items. Table 5.14 gives the ratio of gross output to net value added in different States in India.

TABLE 5.14
Ratio of gross output to net value added

<i>Sl. No.</i>	<i>States</i>	1956	1957	1958
(1)	(2)	(3)	(4)	(5)
1	Andhra	.. 6.6	7.2	6.5
2	Assam	.. 6.6	7.1	7.5
3	Bihar	.. 2.5	2.6	3.0
4	Bombay	.. 3.1	3.5	3.3
5	Kerala	.. 3.9	3.6	3.3
6	Madhya Pradesh	.. 5.3	4.5	4.3
7	Madras	.. 3.4	3.9	3.8
8	Mysore	.. 3.7	3.7	3.2
9	Orissa	.. 3.4	3.8	3.6
10	Punjab	.. 4.6	4.9	4.4
11	Rajasthan	.. 5.0	4.7	4.4
12	Uttar Pradesh	.. 4.8	4.6	4.6
13	West Bengal	.. 3.3	3.5	3.1
	India	.. 3.4	3.7	3.5

5.25. The ratio of net value added to gross output in Kerala which stood at 1: 3.9 in 1956 has improved to 1: 3.3 by 1958 as a result of the prices of output items rising more rapidly as compared to the rise in the price of input items. But in India the prices of input items have been rising more rapidly than the prices of output items with the result that the ratio slightly deteriorated to 1:3.5 by 1958 as compared to 1:3.4 in 1956. In Assam, Bihar, Bombay, Madras and Orissa the price fluctuations were similar to those experienced in India as a whole while those in other States were similar to the price fluctuation in Kerala.

5.26. The indices of industrial growth in terms of net value added by manufacture in different States are given in table 5.15.

TABLE 5.15
Indices of Industrial Growth (net value added)

<i>Sl. No.</i>	<i>States</i>	1956	1957	1958
(1)	(2)	(3)	(4)	(5)
1	Andhra	100 (10.55)	100	108
2	Assam	100 (1.67)	89	74
3	Bihar	100 (53.92)	97	90
4	Bombay	100 (171.28)	93	99
5	Kerala	100 (5.92)	114	139
6	Madhya Pradesh	100 (3.63)	301	173
7	Madras	100 (37.01)	98	98
8	Mysore	100 (12.89)	121	145
9	Orissa	100 (3.98)	107	112
10	Punjab	100 (9.28)	105	130
11	Rajasthan	100 (3.10)	114	119
12	Uttar Pradesh	100 (34.03)	108	98
13	West Bengal	100 (112.22)	99	113
	India (including Union territories)	100 (468.74)	100	105

(The figures in brackets indicate absolute values in crores of rupees).

TABLE 5.16

Indices of capital formation

		<i>Year</i>	<i>Productive capital</i>	<i>Fixed capital</i>	<i>Plant and machinery</i>	
(1)	(2)	(3)	(4)	(5)	(6)	
Vegetable oil	Kerala	1956	100	100	100	
				(0.56)	(0.29)	(0.15)
		1957	144	102	100	
		1958	124	103	97	
	India	1956	100	100	100	
				(31.87)	(13.42)	(7.28)
1957		91	88	87		
	1958	85	83	81		
Soap	Kerala	1956	100	100	100	
				(1.55)	(0.39)	(0.16)
		1957	101	101	83	
		1958	93	98	82	
	India	1956	100	100	100	
				(9.28)	(3.35)	(1.81)
1957		113	100	97		
	1958	113	107	102		
Textiles	Kerala	1956	100	100	100	
				(6.13)	(3.53)	(1.84)
		1957	104	98	99	
		1958	100	105	117	
	India	1956	100	100	100	
				(285.46)	(110.51)	(72.01)
1957		115	119	122		
	1958	111	128	134		
Chemicals	Kerala	1956	100	100	100	
				(6.02)	(3.90)	(2.65)
		1957	87	81	77	
		1958	111	108	110	
	India	1956	100	100	100	
				(80.63)	(50.03)	(27.40)
1957		111	102	98		
	1958	124	115	114		

(Figures in brackets indicate absolute values in crores of rupees.)

TABLE 5.17
Indices of stock

		<i>Year</i>	<i>Stock</i>	<i>Percentage share of stock in the total value of productive capital</i>
(1)	(2)	(3)	(4)	(5)
Vegetable oil	Kerala	1956	100 (0.20)	36
		1957	210	53
		1958	141	41
	India	1956	100 (15.24)	48
		1957	95	50
		1958	84	47
Soap	Kerala	1956	100 (1.07)	69
		1957	97	67
		1958	86	64
	India	1956	100 (5.73)	62
		1957	120	65
		1958	115	63
Textiles	Kerala	1956	100 (2.49)	41
		1957	118	46
		1958	97	39
	India	1956	100 (158.76)	56
		1957	117	57
		1958	103	52
Chemicals	Kerala	1956	100 (1.43)	24
		1957	89	24
		1958	124	27
	India	1956	100 (24.51)	30
		1957	127	35
		1958	142	35

(Figures in brackets indicate the actual value of stock in crores of Rupees)

5.27. In Kerala the growth of indices of net value added is in conformity with the change in the output-capital ratio. Similarly the falling trend of net value added noticed in the case of Assam, Bihar, Bombay and Madras, is also quite in accordance with the behaviour of the output-capital ratio. But in the case of other States and India as a whole a rising trend in the net value added was followed by a falling trend in the value of output-capital ratio.

5.28. So far as Kerala is concerned the Census of Manufacturing Industries provides industry-wise details of capital and output only for four industries, viz., vegetable oils, soap, textiles and chemicals. Table 5.16 provides a comparison of the growth of capital formation in these industries in Kerala and India.

5.29. In the case of vegetable oils, textiles and chemicals there was a rise in capital formation in Kerala. The growth of plant and machinery in textiles and chemicals was more rapid compared to the growth of fixed capital. But in oil industry the rise in the indices of fixed capital was followed by a fall in plant and machinery. The oil industry in India as a whole experienced considerable shrinkage in terms of capital. The textile and chemical industries in India recorded higher growth of capital formation compared to Kerala. The capital employed in soap industry declined in Kerala while that in India increased. The growth of plant and machinery of this industry in India was slow compared to the rate of growth of fixed capital.

5.30. In Kerala there was a fall in the output-capital ratio in vegetable oil and textile industry (vide table 5.18.) This indicates that the output of these industries is becoming more capital intensive which may be due to the gradual introduction of higher techniques of production. In textile industry this is true as can be seen from the rise in the indices of plant and machinery (vide table 5.16). But in the case of oil industry it needs explanation as there was a slight fall in the indices of plant and machinery. The ratio of net value added to gross output which stood at 1: 66.9 in 1956 has improved to 1: 16.8 by 1958 mainly through the value of output rising more rapidly than input. As a result, stock of raw materials was considerably increased in anticipation of a further rise in the prices of output. At the same time the cash balances also increased. All these contributed to a rapid rise in working capital which in turn increased the productive capital. The value of total output, however, remained constant due to a fall in production resulting from the closure of a few units. These factors contributed to a falling trend of output-capital ratio. The indices of net value added showed a very rapid growth mainly due to favourable prices for output items. The growth (net value added) of oil industry in India as a whole

is slow compared to Kerala. The rising trend of output-capital ratio in this industry indicates that capital is becoming more productive. This might be due to the reduction of excess capacity which prevailed in this industry.

5.31. The net value added in textile industry shows a falling trend in Kerala and India. The fall was more pronounced in the case of Kerala than in India. This falling trend synchronizes with the behaviour of the output-capital ratio. The fact that the value of input items has been increasing more rapidly compared to the value of output items has also contributed to the decline in the net value added. The ratio of net value added to gross output in Kerala which was 1: 3.6 in 1956 deteriorated to 1: 3.8 in 1958 and in India it recorded 1: 2.8 in 1956 and 1: 3.1 in 1958.

5.32. The industrial growth in terms of net value added in soap and chemical industries was remarkable in Kerala as well as in India. In the case of soap industry the growth was more rapid in India compared to Kerala while Kerala took the lead in the growth of chemical industries. The growth of net value added is in conformity with the behaviour of output capital ratio. The rise in the output-capital ratio and the fall in the value of plant and machinery in the soap industry in Kerala indicate the gradual reduction of excess capacity prevailed in this industry during the period under reference.

5.33. The data obtained from "Monthly Statistics of the Production of Selected Industries of India" provide a measure of industrial growth in terms of production for some of the selected industries such as sugar, tea, coffee, vegetable oil and textile industries for the period from 1959 onwards. Table 5.20 contains information as to the growth of these industries in Kerala and other States in India during 1959 and 1960. It can be seen that in Kerala there was a fall in the production of coffee, yarn and cloth during 1960 as compared to 1959. But in India a rise in production of these products was noticed during the same period. The rise in the all India production of coffee was mainly due to the increased production in the major producing State of Mysore. Madras recorded the highest increase in coffee production.

5.34. The share of Kerala in the all India production of yarn and cloth is very small. The increase in the production of yarn in India was small as there was a fall in production in the major producing State of Bombay. The rapid increase in the production of cloth in some of the important producing States such as Uttar Pradesh, West Bengal, Madhya Pradesh and Delhi contributed to a rise in the all India production which was slightly higher than the growth of production in the major producing State of Bombay.

TABLE 5.18

Output—Capital ratio

Year	Vegetable oils		Soap		Textiles		Chemicals	
	Kerala	India	Kerala	India	Kerala	India	Kerala	India
1956	5.31	3.99	1.28	2.05	1.10	1.70	0.41	0.95
1957	3.20	4.60	1.19	1.98	0.86	1.50	0.50	1.02
1958	4.25	4.32	1.64	2.29	0.90	1.43	0.56	1.04

TABLE 5.19

Indices of Industrial Growth (net value added)

Year	Vegetable oils		Soap		Textiles		Chemicals	
	Kerala	India	Kerala	India	Kerala	India	Kerala	India
1956	100	100	100	100	100	100	100	100
1957	(0.04)	(6.79)	(0.54)	(5.75)	(1.88)	(172.70)	(0.81)	(30.90)
1958	144	85	89	104	61	89	132	112
1958	396	106	125	132	77	85	188	128

(Figures in brackets indicate the net value added in crores of rupees.)

TABLE 5.20
Industrial Production—Share contribution by States

States	Sugar*			Tea†			Coffee		
	Percentage share in all-India production. 1958-59.	Percentage growth of production in 1959-60 compared to 1958-59.	Percentage share in all-India production. 1959	Percentage growth of production in 1960 compared to 1959.	Percentage share in all-India production. 1959.	Percentage growth of production in 1960 compared to 1959.	Percentage share in all-India production. 1959.	Percentage growth of production in 1960 compared to 1959.	
Andhra	..	6.3	..	..	..	..	..	..
Assam	..	0.1	..	52.7	..	-7.6	..	..
Bihar	..	16.2	..	..	..	..	..	..
Bombay	..	16.8	..	..	..	..	..	..
Kerala	..	0.5	..	10.9	..	+7.8	21.3	-2.4	
Madhya Pradesh	..	1.1	..	..	..	..	..	..
Madras	..	3.8	..	9.9	..	+15.3	17.3	+45.6	
Mysore	..	4.4	..	0.5	..	+6.2	61.4	+7.5	
Orissa	..	0.1	..	..	..	..	..	..
Punjab	..	3.6	..	..	..	..	..	..
Rajasthan	..	0.4	..	..	..	..	..	..
Uttar Pradesh	..	46.3	..	0.3	..	+9.4	..	..
West Bengal	..	0.4	..	25.0	..	+1.4	..	..
Union Territories	0.7	..	-14.4	..	..
INDIA	..	100.0	..	100.0	..	-1.4	100.0	+12.3	
		(19.50 lakh m. tons)		(3.19 lakh m. tons)			(0.46 lakh m. tons)		

(Figures in brackets indicate total actual production.)

*Production of sugar relates to crop year (November to October)

†In respect of black tea only.

TABLE 5.20—(Contd.)

State	Vegetable oil products			Yarn			Cloth		
	Percentage share in all-India production. 1959.	Percentage growth of production in 1960 compared to 1959.	Percentage share in all-India production. 1959.	Percentage growth of production in 1960 compared to 1959.	Percentage share in all-India production. 1959.	Percentage growth of production in 1960 compared to 1959.	Percentage share in all-India production. 1959.	Percentage growth of production in 1960 compared to 1959.	
Andhra	4.1	-12.1	1.9	+13.0	0.6	+17.4			
Assam	..	..	..	..	..	..	..	..
Bihar	3.1	+0.2	0.1	-5.3	0.1	+6.9			
Bombay	35.8	+4.3	48.8	-1.0	66.7	+1.5			
Kerala	0.3	+54.4	1.3	-10.7	0.5	-35.0			
Madhya Pradesh	2.0	+16.0	6.1	-0.8	8.4	+3.7			
Madras	3.3	+11.2	17.5	+3.6	2.7	+2.2			
Mysore	1.3	-3.4	3.7	+0.4	1.5	+1.8			
Orissa	..	..	0.6	+8.3	0.7	+19.8		
Punjab	3.2	+7.4	1.9	+0.4	1.3	+0.8			
Rajasthan	..	..	1.7	-3.0	1.0	+1.9		
Uttar Pradesh	17.6	+4.7	7.7	+3.2	7.1	+6.5			
West Bengal	16.8	+6.3	4.5	+4.9	5.3	+3.1			
Union Territories	12.5	+3.7	4.2	+9.9	4.1	+25.0			
INDIA	100.0	+4.5	100.0	+0.8	100.0	+2.5			
	(3.22 lakh m. tons)		(7.81 lakh m. tons)		(49254.29 lakh yards)				

(Figures in brackets indicate total actual production)

5.35. The production of vegetable oil products in Kerala has increased considerably during 1960 compared to 1959. But Kerala's share in the all India production of this product is negligibly small. So the changes in the production of Kerala do not have any effect on the all India production. The increase in the all India production noted during the period was mainly due to a rise in the production of Bombay. Rapid increases of production in other important producing States such as Uttar Pradesh, West Bengal and Delhi also contributed for the rise in the all India production.

5.36. As in the case of vegetable oil products, yarn and cloth, the share of Kerala in the all India production of sugar is also small. There was considerable increase in the production of sugar in Kerala during 1960 as compared to 1959. In India the growth of production during the same period was more rapid. The rise in the all India production was mainly due to the rise in production of the major producing State of Uttar Pradesh.

5.37. The production of tea in Kerala recorded a rise of 7.8% in 1960 as compared to 1959, while in India as a whole a fall of 1.4% in production was noticed during the same period. The fall in the production of the major producing State of Assam accounted for the fall in the all India production.

5.38. The growth of industries in terms of paid-up capital of joint stock companies indicates that during 1957-58 there was an increase of only 6% in Kerala as against an increase of 36% in India. The corresponding increase during 1958-59 in Kerala was 5%. Table 5.21 gives the number of processing and manufacturing companies and their paid-up-capital in Kerala and in India.

TABLE 5.21
Processing and Manufacturing Companies

	Kerala		India	
	No.	Paid-up capital (Rs. crores)	No.	Paid-up capital (Rs. crores)
1956-57 ..	354	12.77	10352	604.37
1957-58 ..	357	13.55	10159	819.15
1958-59 ..	352	14.25	N.A.	N.A.

5.39. The growth of industries discussed above does not give any indication as to the growth of most of the important industries in Kerala, viz., cashew, coir, bricks and tiles, wood works and furniture, etc. Therefore to get a complete picture of the industrial growth in Kerala upto the end of December 1961, the data regarding the number of factories opened, removed and working collected from the office of the Chief Inspector of Factories and Boilers are presented in table 5.22

TABLE 5.22
Growth of Industries in Kerala

Sl. No.	Name of Industry	Number of factories opened during			Number of factories removed from the factory register during			Number of factories working at the end of			
		1959	1960	1961	1959	1960	1961	1958	1959	1960	1961
1	Canning and preservation of fruits and vegetables	1	..	..	..	..	..	3	4	4	4
2	Canning and preservation of fish and other seafoods	4	1	2	..	1	..	7	11	11	13
3	Rice mill	13	8	7	..	62	..	139	90	95	102
4	Flour mill	1	1	..	..	..	..	4	5	6	6
5	Oil mill	25	11	10	..	1	2	210	234	238	246
6	Confectioneries	..	..	..	..	..	..	1	1	1	1
7	Sugar	..	..	..	..	..	..	1	1	1	1
8	Tea	1	1	1	..	..	..	122	123	123	124
9	Coffee	..	..	..	..	..	..	6	6	6	6
10	Cashew	4	3	8	..	..	2	175	179	180	186
11	Starch	1	..	..	..	..	..	3	4	4	4
12	Salt	..	..	..	..	..	..	1	1	1	1
13	Shark liver oil	..	..	..	..	..	..	1	1	1	1
14	Beedi and Cigar	7	10	3	..	8	..	94	93	95	98
15	Textiles	53	15	5	..	5	5	222	270	267	267
16	Knitting	3	1	..	..	2	..	13	16	15	15
17	Rayon	..	..	..	..	..	..	1	1	1	1
18	Coir	16	20	43	..	7	1	148	163	176	213
19	Umbrella	..	1	..	..	1	..	19	18	19	19

TABLE 5.22—(Contd.)

Sl. No.	Name of Industry	Number of factories opened during			Number of factories removed from the factory register during			Number of factories working at the end of			
		1959	1960	1961	1959	1960	1961	1958	1959	1960	1961
20	Sawmill	..	17	24	21	2	4	116	131	150	167
21	Woodworks and furniture	..	..	6	3	..	3	22	22	27	27
22	Plywood	..	..	..	..	..	..	13	13	13	13
23	Packing cases and teachests	..	6	1	2	..	..	39	45	45	47
24	Splints and veneers and matches	..	4	3	3	5	..	96	95	93	96
25	Paper, paper boards, etc.	..	..	..	..	..	..	2	2	2	2
26	Printing and binding	..	20	20	7	..	5	148	168	181	183
27	Tyre retreading	..	16	7	5	..	..	22	38	44	49
28	Rubber and rubber goods	..	2	1	2	2	1	59	59	59	60
29	Fertilisers	..	..	..	2	..	..	7	7	7	9
30	Chemical and chemical products	..	..	2	..	..	..	11	11	13	13
31	Storing and pumping of petroleum	..	..	..	1	..	..	8	8	8	9
32	Pharmaceuticals	..	..	1	1	..	..	9	9	10	11
33	Soap	..	..	..	..	..	..	7	7	7	7
34	Bricks and tiles	..	4	4	8	..	..	148	152	154	162
35	Glass work	..	..	..	..	..	..	2	2	2	2
36	Pottery, chinaware, etc.	..	..	..	1	..	..	7	7	7	8
37	Cement	..	..	..	..	..	..	1	1	1	1
38	Aluminium and aluminium products	..	..	..	1	..	..	3	3	3	4
39	Tins	..	2	2	2	..	..	10	12	14	16
40	Iron and steel products including agricultural implements, cutlery, locks, steel furniture, etc.	..	4	7	2	..	3	22	26	30	32

TABLE 5.22—(Contd.)

Sl. No.	Name of Industry	Number of factories opened during			Number of factories removed from the factory register during			Number of factories working at the end of			
		1959	1960	1961	1959	1960	1961	1958	1959	1960	1961
41	Copper and brass vessels, sheets, etc.	..	..	1	..	..	..	1	1	1	2
42	Engineering and machinery for engineering	6	3	8	2	..	2	35	39	42	48
43	Electrical Engineering	..	2	..	..	1	..	7	7	8	8
44	Repair of motor vehicles, ships and aircrafts	10	3	6	2	2	2	101	109	110	114
45	Cycle and cycle parts	2	1	..	..	1	..	2	4	4	4
46	Jewellery	2	..	..	..	..	..	2	2	2	2
47	Pencils	..	..	..	..	..	..	3	3	3	3
48	Plastic goods	..	..	..	..	..	..	3	3	3	3
49	Power	..	..	..	..	..	..	3	3	3	3
50	Dyeing and printing	2	1	..	..	..	..	4	6	7	7
51	Garbling of pepper and other hill produces	1	..	..	1	..	..	7	7	7	7
52	Mill boards	1	..	..	..	..	..	2	3	3	3
53	Soda	9	2	6	..	..	..	6	15	17	23
54	Water and sanitary services and fittings	..	1	..	..	..	..	1	1	2	2
55	Surgical instruments	1	..	..	..	..	..	2	3	3	3
56	Scientific instruments	..	1	..	..	..	..	1	1	2	2
57	Others	..	4	2	..	1	..	1	1	4	6
..	TOTAL	238	168	163	92	80	27	2102	2248	2336	2472

5.40. A steady increase in the number of factories working was noticed during the period 1958-1961. The number of factories increased from 2102 in 1958 to 2472 in 1961. During 1961, 163 new factories were opened while 27 were closed, the net increase in the number of factories being 136. This compares favourably with the net increase of 88 during 1960 resulting from 168 new registrations and 80 removals. There was a steady increase in the number of factories in the case of industries such as oil mills, cashew, beedi and cigar, textiles, coir, saw mill and wood works, printing and binding, tyre re-treading, bricks and tiles, etc. In fact most of the important industries of Kerala were growing at a steady rate in terms of the number of units working. However the employment in factories has remained steady between 1.6 and 1.7 lakhs during 1958-61.

5.41. The increase in the number of factories does not truly represent industrial growth, as there has been no change in the industrial structure of the State. The industrial sector has remained one of the least productive sectors of the State's economy. The absence of large metal-based engineering industries was keenly felt and its non-development mainly contributed to the low productivity of the industrial sector.

5.42. In the first two Plans the programme under large and medium industries was small and in the public sector the schemes mainly related to the modernisation and expansion of the existing industries. Neither did the Central Government make any investment in Kerala in the industrial sector, during the First Plan period. In the Second Plan the total central industrial investment in Kerala was only Rs. 0.79 crore (D.D.T. Factory) out of a total central outlay of Rs. 657.9 crores in India as a whole. At the same time many other States in India have received several crores worth of central investment in industries. Thus after ten years of planning the gap between the levels of industrial development in Kerala and other States has only widened.

5.43. Quite in contrast to the development of large industries, the progress under village and small industries during the plan period was satisfactory. The plan schemes have helped to organise most of the important industries of the State viz., coir, handloom etc. on co-operative lines. This was due to a policy of the State Government to lay stress on industrial co-operatives for improving the conditions of small producers. Industrial co-operatives are particularly important in Kerala where small and village industries are predominant. Co-operativisation of industries helps to eliminate exploitation of middlemen and enables the small producers to secure the advantages of buying raw materials at wholesale rates, selling their products on large scale, getting access to industrial credit and of utilising improved methods and techniques of production.

TABLE 5.23
Industrial Co-operatives—Number, Membership, Working Capital, Production and Sales at the end of June 1960.

Sl. No.	States	No. of Societies	Membership (lakh Nos.)	Working capital (Rs. crores)	Production (Rs. crores)	Sales (Rs. crores)
1	Andhra Pradesh*	1818	1.28	0.83	1.07	1.12
2	Assam**	172	0.04	0.07	0.06	0.06
3	Bihar	367	0.11	0.07	0.10	0.11
4	Gujarat	992	0.37	1.49	0.97	1.65
5	Jammu and Kashmir†	19	0.03	0.10	0.06	0.07
6	Kerala ‡	1610	2.10	1.72	2.29	2.30
7	Madhya Pradesh	1017	0.24	0.35	0.29	0.38
8	Madras	1785	2.05	0.70	1.50	1.79
9	Maharashtra	1550	0.57	1.76	1.45	1.82
10	Mysore ¶	945	1.32	1.71	0.69	0.73
11	Orissa	545	0.26	0.30	0.22	0.24
12	Punjab	2436	0.43	1.44	1.41	1.40
13	Rajasthan	1987	0.43	0.90	0.85	0.89
14	Uttar Pradesh	1574	0.38	0.77	0.67	0.66
15	West Bengal	593	0.29	0.49	0.13	0.41
16	Delhi and other Union Territories	473	0.13	0.61	0.67	0.66
	Total §	17896	10.03	13.31	12.43	14.29

* Data for 845 societies relate to 1958-59.

** Figures relate to 1958-59.

† Excluding data for one society.

‡ Including 15 Coir Co-operative Unions.

¶ Data relating to one District not available.

§ Includes 13 Societies in Pondicheri which had a membership of 579 and a working capital of Rs. 58,000. Production was estimated at Rs. 41,000 and sales placed at Rs. 45,000.

TABLE 5.24

Handloom Weavers' Societies—number of members, working capital, number of looms worked, production and sales at the end of June, 1960.

Sl. No.	State	No. of Societies	Membership (lakh Nos.)	Working capital (Rs. crores)	No. of working looms (lakh Nos.)	Production (Rs. crores)	Sales (Rs. crores)
1	Andhra	908	2.61	5.25	1.43	6.93	7.80
2	Assam *	1208	0.28	0.11	0.08	0.14	0.33
3	Bihar	1032	1.32	0.75	0.97	3.03	2.95
4	Gujarat	267	0.25	0.72	0.16	0.54	1.25
5	Jammu & Kashmir	58	0.01	0.02	Neg.	0.03	0.03
6	Kerala	393	0.52	0.92	0.35	2.66	2.53
7	Madhya Pradesh	398	0.36	0.66	0.07	0.45	0.82
8	Madras	1053	2.16	6.65	1.62	11.16	12.07
9	Maharashtra	672	0.85	2.50	0.27	4.88	5.47
10	Mysore	588	0.91	2.39	0.54	3.68	3.93
11	Orissa	513	0.50	0.62	0.29	0.79	0.90
12	Punjab	713	0.13	0.38	0.10	0.69	0.74
13	Rajasthan	894	0.29	0.48	0.10	0.43	0.48
14	Uttar Pradesh	1184**	1.16	2.55	0.87	3.08	3.69
15	West Bengal	1118	1.43	1.11	0.66	0.78	2.47
16	Delhi and other Union Territories	1199	0.09	0.18	0.05	0.30	0.30
	India †	11215	12.89	25.35	7.57	39.67	45.89

* Data relate to 1958-59.

** Excluding 14 societies for which data are not available.

† In Pondicherry there were 17 societies with a membership of 2241 and working capital of Rs. 632,000. The total number of looms worked was 1640. Production was placed at Rs. 10,26,000 and sales estimated at Rs. 11,37,000.

5.44. In the coir industry three different types of co-operative societies have been organised. They are (1) the husk societies to collect and supply husk to coir primaries, (2) the coir primaries to ret the husk and to produce yarn and (3) the central marketing societies to sell the yarn produced by the primaries. During the First and Second Plan periods, 316 primary societies, 31 husk societies and three central coir marketing societies were organised. In addition to the above, two mats and matting societies, 15 coir co-operative unions and two rope manufacturing societies were also organised.

5.45. Table 5.23 gives the number of industrial co-operatives other than handloom weavers' co-operatives, their membership, working capital, production and sale in Kerala and other States in India at the end of June 1960. In Kerala there were 1610 industrial co-operatives other than weavers' societies with a membership of 2.10 lakh persons. Punjab has the largest number of societies, but as regards membership Kerala is ahead of all other States in India. The total working capital amounting to Rs. 1.72 crores is comparable to that of any other State in India. The average working capital per society in Kerala is Rs. 0.11 lakh, the average membership per society being 131 persons. The corresponding figures for all India are Rs. 0.07 lakh and 56 persons. Kerala is ahead of all other States in production and sales also. In 1959-60 the total sales in Kerala amounted to Rs. 2.30 lakhs and the total production was of the order of Rs. 2.29 lakhs which indicates a good sign of industrial growth.

5.46. In the handloom industry, co-operative organisations is very effective and out of a total of 1.25 lakh looms in the State nearly 48,000 looms have been brought within the co-operative fold by organising 393 weavers' societies. Statewise figures of weavers' societies, their membership, working capital, working looms, production and sales during 1959-60 are given in table 5.24.

5.47. The industrial co-operatives do not, however, cover more than a small portion of those engaged in village and small industries as can be seen from the figures of membership and actual employment. In Kerala there were 2.6 lakhs industrial co-operative members as against an estimated employment of about 8 lakhs in village and small industries. So an overall assessment of the growth of village and small industries is not possible at this stage for want of adequate statistics.

POWER

5.48. Nearly 28% of the Third Plan outlay is allocated to Power. The present installed power capacity for the State, viz., 162,500 K.W., is contributed by the Pallivasal (37,500 K.W.), Sengulam (48,000 K.W.), Poringalkuthu (32,000 K.W.), and Neriamangalam (45,000 K.W.) projects.

5.49. The present power position in the State is one of acute shortage even though the cost of generation is perhaps the lowest in India. Electrification is a pre-condition for the State's industrialisation and forms the basic infrastructure. It is expected that the shortage of power will be wiped off at the end of the Third Plan period. The low cost of production of power also opens up possibilities of taking up power generation on the lines of an industry and there are export possibilities for power to the neighbouring States.

5.50. Table 5.26 shows the pattern of consumption of electrical energy over the Second Plan period. There is practically no significant change in the percentages of consumption by the various categories of consumers. However it is found that there is an absolute increase of consumption by various consumer categories, the increase being more than 70% in the case of the largest consumer, viz. large and heavy industries. There is also a slight increase in the consumption of electrical energy for agricultural operations. The percentage of domestic consumption has however fallen from 8.4% in 1959-60 to 8% in 1960-61.

5.51. Percentage of total revenue collected from each category of consumers is shown in the following table:—

TABLE 5.25

<i>Sl. No.</i>	<i>Category of consumers</i>	<i>Revenue collected in 1960-61 (Rs. lakhs)</i>	<i>Percentage of total revenue</i>
(1)	(2)	(3)	(4)
1	Domestic consumers, commercial lights and fans and small power	.. 22.04	39.50
2	Public lighting	.. 35.77	11.40
3	Agricultural operations and water works	.. 32.87	26.60
4	Small and medium industries (low tension supply)	.. 18.71	6.10
5	Large and heavy industries (high tension supply)	.. 15.50	4.90
6	Bulk supplies to licencees, and neighbouring States	.. 34.83	11.50
	TOTAL	.. 309.72	100.00

TABLE 5.26

Pattern of consumption of electrical energy by various classes of Consumers

	1956-57		1957-58		1958-59		1959-60		1960-61	
	M.units	percent	M.units	Percent	M.units	Percent	M.units	Percent	M.units	Percent
1. Domestic consumers, commercial lights and fans and small power	20.61	6.9	24.50	6.8	29.97	7.0	35.16	8.4	40.57	8.0
2. Public lighting	2.48	0.8	3.35	0.9	4.43	1.0	5.66	1.3	6.62	1.1
3. Agricultural operations and water works	17.59	5.9	19.56	5.4	18.78	4.4	19.75	4.7	25.62	5.1
4. Small and medium industries (low tension supply)	28.03	9.4	27.25	7.5	30.30	7.1	34.13	8.0	40.40	8.0
5. Large and heavy industries (high tension supply)	193.01	64.5	248.60	68.4	297.42	70.0	269.04	63.5	340.38	67.5
6. Bulk supplies to licensees and neighbouring states	37.53	12.5	40.03	11.0	42.05	10.5	59.59	14.1	52.03	10.3
TOTAL	299.25	100.0	363.29	100.0	422.95	100.0	423.33	100.0	505.62	100.0

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TABLE 5.27

Generation of electrical energy and purchase from Madras State.

	(In million units)				
	1956-57	1957-58	1958-59	1959-60	1960-61
A. Electricity generated in the State	363.54	411.35	504.58	488.00	581.82
B. Purchased from Madras	14.16	33.52	35.43	45.00	50.34

5.52. Per capita consumption of energy in the State on the basis of energy consumption in 1960-61 and population as per 1961 Census is 30 units.

5.53. Electrical energy generated increased from 363.54 M. units to 581.82 M. units during the course of the Second Plan period, the percentage of increase being 60. Electrical energy purchased from Madras has also increased from 14.16 M. units in 1956-57 to 50.34 M. units in 1960-61.

5.54. Satisfactory achievement has been recorded under transmission and distribution schemes. The Plan schemes have been trying to enlarge the distribution of power by covering small towns and villages.

5.55. There are at present in the State nearly 344 circuit miles of 110 KV and 837 circuit miles of 66 KV lines and 19 extra high tension substations. For the purpose of distributing power to consumers another 3700 miles of 11 KV and 5600 miles of low tension lines have also been constructed. Under distribution schemes in the Second Plan 1003 new centres were opened, 57,282 nos. of street lights were installed and 97,662 consumers were connected up.

5.56. Table 5.28 shows the annual and per capita power consumption figures of a few countries compared with the figures for Kerala. The per capita consumption in Kerala in 1960-61 is lower than the average per capita power consumption for India as a whole.

TABLE 5.28

Power utilisation in different countries

<i>Country</i>	<i>Annual consumption (millions of kwh) (1960)</i>	<i>Per capita consumption (kwh.) (1960)</i>
(1)	(2)	(3)
Canada	114,012	6,400
Argentina	8,160*	390
Denmark	4,884	1,065
U.K.	118,848	2,270
Yugoslavia	8,928	480
India	16,296	40
Nigeria	530	15
Uganda	200	30
Kerala	506	30

*Estimated.

CHAPTER VI

COMPANY ENTERPRISES

Kerala had 1,212 companies working at the end of 1957-58 with a paid-up capital of Rs. 29.46 crores. The number of companies working in the State at the end of March 1957 was 1236 with a paid up capital of Rs. 28.43 crores. The total number of companies in India as a whole fell from 29,357 at the end of 1957 (paid-up capital Rs. 1077.58 crores). to 28,280 at the end of 1958 (paid up capital Rs. 1,306.28 crores). Thus we find that though a fall is recorded in the number of companies both in Kerala and in India as a whole the total paid-up capital has gone up during the course of the year 1957-58.

6.2. The pattern of distribution of company enterprises in India and Kerala shows that Kerala has a larger percentage of enterprises in agriculture and allied activities and in trade and commerce than in India (See Table 6.1). In fact Kerala stands second only to Assam in the percentage share of companies based on agriculture and allied activities. The State has 29.5% of the total number of companies engaged in processing and manufacturing industries and 48% of the total number engaged in trade and commercial activities. The companies in these two sectors have 46% and 21.5% of the total paid up capital of all the companies in the State. 13.6% of the total number of companies engaged in agricultural activities have 28.4% of the total paid-up capital. The average paid-up capital per company engaged in agriculture and allied occupation is the highest in Kerala. The average paid up capital per company in all the sectors together is Rs. 2.4 lakhs while that in the agricultural and allied industries sector alone is Rs. 5.1 lakhs. The companies in the agricultural and allied industries in Kerala are made up of large scale plantation companies. The average paid-up capital per company engaged in trade and commercial activities is low at Rs. 1.1 lakhs. The commercial units in the State, even though they are numerous, have only a limited size. Nearly 50% of the companies in Kerala are in the commercial sector because this sector is the most productive of the different sectors which contribute to the national income. The total number of companies in transport and communications is small even though productivity in this sector also is high. The State's policy to nationalise transport activities is a check to the further growth of companies in this sector. Excepting Rajasthan and Assam all the other States in India have higher percentage of companies in the industrial (processing and manufacture) sector than in Kerala. There are very few companies in the other sectors like mining, construction activities, etc. The average capital intensity of companies in Kerala is nearly one half of that of an average company in India. Companies in Bombay, Bihar, Mysore and Madhya Pradesh are highly capitalised compared to the companies in Kerala.

TABLE 6.1
Companies at work at the end of March—1958

Sl. No.	State	Agriculture and allied industries			Mining and quarrying		
		Number as percentage of total	Paid up capital as percentage of total	Paid up capital per company (Rs. lakhs)	Number as percentage of total	Paid up capital as percentage of total	Paid up capital per company (Rs. lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Andhra Pradesh	2.5	0.2	0.3	4.6	7.5	6.8
2	Assam	31.0	49.5	2.4	3.8	7.6	3.0
3	Bihar	3.4	0.1	0.1	10.0	27.6	20.8
4	Bombay	2.8	0.4	1.2	1.7	1.1	5.1
5	Kerala	13.6	28.4	5.1	0.3	1.1	8.2
6	Madhya Pradesh	2.7	0.5	1.2	2.5	0.9	2.5
7	Madras	4.9	6.2	4.7	0.8	10.8	49.0
8	Mysore	6.6	5.8	4.8	2.7	1.1	2.1
9	Orissa	1.5	Neg.	Neg.	3.5	1.4	1.7
10	Punjab	1.9	1.7	1.9	0.1	0.3	4.9
11	Rajasthan	1.6	0.3	0.7	6.7	5.3	3.3
12	Uttar Pradesh	3.0	1.2	1.1	0.4	Neg.	0.3
13	West Bengal	6.2	6.4	3.0	5.2	8.0	4.4
	INDIA	5.3	3.4	3.0	3.3	4.4	6.1

TABLE 6.1—(Contd.)

Sl. No.	State	Processing and manufacturing industries			Trade and Commerce		
		Number as percentage of total	Paid up capital as percentage of total	Paid up capital per company (Rs. lakhs)	Number as percentage of total	Paid up capital as percentage of total	Paid up capital per company (Rs. lakhs)
(1)	(2)	(9)	(10)	(11)	(12)	(13)	(14)
1	Andhra Pradesh	31.1	75.8	10.1	42.3	10.5	1.0
2	Assam	25.2	16.0	0.9	27.1	17.3	1.0
3	Bihar	31.1	64.0	15.6	33.7	4.0	0.9
4	Bombay	42.8	61.0	10.9	38.3	22.5	4.5
5	Kerala	29.5	46.0	3.8	47.9	21.5	1.1
6	Madhya Pradesh	29.6	73.2	16.1	33.3	21.4	4.2
7	Madras	30.3	50.6	6.3	47.9	25.0	2.0
8	Mysore	41.4	80.0	10.6	35.3	10.6	1.6
9	Orissa	52.4	84.6	7.2	25.7	3.2	0.6
10	Punjab	34.0	59.6	3.5	36.4	17.3	1.0
11	Rajasthan	25.5	42.8	7.0	55.7	46.3	3.5
12	Uttar Pradesh	44.1	74.0	4.5	35.6	18.5	1.4
13	West Bengal	35.2	51.5	4.2	38.2	26.8	2.0
	INDIA	35.9	62.7	8.1	39.3	20.3	2.4

TABLE 6.1—(Contd.)

Sl. No.	State	Transport and Communications			Construction and other services		
		Number as percentage of total	Paid up capital as percentage of total	Paid up capital per company (Rs. lakhs)	Number as percentage of total	paid up capital as percentage of total	paid up capital per company (Rs. lakhs)
(1)	(2)	(15)	(16)	(17)	(18)	(19)	(20)
1	Andhra Pradesh	4.6	1.5	1.4	14.9	4.5	1.3
2	Assam	4.7	1.7	0.5	8.2	7.9	1.4
3	Bihar	7.9	2.7	2.6	13.9	1.6	0.9
4	Bombay	3.2	5.5	13.1	11.2	9.5	6.5
5	Kerala	3.5	1.8	1.2	5.2	1.2	0.6
6	Madhya Pradesh	24.1	1.9	0.5	7.8	2.1	1.7
7	Madras	4.9	1.8	1.4	11.2	5.6	1.9
8	Mysore	4.7	1.2	1.4	9.3	1.3	0.8
9	Orissa	5.6	3.9	3.1	11.3	6.9	2.7
10	Punjab	18.4	9.6	1.0	9.2	11.5	2.5
11	Rajasthan	3.0	1.4	1.9	7.5	3.9	2.2
12	Uttar Pradesh	4.8	2.7	1.5	12.1	3.6	0.8
13	West Bengal	4.4	2.6	1.7	10.8	4.7	1.2
INDIA		5.3	3.2	2.8	10.9	6.0	2.6

TABLE 6.1—(Contd.)

Sl. No.	State	All		
		Number as percentage of total	Paid up capital as percentage of total	Paid up capital per company (Rs. lakhs)
(1)	(2)	(21)	(22)	(23)
1	Andhra Pradesh	100.0	100.0	4.2
2	Assam	100.0	100.0	1.5
3	Bihar	100.0	100.0	7.6
4	Bombay	100.0	100.0	7.6
5	Kerala	100.0	100.0	2.4
6	Madhya Pradesh	100.0	100.0	6.5
7	Madras	100.0	100.0	3.8
8	Mysore	100.0	100.0	5.5
9	Orissa	100.0	100.0	4.5
10	Punjab	100.0	100.0	2.0
11	Rajasthan	100.0	100.0	4.2
12	Uttar Pradesh	100.0	100.0	2.7
13	West Bengal	100.0	100.0	2.9
INDIA		100.0	100.0	4.6

6.3. The State-wise distribution of new companies registered in 1960-61 and the average authorised capital per company in the different States is shown in Table 6.2. Invariably in all the States private limited company formation is higher than public. As against 1452 companies formed in 1959-60 in India as a whole, the year 1960-61 saw a higher number of new companies, viz., 1683, the percentage rise being 16.6. There is a rise in the number of new companies formed in 1960-61 in Kerala also. As against 32 companies newly registered in 1959-60 in Kerala the number went up to 46 in 1960-61. Instead of counting this movement as a definite improvement in company formation it can only be considered as one of recouping lost ground, for the new companies formed in 1958-59 also show the same number as 46. The number of societies registered as private limited companies is much larger than public companies. The average capital per company is however smaller in the private limited companies. While a private limited company has on an average of Rs. 8.5 lakhs as authorised capital, a newly formed public company has an average authorised capital of more than Rs. 1 crore. The States of Maharashtra, Madras and West Bengal make up about 60% of the total number of companies formed in 1960-61.

6.4. Table 6.3 shows the number and the total authorised capital of the companies newly formed in 1959-60 and in 1960-61, State-wise. The total authorised capital of new companies formed in Kerala in 1960-61 was more than double that of the companies formed in 1959-60 while the number of new companies registered increased from 32 to 46 only. This is indicative of the formation of larger sized companies especially public companies in 1960-61 compared to 1959-60. A similar tendency is observed in India as a whole.

6.5. The average authorised capital in public companies registered in 1960-61 was much smaller than those registered in 1959-60. The number of public companies registered however increased from 2 in 1959-60 to 11 in 1960-61. The average capital per company in Kerala was about half of that of India as a whole in 1959-60. Even though the general average of authorised capital of new companies registered in 1960-61 in both Kerala and India rose, the above proportion in capital intensity was kept in 1960-61 as well.

6.6. During the year 1960-61, 88 companies with an authorised capital of Rs.1 crore and above were registered in India. Of these, 73 companies were registered in the States of Bombay, Madras and West Bengal (see table 6.5). In Kerala only one company was registered during the year. In 1958-59, 22 giant companies were registered with an authorised capital of Rs. 240.2 crores, and in 1959-60, 31 companies with an authorised capital of Rs. 91.5 crores. The 88 'giant floatations' of 1960-61 had an authorised capital of Rs. 197.75 crores with an average of Rs. 2.25 crores per company. Thus 141 giant companies were registered during the period 1958—1961, but of these only three belonged to Kerala.

TABLE 6.2

Distribution of new companies registered and average capital per company—State-wise

Sl. No.	State	1960-61											
		1959-60					1960-61						
		Number of companies		Authorised capital per company (Rs. lakhs)		Number of companies	Authorised capital per company (Rs. lakhs)		Authorised capital per company (Rs. lakhs)				
Public	Private	All	Public	Private	All		Public	Private	All	Public	Private	All	
1	Andhra	7	24	31	98.6	3.3	24.8	1	31	32	25.0	16.6	16.8
2	Assam	2	12	14	75.0	12.0	21.0	1	4	5	5.0	2.9	3.3
3	Bihar	1	10	11	20.0	2.7	4.3	1	20	21	25.0	14.2	14.7
4	Gujarat	19	274	293	156.0	13.8	23.0	13	59	72	115.5	16.0	34.0
5	Maharashtra							33	302	335	141.1	13.7	26.3
6	Kerala	2	30	32	51.0	2.3	5.4	11	35	46	25.6	2.6	8.1
7	Madhya Pradesh	1	24	25	2.5	4.3	4.2	1	23	24	100.0	7.4	11.2
8	Madras	11	331	342	44.3	2.7	4.0	21	322	343	17.0	6.7	16.7
9	Mysore	3	25	28	342.0	12.6	47.9	5	26	31	30.0	7.3	11.0
10	Orissa	3	35	38	7.3	2.6	3.0	1	19	20	5.0	2.8	2.9
11	Punjab	..	35	35	..	4.5	4.5	5	46	51	33.0	3.3	6.2
12	Rajasthan	2	16	18	3.8	3.4	3.4	3	23	26	70.0	3.4	11.1
13	Uttar Pradesh	3	42	45	3.7	3.3	3.3	1	46	47	50.0	15.3	16.1
14	West Bengal	26	373	399	41.8	6.2	8.5	42	389	431	97.5	4.8	13.9
15	Delhi and other Union Territories	7	134	141	20.4	8.9	9.4	14	185	199	65.7	10.5	14.5
	INDIA	87	1365	1452	77.2	6.8	11.0	153	1530	1683	102.9	8.5	17.1

TABLE 6.3
Distribution of new companies registered in India

Sl. No.	State	1959-60						1960-61					
		No. of Companies			Authorised Capital (Rs. lakhs)			No. of Companies			Authorised Capital (Rs. lakhs)		
		Public	Private	All	Public	Private	All	Public	Private	All	Public	Private	All
1	Andhra	7	24	31	690	79	769	1	31	32	25	513	538
2	Assam	2	12	14	150	144	294	1	4	5	5	11	16
3	Bihar	1	10	11	20	27	47	1	20	21	25	284	309
4	Gujarat	19	274	293	2965	3771	6736	(13	59	72	1501	944	2445
5	Maharashtra	33	302	335	4655	4146	8801	33	302	335	4655	4146	8801
6	Kerala	2	30	32	102	71	173	11	35	46	281	90	371
7	Madhya Pradesh	1	24	25	2	103	105	1	23	24	100	170	270
8	Madras	11	331	342	487	888	1375	21	322	343	3564	2153	5717
9	Mysore	3	25	28	1026	316	1342	5	26	31	150	189	339
10	Orissa	..	35	35	..	156	156	1	19	20	5	52	57
11	Punjab	3	35	38	22	93	115	5	46	51	165	153	318
12	Rajasthan	2	16	18	7	55	62	3	23	26	210	79	289
13	Uttar Pradesh	3	42	45	11	137	148	1	46	47	50	704	754
14	West Bengal	26	373	399	1088	2302	3390	42	389	431	4096	1865	5961
15	Delhi	7	134	141	143	1189	1332	14	183	197	918	1598	2516
16	Himachal Pradesh	..	..	..	..	..	..	..	2	2	..	4	4
	INDIA	87	1365	1452	6713	9331	16044	153	1530	1683	15750	12955	28705

6.7. During the period 1958-61, out of the total number of 56 Government companies newly registered, only two were in Kerala State. While 17 Government companies were registered in 1960-61 none was established in this State. In Orissa six companies with a total authorised capital of Rs. 19 lakhs were registered in 1960-61 but the only company registered in Bombay during the year carried an authorised capital of Rs. 12 crores.

6.8. Kerala has a few companies which are foreign owned. These are companies incorporated outside India which have established a place of business in India. There were 565 such foreign companies in India at the end of March 1960. About half of these companies are situated in West Bengal. Table 6.4 shows the State-wise distribution of foreign companies.

TABLE 6.4

Foreign owned companies (at the end of March 1960)

<i>Sl. No.</i>	<i>State</i>	<i>Number of Companies</i>
1	Andhra Pradesh	4
2	Assam	28
3	Bihar	1
4	Bombay	165
5	Kerala	13
6	Madhya Pradesh	2
7	Madras	28
8	Mysore	5
9	Orissa	1
10	Punjab	1
11	Uttar Pradesh	1
12	West Bengal	287
13	Delhi	27
14	Tripura	1
	INDIA	565

6.9. Out of the 565 foreign companies 393 have their origin in the United Kingdom and 61 in the U.S.A. Companies of Pakistani, French and West German origin are 14, 12 and 11 respectively.

TABLE 6.5
Distribution of giant floatations (1960-61)

Sl. No.	State	Number of companies			Authorised capital (Rs. crores)			Authorised capital per company (Rs. crores)		
		Public	Private	All	Public	Private	All	Public	Private	All
1	Andhra Pradesh	..	1	1	..	2.00	2.00	..	2.00	2.00
2	Assam	..	..	..	..	..	..	..	..	..
3	Bihar	..	..	..	..	..	..	..	..	..
4	Bombay	31	8	39	63.00	27.25	90.25	2.03	3.41	2.31
5	Kerala	1	..	1	1.00	..	1.00	1.00	..	1.00
6	Madhya Pradesh	1	..	1	1.00	..	1.00	1.00	..	1.00
7	Madras	9	6	15	34.00	12.00	46.00	3.78	2.00	3.07
8	Mysore	1	..	1	1.00	..	1.00	1.00	..	1.00
9	Orissa	..	..	..	..	..	..	..	..	..
10	Punjab	1	..	1	1.00	..	1.00	1.00	..	1.00
11	Rajasthan	2	..	2	2.00	..	2.00	1.00	..	1.00
12	Uttar Pradesh	..	1	1	..	5.00	5.00	..	5.00	5.00
13	West Bengal	17	2	19	32.50	2.00	34.50	1.91	1.00	1.82
14	Delhi	4	3	7	5.50	8.50	14.00	1.38	2.83	2.00
	INDIA	67	21	88	141.00	56.75	197.75	2.10	2.70	2.25

6.10. There is a considerable reduction in 1960-61 in the number of companies which failed in this State. The number of failures has fallen by more than 40% compared to 1959-60. There is a sharp increase in the total number of companies which failed in India as a whole, the percentage of increase being nearly 30. This is mainly due to the fact that the failure of companies has doubled in West Bengal. In the other States like Bihar, Madhya Pradesh, Madras, Delhi and Kerala which largely contributed to the total number of company failures in 1959-60 there is a significant fall in company failures in 1960-61. West Bengal accounts for more than 62% of the total number of companies failed in 1960-61. Out of the total company failures Kerala's share is 5.7% in 1958-59, 6.1% in 1959-60 and 3.4% in 1960-61. The average paid-up capital of the companies failed in 1960-61 is not considerable for all India, but the average for Kerala in 1960-61 slightly exceeded the all India average as well as the State's average in 1959-60. The average size of companies failed in Kerala in terms of paid-up capital is Rs. 0.7 lakh in 1960-61 as against Rs. 0.3 lakh in 1958-59 and 1959-60.

CHAPTER VII

TRANSPORT

Transport constitutes one of the principal fields of economic development in any country. In a country which has embarked on a policy of planned economic development, transport planning has important long term aspects and must be taken in hand well in advance of the programmes of industrial, agricultural and mineral development. Development programmes in transport present considerable problems of technical and administrative organisation. A good transport system should aim at linking the different areas where productive activities are undertaken with markets, harbours, railway stations, facilitating the movements of men and material from places where they are abundant to places where they are required. Transport planning is also important in the location of industry, regional planning, diversification of both products and markets. It is against this background the progress achieved in the field in Kerala must be reviewed.

Road Transport

7.2. Kerala has a good and developed system of road transport but only an inadequate railway transport system. The imbalance between the development of road transport and railway transport is really an obstacle in the way of industrialisation. A developed railway system along with a good system of road transport is vital for industrial development. The road transport system, however developed it may be, cannot compensate for the inadequacy in railway transport. The road mileage in Kerala is 72 per 100 sq. miles. The average road mileage for Kerala compares even favourably with many of the developed countries of the world. The average railway mileage in Kerala is only 3.34 per lakh of persons as against 8.4 per lakh of persons for the whole of India. This shows the relative backwardness of Kerala in the matter of railway transport. Per capita road mileage and railway mileage is an important criterion for measuring the degree of development in the country.

7.3. Table 7.1 gives the route mileage of the State Transport Department for October 1960 and October 1961.

7.4. There is an increase both in the total number of routes and mileage, i.e., from 355 to 417 and from 6,069 to 7,232 respectively. An increase both in the number of routes and route mileage is also reflected in the case of Trivandrum Central, Kottayam, Ernakulam, Alwaye and Trichur and in the case of Trivandrum City, Quilon, Kottarakara a decrease is discernible. It is to be remembered in this connection, that the maintenance of a balance in the distribution of transport facilities both as between the rural and urban areas and among the different Districts is important in a programme of planned development.

TABLE 7.1

Route mileage—October 1960 and October 1961

<i>Districts</i>	<i>Number of routes (October 1960)</i>	<i>Route mileage</i>	<i>Number of routes (October 1961)</i>	<i>Route mileage</i>
Trivandrum Central	.. 76	2,113	120	2,739
Trivandrum City	.. 174	1,094	170	1,069
Quilon	.. 24	836	23	824
Kottarakara	.. 27	659	25	628
Kottayam	.. 18	769	28	815
Alleppey	.. 22	601	23	601
Ernakulam	.. 14	543	21	924
Alwaye	.. 13	214	17	281
Trichur	.. 14	976	18	1,165
All	.. *355	*6,069	*417	*7,232

* The total number of routes under operation by the Department is 417 and the corresponding mileage is 7,232. The difference when the number of routes and the mileage for all the districts are totalled is due to the overlapping of routes under the jurisdiction of the districts.

7.5. Kerala has 10,793 miles of major roads comprising 276 miles of national highways, 1,156 miles of provincial highways, 3,873 miles of district roads and 5,434 miles of village roads.

7.6. Though the average number of motor vehicles in Kerala is higher than the all India average it is inadequate to meet the increasing needs of the State because of high pressure of population in the State.

7.7. Kerala can be proud of the fact that her transport system had been nationalised earlier than anywhere else in India. Transport was nationalised in Travancore as early as 1938. Nationalised services at present are more actively operated in Travancore area than in Cochin and Malabar. Almost all States in India have embarked on a policy of nationalisation of transport service. The State Transport Department at present operates 417 routes covering a route mileage of 7232 miles. The Department possesses only 20 to 25% of the buses in the State. The entire goods transport is under the monopoly of the private sector. Goods transport is as important as the passenger transport in a country where rapid industrialisation is taking place. There is a Goods Transport Corporation in Kerala aided by the Central Government and operating 10 lorries. The lorries are used for carrying cement to the project sites and for other parcel services.

TABLE 7.2

**Revenue. Expenditure and Profit or Loss for the last five years of the
Kerala State Transport Department**

	1956-57	1957-58	1958-59	1959-60	1960-61
Revenue	19,484,321	20,756,933	24,088,159	24,716,579	29,418,143
Expenditure	17,103,166	18,323,284	22,352,152	25,962,938	28,401,448
Profit	2,382,155	2,433,649	1,736,007	(—)1,246,359	1,016,695

TABLE 7.3

**Revenue analysis for October 1960 and October 1961
(Ordinary Bus service)**

Districts	Passenger earnings in rupees (October 1960)	Earnings per mile in naya paise	Average travel- distance travel- led per passenger (Miles)	Passenger earnings in rupees (October 1961)	Earnings per mile in naya paise	Average distance travel- led per passenger (Miles)
Trivandrum Central	463,014	106.5	9.5	664,656	112.8	8.1
Trivandrum City	246,265	88.1	2.7	296,529	98.4	2.8
Quilon	246,179	108.2	9.3	272,292	118.8	8.8
Kottayam	182,322	108.9	9.0	246,782	114.8	9.6
Kottarakara	208,775	107.1	8.7	215,578	118.4	8.4
Alleppey	266,554	110.8	8.0	283,203	115.2	7.5
Ernakulam	68,232	95.1	8.6	267,091	111.4	8.5
Alwaye	115,869	103.6	7.6	168,204	111.9	6.6
Trichur	54,207	102.0	9.1	121,219	105.6	9.6
TOTAL	1,851,417	104.0	6.9	2,535,554	111.8	6.6

TABLE 7.4
Revenue analysis for October 1960 and October 1961
 (Express)

<i>Districts</i>	<i>Passenger earnings in rupees (October 1960)</i>	<i>Earnings per mile in naya paise</i>	<i>Average distance travelled per Passenger (Miles)</i>	<i>Passenger earnings in rupees (October 1961)</i>	<i>Earnings per mile in naya paise</i>	<i>Average distance travelled per passenger (Miles)</i>
Trivandrum Central	34,473	107.9	51.9	33,238	102.8	46.0
Quilon	..	N.A	N.A	11,071	N.A	N.A
Kottayam	..	33,895	104.1	32,264	98.5	27.9
Alleppey	..	21,365	84.7	12,091	82.7	42.5
Ernakulam	..	46,973	98.5	44,479	84.8	26.9
Alwaye	..	719	N.A	113	N.A	N.A
Trichur	..	124,993	96.6	115,640	93.4	23.6
TOTAL	..	262,418	98.4	238,896	93.3	27.3

7.8. Originally the transport system was started as a public utility concern with a small capital of Rs. 6 lakhs which increased to Rs. 332 lakhs at the end of 1959-60. But besides being a public utility service the State Transport Department is at present a commercial enterprise earning profit. And at a time when the State is in dire need of resources for facilitating the development programmes the contribution of Transport Department is worth considering. Table 7.2 shows the revenue, expenditure and profit of the Kerala State Transport Department.

7.9. A decreasing trend in profit is reflected in the table except for the year 1959-60 in which year there was a loss. There has been a gradual increase in revenue from Rs. 194.84 lakhs in 1956-57 to Rs. 294.18 lakhs in 1960-61. The diminishing rate of profit has been due to the increased expenditure incurred on the schemes of modernisation and rationalisation of the transport department. Tables 7.3 and 7.4 give a trend of passenger earnings, average distance travelled per passenger in different districts for October 1960 and October 1961 for ordinary bus service and express bus service for purposes of comparison.

7.10. An increase in passenger earnings in the case of ordinary bus service and a decrease in the case of express bus service is discernible even though there is a slight increase in average distance travelled by passenger in the case of express bus service. The annual proceeds of the taxes under the Vehicle Taxation Act also shows that there has been a steady progress in the development of road transport in the State. The number of registered motor vehicles as on 1960-61 is 24,480, those newly registered in the year being 4,402. The following table shows the annual proceeds of vehicle taxes for the last five years.

TABLE 7.5
Collections under Motor Vehicle Tax
(Rs. lakhs)

<i>Year</i>	<i>Collection</i>
1956-57	.. 86.55
1957-58	.. 124.34
1958-59	.. 166.58
1959-60	.. 164.99
1960-61	.. 204.80

Water Transport

7.11. Kerala is endowed with ample water transport facilities. There are over 1,200 miles of navigable waterways in Kerala and this forms more than 20% of India's total length of waterways. Water transport is the slowest and cheapest form of transport in the State. Water Transport is more convenient for transporting the heavier and bulkier goods. In the scheme of industrialisation water transport also plays a predominant role. Coir industry which is the prominent cottage industry in Kerala depends mainly on inland waterways.

TABLE 7.6

Statement of Revenue—Expenditure (Water Transport)

	1956-57	1957-58	1958-59	1959-60	1960-61
Revenue	4,57,775	5,17,729	5,55,903	5,84,470	5,80,007
Expenditure	4,77,432	5,41,108	5,56,140	6,16,781	7,50,036
Profit	(—)16,657	(—)23,379	(—) 237	(—)32,311	(—)1,70,029

Railway Transport

7.12. As already stated Kerala is extremely backward in the matter of railway transport though she is ahead of many States in the matter of road transport. The inadequacy in railway transport facilities is one of the bottlenecks in industrialisation of the State. The importance of railway transport facilities for maximum exploitation of the actual and potential natural resources, establishing occupational equilibrium, facilitating regional planning, reducing the cost of production can hardly be overemphasised. As railways constitute the principal undertaking of the Central Government what the State Government can do in this direction is to make the Central Government and the Planning Commission realise the inadequacy of railway transport in the State.

7.13. Though the road transport system in Kerala is more developed than in most of the States in India it is inadequate to cater to the increasing needs of the people. The development of transport involves problems of technical and administrative organisation and research. Therefore planning on a long term basis is necessary. A co-ordinated and integrated transport development is a sine qua non of agricultural, industrial and mineral development of the State.

CHAPTER VIII

EXPORT-IMPORT TRADE

A remarkable feature of Kerala economy is that it is greatly dependent on the world market conditions and most of our exports are good foreign exchange earners.

8.2. Table 8.1 gives the valuation of exports from the ports of Kerala, table 8.2 the exports of some important commodities through the ports of Kerala, table 8.3 the value of important commodities exported from the Cochin port for the years from 1957-58 to 1960-61, and table 8.3A the value of commodities imported through the Cochin port for the years from 1957-58 to 1960-61. For the analysis of the export-import trade of Kerala during 1960-61 we have entirely to depend upon the valuation of trade through the Cochin port as latest trade statistics through other ports are not available at present. Conclusions on the basis of the available data may not however be misleading as the major portion, more than three fourth, of the State's trade is carried on through the Port of Cochin. Export trade through Cochin Port has recorded an increase of 9% in 1960-61 over the previous year. This trend in the trade position is noticeable for the last few years.

8.3. A close analysis of the export import trade in the current year reveals that the picture is after all not so pleasing. Though Kerala enjoys a favourable balance of trade the increase in imports (24%) is higher than the increase in exports (9%). Again the percentage increase in exports (9%) in 1960-61 is lower by 6% when compared to 1959-60 (15%). The decline in the percentage increase of exports is accounted for by the fall in the foreign demand and low price realisations of certain commodities. Pepper is a case in instance. The phenomenal fall in the export of coir yarn due to competition from synthetic substitutes was also another cause for the decline in exports. But the fall in the export of these commodities has been more than offset by an increase in the export of plantation crops and other commodities like fish and meat and wood and wood manufactures. Increase in import was seen mainly under machinery and millwork, unmanufactured tobacco, metals and minerals. The trend regarding the export-import trade of some of the important commodities of the State is discussed below:

TABLE 8.1

Valuation of exports from the Ports of Kerala*

(Rs. in lakhs)

Sl. No.	Some important commodities of exports	1954-55	1955-56	1956-57	1957-58 **	1958-59	1959-60
1	Cardamom	32.84	50.17	54.84	55.90	58.40	46.59
2	Cashew (Kernels and Liquid)	1093.48	1340.93	1230.97	1375.84	1607.65	1531.51
3	Coffee	82.88	93.69	76.50	90.73	255.17	182.48
4	Coir and Coir Products	731.37	856.86	878.09	704.87	750.91	836.75
5	Fish and Prawns	79.34	31.85	123.86	149.33	147.33	122.32
6	Ginger	33.24	58.71	61.40	39.23	29.46	35.24'
7	Lemongrass Oil	104.73	130.65	147.00	138.41	92.75	124.07
8	Pepper	569.81	378.61	341.69	295.67	220.27	1034.56
9	Tea	2196.86	1992.17	1974.75	2434.78	2023.29	2200.57
10	Others	443.33	592.24	495.54	495.73	373.15	969.84
	Total value of Foreign Exports	5539.00	5655.00	5599.00	5993.00	5762.00	7083.93
	Total value of Coastal Exports	2193.00	2489.00	2404.00	2318.00	2653.00	3076.23
	Value of Total Exports	7732.00	8144.00	8003.00	8311.00	8415.00	10160.16

(*) Value of exports from Tellicherry is not included.

(**) Value of exports from Calicut includes exports to both foreign and Indian ports.

TABLE 8.2
Exports of some important Commodities through the ports of Kerala

Sl. No.	Commodities	Unit	1958-59		1959-60 +	
			Quantity	Value (Rs. lakhs)	Quantity	Value (Rs. lakhs)
1	Betelnuts	'000 Cwts.	90.23	203.00	92.68	230.44
2	Cardamom	"	5.13	56.93	4.40	50.58
3	Cashew kernels	Lakh Cwt.	6.34	1283.58	6.65	1507.03
4	Cashew shell liquid	'000 Cwts.	63.97	28.29	9.88*	44.82
5	Coconuts	Lakhs	1022.35	256.25	1467.03	318.40
6	Coconut oil	Lakh Cwt.	1.65	203.42	27.43*	289.32
7	Coconut oil cake	"	1.30	27.67	0.15	25.04
8	Copra	"	4.48	378.81	3.80	324.68
9	Coffee	'000 Cwts.	87.49	210.62	102.80	202.78
10	Coir and Coir Products	"	1619.27	940.15	1723.23	972.63
11	Fish and Meat	"	112.09	147.22	76.46	123.45
12	Ginger	"	164.85	71.37	150.87	123.28
13	Lemongrass oil	'000 Gls.	268.25	85.97	236.86	130.25
14	Pepper	'000 Cwts.	309.55	349.02	529.52	1262.17
15	Rubber	"	371.02	633.32	444.21	622.51
16	Tea	Million lbs.	81.49	2140.08	84.11	2421.71
17	Wood and timber	'000 C. T.	79.17	211.95	N.A.	238.05
18	Sundries	"	..	1116.00	..	1273.02
Total				8345.00		10160.16

N.A.—Not available. (+) The latest revised figures are given. (*) Lakh gallons.

TABLE 8.3

Valuation of export trade through Cochin Port

Sl. No.	Commodity	1957-58 Rs. lakhs	Percentage to total	1958-59 Rs. lakhs	Percentage to total	1959-60 Rs. lakhs	Percentage to total	1960-61 Rs. lakhs	Percentage to total
1	Spices	491.76	6.39	551.76	7.56	1171.51	14.05	1008.10	11.11
2	Cashew, Coir and Coir products	1731.30	24.60	1883.88	25.80	2230.43	26.74	2136.05	23.55
3	Plantation products	3102.91	4.12	2963.26	40.59	2942.79	35.28	3218.26	35.48
4	Copra and coconuts	164.71	2.34	328.24	4.50	306.74	3.68	275.90	3.04
5	Fish and fish products	149.90	2.13	148.15	2.03	122.97	1.47	178.98	1.97
6	Hides and skins	2.59	0.04	19.15	0.26	21.99	0.26	20.31	0.22
7	Vegetable Oils	263.99	3.76	319.09	4.37	461.87	5.54	576.02	6.35
8	Important manufactures	164.93	2.36	199.04	2.73	244.88	2.93	N.A.	
9	Minerals	275.33	3.92	259.23	3.55	226.74	2.72	217.74	2.40
10	Wood and wood manufactures	47.48	0.67	47.88	0.66	89.39	1.07	137.84	1.52
11	Sundries	637.99	9.07	580.44	7.95	521.72	6.26	1302.55	14.36
	TOTAL	7032.89	100.00	7300.12	100.00	8341.03	100.00	9071.75	100.00

N. A. Not available.

TABLE 8.3.A
Valuation of import trade through Cochin Port

No.	Commodity	1957-58 Rs. in lakhs	Percentage to total	1958-59 Rs. in lakhs	Percentage to total	1959-60 Rs. in lakhs	Percentage to total	1960-61 Rs. in lakhs	Percentage to total
1	Cotton	935.69	17.65	744.17	14.63	945.02	17.36	1117.32	16.52
2	Building Engineering and manufacturing materials	604.70	11.41	676.70	13.30	606.32	11.14	123.98	1.83
3	Copra and Coconuts	200.10	3.78	308.84	6.07	298.91	5.49	*196.66	2.91
4	Fruits and Vegetables	567.76	10.71	512.76	10.08	751.54	13.81	617.71	9.14
5	Grains, Pulses etc.	164.95	3.11	101.12	1.99	133.15	2.45	*176.72	2.61
6	Soap	76.04	1.44	62.64	1.23	61.17	1.12	71.99	1.06
7	Sugar	146.62	2.77	271.78	5.35	N.A.	..	N.A.	..
8	Drugs and medicines	148.07	2.79	112.64	2.21	164.89	3.03	N.A.	..
9	Manures	53.73	1.01	63.27	1.25	71.19	1.31	94.75	1.40
10	Metals, minerals and ores	446.10	8.41	412.11	8.11	420.96	7.73	634.59	9.39
11	Mineral Oil	1166.26	22.00	983.27	19.34	1200.46	+ 22.06	1369.62	20.26
12	Vegetable Oil	29.92	0.56	31.24	0.62	54.47	1.00	..	..
13	Machinery and Mill work	285.10	5.38	361.12	7.10	263.51	4.84	845.99	12.51
14	Tobacco unmanufactured	67.88	1.29	77.51	1.52	142.23	2.61	131.39	1.91
15	Coal-tar and pitch	0.11	..	0.08	..	0.22	0.01	373.17	5.52
16	Jute and Jute manu- factures	60.64	1.15	63.38	1.24	49.99	1.10	123.05	1.82
17	Sundries	346.28	6.54	303.73	5.96	268.60	4.91	†885.02	13.09
	TOTAL	5299.95	100.00	5086.36	100.00	5442.63	100.00	6761.96	100.00

**Includes only copra * Imports on Government account not available + Includes all oils. N. A. Not available
(Separate figures are not available. They stand included under sundries.) †Includes, among other items, 'sugar'
and 'drugs' and medicines'.

Coir and Coir Products:

8.4. The Coir Industry is of growing importance in the Indian economy both as an earner of foreign exchange and as a source of providing full time or part time employment to a large section of people in Southwest India especially Kerala. Kerala State accounts for over 95% of the production of coir and coir products in India and naturally she is the largest exporter of coir products.

8.5. Being a cottage industry spread over the greater part of Kerala, it is not an easy job to calculate the number of people looking to this industry. It is equally difficult to frame an estimate of annual production of coir fibre|yarn by consulting the producing centres. A sizable quantity of yarn is spun by hand without even the aid of a wheel and the daily output per worker by the hand spinning varies from anything between two to six pounds per day.

8.6. The important way to assess the health and growth of the industry is by studying figures of export of coir products. One can have a reasonably accurate appreciation of export trend if the average figure is taken over a range of years say, a quinquennium.

TABLE 8.4

Annual Average Export of Coir Products.

1935-36 to 1939-40	12,97,000 Cwts
1940-41 to 1944-45	6-20,000 „
1945-46 to 1949-50	11,72,000 „
1950-51 to 1954-55	14,55,000 „
1955-56 to 1959-60	14,56,000 „

The increase in exports is very gradual and not at all significant. The export trade has been stagnant for long. The Year 1960-61 witnessed a further decline in the exports.

TABLE 8.5

Export of Coir Fibre, Coir Yarn and Coir Products

<i>April-December</i>	<i>Quantity (lakh Cwts.)</i>	<i>Value (Rs. crores)</i>
1959-60	12.94	6.91
1960-61	10.40	6.32

The total amount exported during 1959-60 (April to March) was 15.47 lakh cwts. valued at Rs. 8.96 crores. It is very unlikely that it would be able to reach the level of exports attained during 1959-60, in the current financial year. There are several reasons for this phenomenal fall in the exports. Recent floods affected the coir industry adversely by making retting etc. difficult. Again there was a serious drop in the exports of yarn during this period due to non-availability of baling hoops. This will be clear from table 8.6 which gives the itemwise exports of coir and coir products during the first half of the current year and the previous year. Total exports decreased by about 25% and the exports in yarn alone declined by 32%. The export position would have been better if there had not been such a fall in the export of yarn.

TABLE 8.6
Itemwise Exports of Coir and Coir Products

<i>Item</i>	<i>January-June</i> 1960	<i>January-June</i> 1961
Fibre	10,344 Cwts	12,238 Cwts
Rope	5,644 „	3,879 „
Yarn	4,15,078	2,85,031 „
Mats	1,11,142 „	1,05,699 „
Mattings and rugs	24,910 „	12,733 „
Carpets	18,428 „	11,650 „
Total	5,65,546	4,31,230

8.7. 1961 is mentioned as an year of "prohibitive prices" for coir. Since October 1960 coir prices have been shooting up and to this date that trend continues. For instance, the price of Anjengo, the superior quality coir yarn which was Rs. 280 per candy of 6 cwts. in the Alleppey market in September 1960 had gone up to Rs. 434 by October 1961. Similar increases were there in the prices of all varieties of coir products whether they were manufactured or semimanufactured. The rise in price is due to high cost of production which again is on account of our outmoded and traditional methods of production. Many European Countries, particularly Holland and Germany import coir yarn from India in considerable quantities and manufacture mattings from the imported yarn at a lesser cost. These countries have the advantage of employing modernised methods of production.

8.8. Price may still go up and exports may further decline if U.K. enters the Common Market. The internal consumption is on the increase though on the export front there is serious stagnation. However a major part of the products is exported to foreign countries as can be seen from table 8.7.

TABLE 8.7
Export of Coir Products through the ports of Kerala 1960-61
(January to June)
(In metric tonnes)

	<i>Export to Foreign countries</i>	<i>Shipments to other places in India</i>
Coir yarn	47387.1	16323.2
Coir products	18215.2	9.9
Total	65602.3	16333.1

8.9. It may be pertinent to enquire into the factors which are responsible for keeping the coir industry in a stagnant condition. The basic cause seems to be that we do not give up the traditional methods of production nor do we endeavour to find diversified uses for husks. India may have a monopoly of coir yarn and coir products. But she does not have a monopoly of all competitive hard fibres and competition from other hard fibres specially from Jute is becoming keener everyday. The industry should adapt itself to consumer preferences and manufacture what the consumer needs.

Pepper.

8.10. Kerala has been maintaining her position in the world market as a chief producer and exporter of pepper for years and as such its trade is dependent on the world market conditions. Table 8.8 shows the position of India in the world market in the export of pepper.

TABLE 8.8
World Export of Pepper Since 1956

<i>Country</i>	(in '000 metric tonnes)				
	1956	1957	1958	1959	1960
Indonesia	18.90	17.43	12.45	28.75	8.18
India	12.40	15.50	19.61	15.47	18.74
Sarawak	20.12	13.97	9.91	8.48	4.17
Cambodia	0.81	1.02	0.61	1.41	1.22
Ceylon	0.30	0.25	0.71	0.12	0.68
Madagascar	0.56	0.51	0.71	0.90*	1.00*
Brazil	0.10	0.56	9.61	1.02*	1.53*
Total	53.19	49.24	44.61	56.18	35.52

* Estimate

8.11. As the table indicates India accounted for 53% of the world export of Pepper in 1960. As pepper production in India is almost entirely concentrated in the State of Kerala, it earned for India a large volume of foreign exchange.

8.12. The year under review had been a bad one for Kerala with regard to per acre production of pepper.

TABLE 8.9

Pepper Production in Kerala

<i>Year</i>	<i>Area</i>	<i>Production (tons)</i>
1959-60	2,26,080	24,880
1960-61	2,26,960	24,800

8.13. The area under cultivation had increased during the year but the output had shown a slight decline. (See table 8.9). This decline in production was as a result of the damage to Pepper vines caused by the devastating floods.

8.14. Another injurious trend noticeable in the year is that in spite of the fall in production the price has gone down. This is due to lesser foreign demand specially from the United States and also severe competition from Singapore. Malabar black garbled retreated to Rs. 315 from Rs. 439 per quintal during the year after establishing a high price of about Rs. 735 in 1960. The prices would have declined further, in view of patchy interest from the United States, India's traditional buyer, had not Russia entered the market. The increase in home consumption also prevented a further fall in prices. The United States purchased in 1961 about 3,000 tons less than the average for the last couple of years. Exports to U.S.A. from Singapore accounted for 8,569 tons in 1960-61 whereas from India they accounted for only 5,355 tons. If foreign reports are any indicators pepper may still go down in the near future, as consumers in the U.S. and Europe remain convinced that there is a surplus of pepper in the world market during the coming year. As such they are reducing their purchases to the minimum. The world's yearly consumption is said to be running between 57,000 and 60,000 tons as against the supply forecast of about 80,000 tons during 1962.

8.15. But in spite of the decline in production, patchy interest in U.S. and severe competition from Singapore, the export of pepper from India registered an increase compared to the previous years (See table 8.10).

TABLE 8.10
Export of Pepper from India

<i>Year</i>	<i>Production</i> (<i>'000m.</i> <i>tonnes</i>)	<i>Exports</i> (<i>'000 m.</i> <i>tonnes</i>)	<i>Average</i> <i>Price Rs.</i> <i>per metric</i> <i>ton</i>
1958-59	24.39	12.31	2360
1959-60	28.45	19.30	4430
1960-61	26.42	19.61	3802
1961-62 (estimated)	27.43	N.A.	N.A.

The increase in export was due to increased demand from Russia.

Tea.

8.16. Tea is a good foreign exchange earner and as such its production and trade are of great significance to Indian economy. Kerala's contribution to the total production of tea in India is not negligible though not very considerable (See table 8.11).

TABLE 8.11
Tea Production in India and Kerala

	<i>India</i>	<i>Kerala</i>	<i>Percentage</i> <i>share of Kerala</i>
			(<i>'000 K.gs.</i>)
1958	325,225	37,030	11.39
1959	325,955	35,600	10.92
1960	320,404	38,170	11.91

8.17. The year under review witnessed a remarkable increase in the production of tea. Production of tea in India was at a low level last year due to adverse weather in North East India and quick recovery was made in 1960-61.

TABLE 8.12
Production and Exports of Tea in India

<i>Year</i> (<i>January to October</i>)	<i>Production</i>	<i>Exports</i>
1959-60	515.8	304.1
1960-61	588.4	330.0

(in million lbs.)

8.18. It is estimated that by the end of the calendar year 1961 the total Indian crop will amount to at least 775 million lbs. as compared with 706 million lbs. during 1960 and the exports will increase from 430 million lbs. in 1960 to 475 million lbs. in 1961. Exports have improved but not in proportion to the increase in crop (See table 8.12).

8.19. It is not only India that records a significant rise in tea production, practically all the tea producing countries of the world have achieved large increases in crops, as can be seen from table 8.13.

TABLE 8.13

Tea Production

(in thousand lbs.)

<i>Country</i>	<i>January to September</i>	
	1960	1961
India	487,315	555,391
Pakistan (upto August)	18,221	32,403
Ceylon	329,096	340,940
Indonesia (upto July)	58,259	57,642
Other African Countries	72,920	75,233

8.20. If the present trend continues it is predicted that by 1965 world production will exceed world consumption by 100 to 110 million lbs. If this forecast will come true, it together with the fact that other countries will reduce their imports from India pose a serious problem to our export trade. Indian tea is actually losing ground to Ceylon and other teas in many of the principal markets of the world (See tables 8.14 and 8.15). Our share of supplies to the U.K., Canada, U.S.A. and U.A.R. has gone down progressively over the past five years. Exports to U.A.R. though diminished over the past few years slightly improved in 1960.

TABLE 8.14

**Percentage of Indian Tea Imports to Total
Tea Imports in Different Countries.**

<i>Year</i>	<i>U. K.</i>	<i>Canada</i>	<i>U.S.A.</i>	<i>U.A.R.</i>
1956	71.1	45.9	32.4	74.1
1957	50.8	42.5	27.2	48.5
1958	56.3	43.8	29.4	50.6
1959	54.6	36.6	26.9	60.3
1960	50.6	35.3	22.5	70.3

TABLE 8.15

Ceylonese Imports into U. S. A. and Canada

<i>Year</i>	<i>U.S.A.</i>	<i>Canada</i>
1956	43.7	42.7
1957	46.0	42.9
1958	40.3	38.0
1959	42.1	38.8
1960	43.5	42.5

8.21. One of the apparent reasons for Indian tea losing ground to competitors is its high cost increased by the export duty and export cess. Union Government reduced the scale of export duty by 9 nP. a kilogram. But it did not help the industry materially because the relief was offset by an increase in excise duty the rates varying between 4.5 nP. and 8 nP. per kilogram. Steps have to be taken for intensive propaganda both in India and abroad for boosting consumption of tea. Since the problem is that of world overproduction and glut of the markets an expansion of the internal market is not likely to affect the exports adversely.

8.22. Owing to acute world competition and increased offerings the price realised by Indian tea this year was on the average much below that of the previous year. The figures in table 8.16 relating to Calcutta, Cochin and London auction averages will enable a comparison to be made between November 1961 and November 1960 realisations.

TABLE 8.16

Auction Averages

	<i>Rupees per Kilogram</i>	
	1961	1960
<i>Calcutta.</i>		
For export (leaf)	4.00	5.24
For local consumption (dust)	4.52	5.30
<i>Cochin.</i>		
Good medium	4.80	5.52
Nilgiri BOP	5.00	7.70
<i>London.</i>		
N. E. India tea (per lb.)	4 S 4d	5 S 2d
S. India tea (,,)	3 S 4d	4 S 6d

As a matter of fact the prices have improved and shown a tendency to be firm since the beginning of December 1961.

8.23. Another threat to the Indian tea industry is the United Kingdom's proposed entry into the European Common Market. What would happen if preferences were withdrawn and tariffs imposed? Some comfort is drawn from the fact that since almost all the tea that Britain buys is supplied by Commonwealth Countries, a drastic cut in the import of tea into Britain from India is not likely.

Coffee

8.24. The Coffee industry has been passing through a very critical period in its long and chequered career. This is due to a combination of factors such as overproduction price depression and marketing difficulties.

TABLE 8.17
Receipts into the Pool

(In metric tonnes)

<i>Crop Season</i>	<i>Plantation</i>	<i>Arabica cherry</i>	<i>Robusta cherry</i>	<i>Total</i>
1955-56	17,198	5,344	11,894	34,436
1956-57	22,245	7,356	12,583	42,184
1957-58	21,492	7,997	14,557	44,046
1958-59	17,822	7,465	20,913	46,200
1959-60	25,197	6,693	17,344	49,234
1960-61	28,968	10,278	28,341	67,550

8.25. The total crop production of 67,550 tonnes for the current year is the highest production on record. The distressing feature is that a large proportion of our coffee includes the inferior Robusta variety. It had an increase of 63% whereas the Arabica, the variety favoured in the foreign markets, increased by only 53%. The great problem ahead of the coffee industry is to produce better quality at lower cost.

8.26. Compared to the bumper crop of 1960-61 the prospects of 1961-62 crop are not so bright. The latest revised estimates of 1961-62 crop are 49,000 tonnes made up of 31,295 tonnes of Arabica and 17,075 tonnes of Robusta. This fall in the estimates is attributable to the natural calamities of 1961, viz., rain, floods, land slides, improper blossom showers and bad setting. However, a remarkable increase in the production of the Arabica Coffee is expected from 10,278 tonnes to 31,295, nearly three times higher.

8.27. The export position has been most satisfactory. The sales for export during 1961 are also the highest on record so far.

TABLE 8.18
Coffee exports from India

<i>Crop Year</i>	<i>Export (metric tonnes)</i>
1950-51	305
1956-57	15,472
1957-58	14,281
1958-59	16,400
1959-60	18,542
1960-61	26,658

Exports have gone up more than by 2|3rd compared to the previous year but in view of the increase in total production it has still to go up. U.K., our principal outlet for more than 100 years is hardly receiving 3% of our total export although her own consumption has increased several fold in thirty years. India supplied 2,200 tons of the total received by Britain in 1930, but contributed only 420 tons in 1960. The reason has been deterioration in quality and lack of effective advertisement. Our future coffee marketing policy should be such that while the export market is supplied with as much Arabica coffee as it can take, the internal markets should be freely supplied with coffee of other grades. The adoption of a system of sale by open auction will also enhance the export sales. The efforts made by the Coffee Board, to start a cup-tasting unit for the purpose of making available quality coffee for export have borne fruit. Effective and continuous propaganda for Indian Coffee "from the seed to the cup" in the overseas markets would go a long way in stepping up exports.

TABLE 8.19
Internal Releases

<i>January to September</i>	<i>(Metric tonnes)</i>			
	<i>Plantation</i>	<i>Arabica</i>	<i>Robusta</i>	<i>Total</i>
1960-61	11,386	4,353	15,474	31,213
1959-60	10,873	3,918	12,530	27,321

The internal offtake during the year 1961 has increased considerably compared to the previous year particularly in the case of Robusta the production of which by the end of December is estimated to be 17,322 tonnes.

8.28. The biggest problem for the coffee industry during 1961 was marketing. More than half of the total production became surplus to India's domestic requirement. The country

was confronted with a problem of marketing about 37,000 tons of coffee in a world market afflicted with a price depression. The price realised on export was frighteningly low. The price per point in 1956-57 was Rs. 2.81 and it came down to Rs. 1.95 in 1960-61 whereas the cost of production calculated by the Coffee Board is around Rs. 2.11 per point. An export price much less than the cost of production and that too when over 50% of the crops has to be sold in the world market has no doubt landed the coffee growers in South India in great difficulties. A study of the cost structure of the industry with a view to reducing costs would go a long way to improve the situation.

Cashew

8.29. The cashew industry which has developed to its present form in a relatively short period of 30 years is very important for the country as a dollar earner and for Kerala, where it is largely concentrated, as a major employer. India grows about 60000 to 65000 tons of nuts annually. Domestic production of raw cashewnuts is not sufficient to feed the existing cashewnut processing industries with the result that the balance is obtained through imports from foreign countries, particularly from East Africa, at heavy recurring costs. During the Second Plan period, appreciable progress has been registered in almost all the important cashewnut growing states namely Kerala, Madras, Mysore, Andhra, Assam and Orissa. One of the main steps taken for encouraging cashewnut development is the issue of crop loans.

8.30. Kerala enjoys a near monopoly position in the world production and sale of cashew kernels. No other edible nut has so far been able to successfully compete with Indian cashew kernels. 80388 tons of cashewnuts were produced in Kerala during 1959-60. U.S.A. and U.K., the biggest importers of cashew kernels from India, have made substantial increases in their imports during the year under review. Among the other important buyers, Australia, Canada, Germany, Japan and Netherlands have increased their offtake in 1961, while that of Hongkong, Sweden and U.S.S.R. has declined. Yugoslavia also entered the market in 1961.

TABLE 8.20
Import of Raw Cashew Nuts into India

<i>Year</i> (Jan.- Sept.)	<i>Quantity</i> (Metric tonnes)	<i>Value</i> (Rs. crores)	<i>Average price</i> (Rs. per Metric ton).
1957	75,477	5.75	762
1958	95,858	5.96	621
1959	60,280	3.96	656
1960	68,461	5.49	803
1961	98,981	7.78	786

TABLE 8.21

Export of Cashew Kernels from India

<i>Year</i>	<i>Quantity (Tons)</i>	<i>Value (Rs. crores)</i>	<i>Average price (Rs. per ton)</i>
1957-58 (April-March)	36150	15.16	4194
1958-59 (April-March)	40350	15.85	3928
1960 (Jan.-Sept.)	30014	14.17	4720
1961 (Jan.-Sept.)	31792	15.08	4743

TABLE 8.22

Exports of Cashew Shell liquid from India

<i>Year (Jan.-Sept.)</i>	<i>Quantity (‘000 K.gr.)</i>	<i>Value (Rs. lakhs)</i>	<i>Average price (Rs. per K.g.)</i>
1959	3314	27.09	0.82
1960	4041	34.56	0.85
1961	4825	46.40	0.96

8.31. The tables 8.20, 8.21 and 8.22 show the trend of import of rawnuts and export of cashew kernel and liquid during the last few years.

8.32. Import of rawnuts into India increased from 68461 metric tonnes in 1960 (Jan.—Sept.) to 98,981 metric tonnes in the same period in 1961, making an overall increase of 44.6%. This is the maximum ever reached since the last five years. Export of both cashew kernels and cashew shell liquid maintained their forward march. It can be assumed that in 1961 the total export performance would be better than in the previous year. However, the increase of exports is not commensurate with the increase in raw-material supply. The import price of rawnuts which was unusually high in 1960 showed a downward trend in 1961. But export prices of cashew kernels and cashew shell liquid were higher in 1961 than in 1960. This is a clear indication that the industry has been enjoying favourable conditions during last year

Cardamom

8.33. Its importance as a foreign exchange earner is too well-known to be emphasised. Almost 60% of the total Indian production of cardamom is concentrated in Kerala and 90% of that is in Kottayam.

8.34. The year under review (1961) witnessed a fall in the production and export of cardamom. The production was severely affected by pest attack. More area has been brought under cultivation with a view to increasing production. But unless immediate and effective steps are taken to withstand the onslaught of the injurious insects no attempt to step up production would be of much avail and our cardamom trade would be in danger of extinction.

TABLE 8.23
Production of Cardamom in Kerala

<i>Year</i>	<i>Area (acres)</i>	<i>Production (tons)</i>
1956-57	69,658	1,242
1958-59	73,756	1,316
1959-60	70,542	1,260

8.35. The decline in production has affected the exports also. The striking features of the past two years (1960 and 1961) are the downward trend in exports and low price realisations. The earnings from exports have gone down due to the phenomenal fall in the quantity of exports and low price level. The average price shows a downward trend since 1958 and it has further declined in the current year.

TABLE 8.24
Exports of Cardamom from Kerala

<i>Year</i>	<i>Quantity (Cwts.)</i>	<i>Value (Rs. in lakhs)</i>	<i>Average price (Rs. per K.g.)</i>
1956-57	5,220	58.49	17.64
1957-58	5,849	61.71	15.44
1958-59	5,783	64.03	13.96
1959-60	4,362	50.57	13.69
1960-61	N.A.	46.59	12.27

Ginger

8.36. India is the largest producer of ginger in the world. In India itself the most important ginger growing State is Kerala.

TABLE 8.25
Production of Ginger in Kerala

<i>Year</i>	<i>Area (acres)</i>	<i>Production (tons)</i>
1958-59	22,034	7,662
1959-60	27,330	9,820
1960-61	28,840	10,770

8.37. There has been a steady increase in the area under cultivation and output of ginger for the past few years.

8.38. On the export front also ginger presents a pleasant picture.

TABLE 8.26
Export of Ginger from the Cochin Port

<i>Year</i>	<i>Quantity (quintals)</i>	<i>Value (Rs. lakhs)</i>
1959-60	37033	40.87
1960-61	72899	131.53

The increase in the quantity exported and earnings from exports are remarkable. Shipments from India also, during the last season ending October 1961 were very encouraging. This increase is due to larger purchases made by India's traditional buyers. Destination wise analysis of India's exports of dry ginger indicates that Aden was the largest importer.

8.39. The year 1961 witnessed a drastic fall in ginger prices from the rise observed during 1959. There was a slight decline in 1960 but the fall in price in 1961 was phenomenal.

Lemongrass Oil

8.40. World demand for lemongrass oil is mostly satisfied by India and within India Kerala has got a near monopoly over its production. It earns about Rs. 1.5 crores of foreign exchange for the country annually.

8.41. Area and production of lemongrass oil during the last few years are given in table 8.27.

TABLE 8.27
Production of Lemongrass Oil in Kerala

<i>Year</i>	<i>Area ('000 acres)</i>	<i>Production ('000 tonnes)</i>
1957-58	52.52	1.05
1958-59	53.13	1.32
1959-60	N.A.	1.65

8.42. Production was slightly higher in 1959-'60 compared to the previous two years; but thereafter a slight falling tendency was observed in its output. Production of lemongrass oil in 1961 was reported to be less than in 1960. Although more land was brought under cultivation, excessive rain damaged the crop extensively during the year under review. Internal demand as well as demand from Britain and America increased and exporters showed great interest in stocking the oil in anticipation of a further rise in prices. All these had contributed to the price boom in the lemongrass oil market in 1961. The demand continues to be good, but it is checked by high prices.

8.43. U.K., U.S.A. and Switzerland continue to be the chief importers of the oil. Exports of lemongrass oil from Kerala have been showing steady increase in recent years, though the value realised from exports suffered a fall during 1957-58 and 1958-59. In 1959-60 Kerala's export of this oil amounted to Rs. 1.45 crores.

Coconut and coconut products

8.44. India stands second only to Philippines in area as well as production of Coconuts. She contributes 20% of the area and 24% of the production of Coconut in the world. Although India produces from 1.7 million acres 24% of world's output of Coconuts, the country's requirements of Coconuts and Coconut products are in excess of the production.

TABLE 8.28
World Coconut Situation—1961

Country	Area (Million acres)	Percentage to total	Production (Million (nuts)	Percentage to total
Philippines	2.48	30	6,041	32
India	1.69	20	4,599	24
Indonesia	1.50	17	3,200	17
Ceylon	1.00	11	2,491	13
Malaya	0.60	7	850	5
South Sea Isles	0.60	7	750	4
Others	0.70	8	900	5
Total	8.57	100	18,831	100

World production and export of Copra in 1961 rose to the 1956-57 level. Increase in exports in the first half of 1961 was reflected in imports into Western Europe which is the major market. While production has increased substantially, use of Coconut oil was apparently lower in 1960-61. Prices of Coconut oil continued to sag during the first nine months of 1961 and in early October were equal to the previous postwar low level reached in August 1952, the major reason for this being the failure of use of coconut oil in Western Europe.

8.45. Kerala means the "Land of Coconut" and this State leads the rest of India in the matter of Coconut cultivation, contributing about 70% to the acreage and an equal percentage to the production of coconuts in India. It is responsible for 85% of the copra and nearly 80% of the coconut oil produced in this country. Table 8.29 reveals that Kerala accounted for more than 70% of the total production of coconuts in India during 1958-59.

TABLE 8.29

Coconut Production (1958-1959)

<i>State</i>	<i>Area</i> (<i>'000 acres</i>)	<i>Production</i> (<i>million nuts</i>)
Kerala	1,175	3,200
Mysore	236	480
Madras	131	400
Andhra	89	300
Maharashtra	17	41
West Bengal	17	22
Orissa	11	16
Assam	2	13
Total	1,678	4,472

8.46. Area under cultivation as well as production of coconuts have risen in 1959-60 when compared to 1958-59.

TABLE 8.30

Area and Production of Coconuts in Kerala

<i>Year</i>	<i>Area</i> (<i>'000 acres</i>)	<i>Production</i> (<i>million nuts</i>)
1957-58	1,145	3,199
1958-59	1,175	3,200
1959-60	1,217	3,365

8.47. Table 8.31 gives the average price of Coconut and Coconut Products at Cochin during the last three years.

TABLE 8.31

Prices of Coconut and Coconut Products at Cochin Market

<i>Year</i>	<i>Coconut</i> (<i>Rs. per</i> <i>'000 nuts</i>)	<i>Copra</i> (<i>Rs. per</i> <i>quintal</i>)	<i>Coconut oil</i> (<i>Rs. per</i> <i>quintal</i>)	<i>Coconut</i> <i>oilcake</i> (<i>Rs. per</i> <i>quintal</i>)
1959	211	143	212	40
1960	234	153	234	42
1961	234	151	235	41

The improvement observed in the prices of coconut and all the allied products during the year 1960 was arrested in 1961. Price level of coconut remained the same as 1960 and that of Copra and Coconut oilcake showed a slight set back during the year under review.

8.48. Exports of coconut and coconut products from Kerala during the last few years are given in table 8.32.

TABLE 8.32
Export of Coconut from Kerala

<i>Year</i>	<i>Quantity</i> (million nuts)	<i>Value</i> (Rs. lakhs)
1956-57	136	233.99
1957-58	110	225.90
1958-59	100	223.37
1959-60	146	318.41

TABLE 8.33
Export of Coconut Oil from Kerala

<i>Year</i>	<i>Quantity</i> ('000 gals)	<i>Value</i> (Rs. lakhs)
1956-57	942.70	73.63
1957-58	1235.20	114.36
1958-59	1995.34	202.15
1959-60	2742.74	289.32

TABLE 8.34
Export of Copra from Kerala

<i>Year</i>	<i>Quantity</i> ('000 tons)	<i>Value</i> (Rs. lakhs)
1956-57	10.18	142.12
1957-58	10.20	174.95
1958-59	20.30	343.38
1959-60	19.00	324.68

TABLE 8.35
Export of Coconut Oil Cake from Kerala

<i>Year</i>	<i>Quantity</i> ('000 tons)	<i>Value</i> (Rs. lakhs)
1956-57	4.77	12.02
1957-58	3.64	13.43
1958-59	7.34	30.59
1959-60	14.74	N. A.

Exports of coconut which showed a falling tendency upto 1958-59 has markedly increased in 1959-'60 while that of coconut oil was steadily increasing during the four years 1956-60. Kerala's export of Copra has doubled in 1958-59 when compared to the previous two years. But it showed a slight falling tendency during 1959-'60. Increase in export was more pronounced in the case of oil cake. A fourfold increase was noticed in 1959-'60 when compared to 1957-58. On the whole, it can be said that Kerala's export of Coconut and Coconut Products is increasing year by year. But these are exported mainly to places inside India. Foreign export of these products was negligible over these years.

8.49. Paradoxically enough, inspite of the enviable position in the production of coconuts, India has to import nearly Rs. 15 crores worth of coconuts and coconut products every year which causes a heavy drain on foreign exchange.

TABLE 8.36
Import of Copra into India

<i>Year</i>	<i>Quantity (tons)</i>	<i>Value (Rs. lakhs)</i>
1959-60	84913	1087.54
1960-61	97694	1163.89

Import of copra into India during 1960-61 has shown a 15.05% increase over the previous year.

Arecanut

8.50. India is not self-sufficient in arecanut and has to import large quantities of it mainly from Singapore, Malaya and Ceylon. The important arecanut producing States in India are Bengal, Madras, Bombay, Assam, Mysore and Kerala. The important programme with regard to arecanut in the II Plan was curtailment of imports through increased indigenous production. The development programmes included better manuring, provision of irrigation and supply of quality seedlings. Table 8.37 shows that India's import of arecanut is steadily falling year by year. Import of arecanut in 1960-1961 comes to only about one fourth of that in 1951-52. The major share of India's import of arecanut in 1960-61 came from Malaya and Singapore.

TABLE 8.37
Import of Arecanut

<i>Year</i>	<i>Quantity (lakh Mds.)</i>	<i>Value (Rs. crores)</i>	<i>Average price (Rs. per maund)</i>
1958-59	4.92	0.84	17.07
1959-60	3.80	0.72	19.00
1960-61	2.99	0.65	21.60

Prices of imported arecanut which stood at Rs. 35.95 per maund declined to Rs. 17.07 per maund in 1958-59 and thereafter showed mild increases.

8.51. In table 8.38 are given the arrival and disposal of arecanut in the important South Indian markets.

TABLE 8.38
Arrival and disposal of Arecanut
(^{'000 maunds})

Year	Arrival		
	Mangalore	Shimoga	Kozhikode
1959 (Jan.-Sept.)	263.42	129.89	16.40
1960 „	253.77	113.46	24.63
1961 „	308.97	131.91	45.09

TABLE 8.38—(contd.)

Year	Disposal		
	Mangalore	Shimoga	Kozhikode
1959 (Jan.-Sept.)	272.69	128.01	18.49
1960 „	252.97	123.72	20.77
1961 „	296.07	109.13	50.64

From the above figures it can be understood that arecanut trade in the Kozhikode market has steadily been increasing during the last few years. It has more than doubled in 1961 when compared to 1960. This indicates the increasing importance of this commodity in the economy of Kerala.

Rubber

8.52. The rubber manufacturing industry in India has progressed in a phenomenal manner since we attained independence. But internal production is not able to keep pace with the increasing demand for rubber by the manufacturing sections. What India produces today is not sufficient to meet the basic requirements of the country in natural rubber. The deficit has to be made up by imports which involve a heavy drain on the foreign exchange resources of the country. Table 8.39 gives the statewise production of rubber during the last few years.

TABLE 8.39
Production of Rubber
(in metric tonnes)

State	1958	1959	1960	1961
Kerala	22513	21603	22680	N.A.
Madras	1752	1704	2030	N.A.
Mysore	437	437	447	N.A.
Andamans	15	28	35	N.A.
Total	24717	23772	25192	23515*

N. A. Not available

* excluding December

Area under cultivation as well as production of rubber has made substantial progress during the last few years. It is found that the acreage under rubber cultivation in India has increased by about 90% within a decade ending 1960. The total area of rubber cultivation in India is estimated to be a little over 3 lakhs of acres. In area as well as production, Kerala accounts for more than 90% of the total in India. With the increasing possibilities of expansion, rubber occupies a very important position in the economy of the State.

5.53. The higher rate of increase in the consumption of rubber is indicated in table 8.40.

TABLE 8.40
Consumption of Rubber in India

(in metric tonnes)

<i>Year</i>	<i>Natural</i>	<i>Synthetic</i>	<i>Total</i>
1958	35312	3304	38616
1959	39282	4410	43692
1960	45941	6561	52502

The percentage share of the consumption of synthetic rubber is increasing year by year inspite of the appreciable increase in indigenous production of natural rubber. This coupled with the expanding rate of imports indicates the increasing rubber requirements within the country. Import of rubber into India during 1958 to 1960 is as in table 8.41.

TABLE 8.41
Import of Rubber into India

<i>Year</i>	<i>Natural</i>	<i>Synthetic</i>	<i>Total</i>
1958	12068	3579	15647
1959	14718	4748	19466
1960	22949	8466	31415

Most of our imports are from Malaya, Indonesia, Burma, Indo-China and Ceylon.

8.54. The increase in imports may be attributed to the fact that while consumption has increased by 20% in 1960 over 1959, the increase in production was only 6% during the same period.

8.55. On the whole the rubber planting industry in India is comfortably placed in the sense that it has got an assured market in India for its crop and it is protected with tariff price. But as the buyers are not prepared to buy the product in large quantities at the statutory price the economically weaker among the rubber growers are forced to sell their rubber at prices below the statutory level. This trend has been noticeable since the last two or three months. It is believed that once the import licences with the manufactures are exhausted, the prices will return to their normal level.

CHAPTER IX

PRICES AND COST OF LIVING

In all the developed countries, the year 1961 was characterised by an improvement in the general living standards, though there was a decline in industrial profits. Retail prices tended to move in favour of buyers and inflationary pressures were under successful control. For the underdeveloped parts of the world also, 1961 was a relatively better year than 1960 from the economic point of view, though they did not fare as well as the developed countries. Their exports registered a modest improvement, but their terms of trade continued to be adverse. Economic development proceeded, but not fast enough to meet the needs of their vast unemployed and underemployed population.

9.2. In India a redeeming feature of the year under review was the stability of price levels. The prices of food articles as a whole and those of fuels and clothing remained practically unchanged. Consequently, the common man, who had suffered as a result of a continuous rise in prices and falling value of the rupee during the Second Plan period, was spared a further increase in the cost of his necessities during 1961. The price stability during the year was the cumulative result of an increase in domestic production, imports of wheat and raw cotton under P.L. 480, lower commodity price levels in the world markets which discouraged exports from India and judicious handling of money supply by the Central Banking authorities. The only important trend which gave the misleading impression of a high degree of inflation was the boom in stock markets and unwarranted speculation in commodity exchanges. But this does not imply that price stability has been secured. It is only the beginning of a desirable trend.

9.3. From the point of view of the economic situation in Kerala, it can be said that as in the case of the previous two years, the year 1961 has also been characterised by an all round rise in prices. This had its effect on the cost of living also.

9.4. Table 9.1 gives the working class cost of living index numbers in selected towns of Kerala during the last three years. Though the indices for 1959 and 1960 did not show much variations, there was a pronounced rise in indices of all the centres in 1961 compared to 1960. In Ernakulam and Trivandrum the index numbers rose by 43 points and 41 points respectively over the three year period.

9.5. Table 9.2 gives the consumer price index numbers for selected towns in Kerala in 1960 and 1961. The rising price trend observed in 1960 showed a gentle downward move at the beginning of 1961. From April onwards prices again

went up in almost all centres except for a slight fall in certain months. An easing of the price situation was noticed in some centres towards the end of the year, but prices in December 1961 were markedly higher in almost all centres than the corresponding prices in 1960. The rise in consumer price index numbers was more pronounced during the period July—October, when in almost all centres the indices reached the maximum level. The highest rise was observed in Quilon and Kozhikode centres.

9.6. The time points at which these indices reached their maximum and the percentage rise show wide variation between different centres. In Alleppey, Changanacherry, Munnar and Kozhikode, the maximum was observed earlier in July, the respective percentage increases being 9.13, 3.70, 2.28 and 11.04. Quilon (11.04%) and Kottayam (7.73%) recorded the highest rise late in October and Alwaye (6.29%) took the full year to reach it. In all other centres August witnessed the maximum point. The percentage increases in Punalur, Ernakulam, Trichur and Chalakudy respectively were 6.74, 6.47, 2.92 and 3.76, while the rise in Trivandrum was only 1.48. It is, no doubt, clear that consumer price indices in Kerala in 1961 were much higher than in 1960. (See diagrams 9.1 to 9.4).

TABLE 9.1

Working class cost of living index numbers in Kerala.

<i>Sl. No.</i>	<i>Centre</i>	1959	1960	1961
1	Trivandrum	433	456	474
2	Quilon	455	455	493
3	Punalur	469	458	473
4	Alleppey	426	439	461
5	Changanacherry	446	447	468
6	Kottayam	433	443	470
7	Alwaye	482	462	479
8	Ernakulam	450	463	493
9	Trichur	463	464	484
10	Chalakudy	475	475	489
11	Munnar	463	463	477
12	Kozhikode	476	471	501

Base for Kozhikode : 1936=100.

Base for all other centres: 1939=100.

TABLE—9.2

Working class cost of living index for selected towns in Kerala

Sl. No.	Centres	1961											
		January	August	October	November	December	January	August	October	November	December		
1	Trivandrum	448	451	464	474	480	473	480	476	475	478		
2	Quilon	457	457	467	464	460	462	511	513	511	511		
3	Punalur	451	455	465	471	471	460	491	488	484	485		
4	Alleppey	422	447	466	451	443	438	478	469	467	463		
5	Changanacherry	437	454	459	465	459	459	474	476	475	474		
6	Kottayam	428	449	458	461	455	453	487	488	485	479		
7	Alwaye	462	470	476	472	463	461	488	483	486	490		
8	Ernakulam	436	472	485	490	484	479	510	503	495	497		
9	Trichur	444	468	479	483	486	480	494	480	485	491		
10	Chalakudy	465	481	488	490	480	479	497	489	490	488		
11	Munnar	441	469	470	475	480	482	491	472	463	457		
12	Kozhikode	452	477	480	481	474	471	519	505	506	510		

Base for Kozhikode—June 1936=100.

Base for all other centres—August 1939=100

TABLE 9.3
Consumer price index numbers—working class—for selected cities in India

Sl. No.	Centres	1960				1961			
		January	June	August	October	January	June	August	October
1	All India	122	124	126	125	123	125*	128*	128*
2	Bangalore	144	146	148	147	148	150	151	151
3	Bombay	137	137	137	137	136	141	143	141
4	Calcutta	110	114	117	113	110	111	118	119
5	Delhi	121	117	121	122	122	127	130	127
6	Madras City	137	143	146	148	146*	148	149	149
7	Nagpur	135	135	137	137	131	132	133	N.A.
8	Kanpur	96	96	101	102	100	99	103	104
9	Hyderabad City	132	132	134	134	134	138	139	140
10	Trichur	124	130	131	134	134	135	N.A.	N.A.

*Provisional Base : 1949=100

N. A. —Not available.

9.7. For a clearer understanding of the behaviour of prices in 1961, the price situation in the State has to be compared with that of the rest of India. In Table 9.3 the consumer price index numbers for working class in a few important cities and for India as a whole for a few selected months in 1960 and 1961 are given. The all India price index reached the maximum in August, recording a rise of 4.07% from that in January. This rise is higher than the rise observed in 1960. It is however seen that the index numbers of wholesale prices in India in 1961 have risen less steeply than in countries like France, United Kingdom and Japan.

9.8. As in Kerala, all the major Indian cities witnessed the climax during the period July—October. Calcutta recorded a rise of 8.18% which is the highest in India during the year under review. Next in order of rise are Delhi (6.50%) and Bombay (5.15%) respectively. Index numbers rose by 2.03% in Bangalore, 2.98% in Hyderabad, 4.00% in Kanpur, 2.05% in Madras and 1.53% in Nagpur. In general, consumer price index numbers in India in 1961 were higher than in 1960.

9.9. From the available data it can be concluded that the price level in Kerala in the year 1961 was on the whole higher than the all India level. It is seen that the rise in the cost of living indices in certain towns (eg. Quilon, Alleppey and Kozhikode) of our State is much more than the highest rise that has been recorded anywhere in India. The rise in Punalur, Ernakulam, Kottayam and Alwaye also outstripped the all India level.

TABLE 9.4

**Trends of working class cost of living in Kerala
in 1960 and 1961**

Sl. No.	Centre	Maximum rise	reached from
		the beginning	of the year
		1960 (%)	1961 (%)
1	Trivandrum	7.14	1.48
2	Quilon	2.19	11.04
3	Alleppey	8.06	9.13
4	Kottayam	7.71	7.73
5	Ernakulam	10.09	6.47
6	Trichur	9.46	2.92
7	Kozhikode	6.86	11.04

9.10. Working class cost of living index numbers in Kerala during the year 1960 were slightly higher than in 1959 and this tendency showed an upward trend in 1961. From table 9.4 it can be understood that the percentage rise in the cost of living index numbers within the year 1961 was higher than in 1960. Same is the case with the all-India price indices also (see Table 9.5).

TABLE 9.5
**Trend of Working Class cost of Living in India
(1960 and 1961)**

<i>Sl. No.</i>	<i>Year</i>	<i>Maximum rise reached</i>
1	1960	3.28 %
2	1961	4.07 %

9.11. All India consumer price index numbers at the beginning of 1961 were less than those observed during the latter half of 1960, but they gradually went up and recorded a rise of 4.07% by August.

9.12. It is found that the all-India wholesale price index numbers which stood at 105.3 at the beginning of the Second Plan (1956-57) rose to a much higher level of 124.8 in 1960-61, thus making a rise of 34.92% over the five years. Prices of food articles rose by 38.6% and that of industrial raw materials by 46.9% during the period. Compared to the previous year, 1961 has recorded a rise of 6.6% in the general index and 0.9% and 17.5% respectively for food articles and industrial raw materials. The proportionately higher rate of increase in the prices of industrial raw materials may be attributed to the expanding industrial activity within the country. Prices of fuel, power, light and lubricants and manufactures have also shown marked increase during these years. Almost the same trend was reflected in Kerala also.

9.13. So far only general price levels as measured by index numbers of prices and cost of living have been discussed. Apart from this, the price situation in the State can well be gauged by taking into consideration the price trends of specific commodities like rice, tapioca, sugar etc. Rice prices in our State were markedly higher in 1961 than in 1960, though a slight easing tendency was observed in some centres by the end of the year (see diagrams 9.5 to 9.10). In table 9.6 is given the wholesale price of rice in selected centres of Kerala for selected months during 1960 and 1961. Prices in January 1961 were much higher than the prices in the corresponding period in 1960, but below the December level in all centres.

TABLE 9.6

Wholesale price of rice in selected centres in Kerala*

(Rs. per quintal)

Sl. No.	Centres	1960					1961						
		Janu- ary	April	July	Octo- ber	Nov- ember	Dece- mber	Janu- ary	April	July	Octo- ber	Nov- ember	Dec- ember
1	Trivandrum	52.44	57.77	57.11	59.78	64.61	67.10	58.44	61.09	61.76	61.75	64.64	64.00
2	Quilon	52.40	54.44	59.20	65.99	69.00	65.99	63.00	63.02	65.48	68.91	67.53	70.99
3	Alleppey	55.80	57.84	62.61	65.33	68.05	63.95	61.92	63.96	68.05	70.08	68.04	69.40
4	Changanacherry	55.12	N.Q.	N.Q.	57.20	62.02	60.65	58.23	62.70	67.53	67.53	66.84	68.00
5	Cochin	53.76	57.84	62.61	62.57	62.61	69.19	55.12	62.88	66.80	68.04	67.02	66.68
6	Palghat	47.64	53.08	59.88	51.72	68.53	63.74	53.08	58.52	63.28	59.25	60.63	59.94
7	Kozhikode	55.80	57.16	63.29	63.95	69.41	64.65	61.24	68.05	63.96	65.32	61.58	60.56

N. Q. Not quoted.

* Prices relate to the average for the third week in each month.

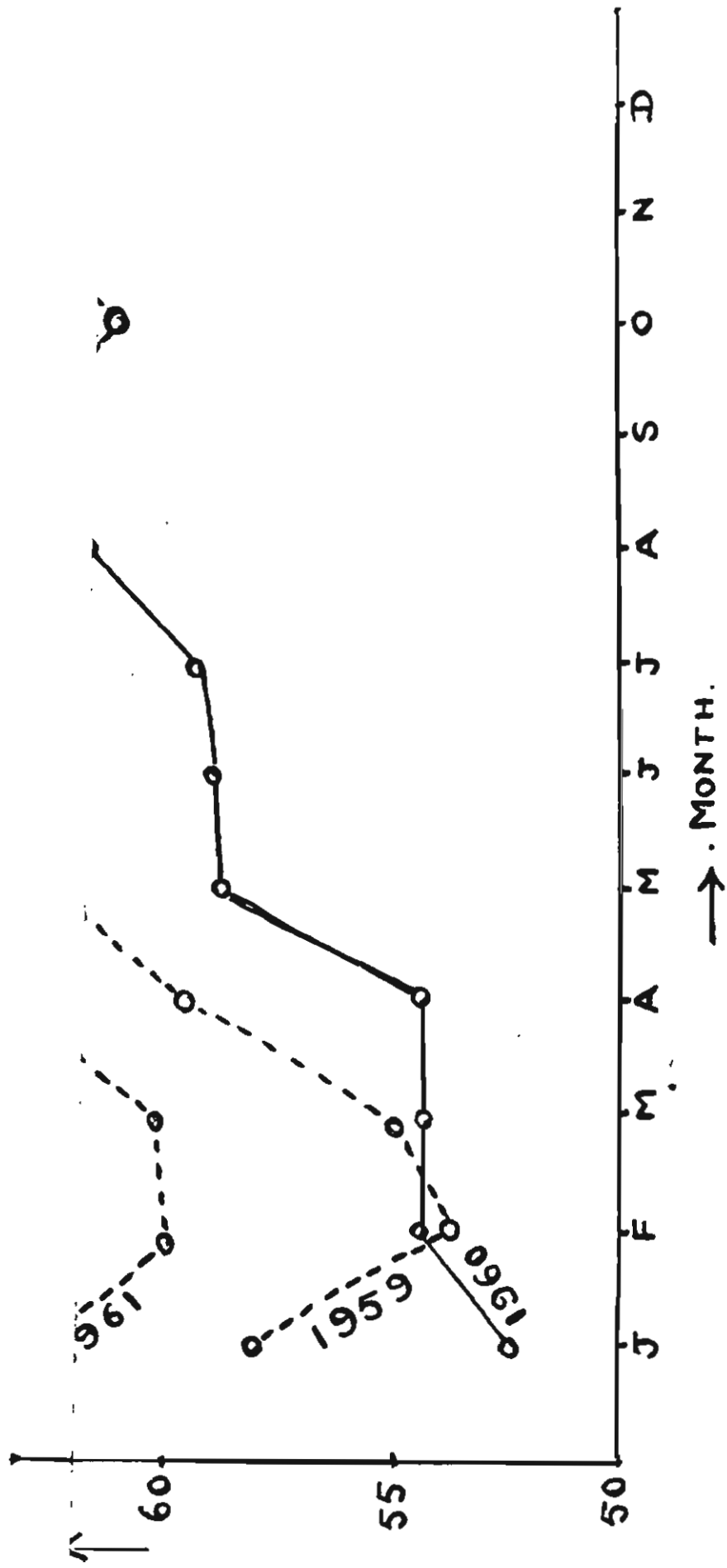
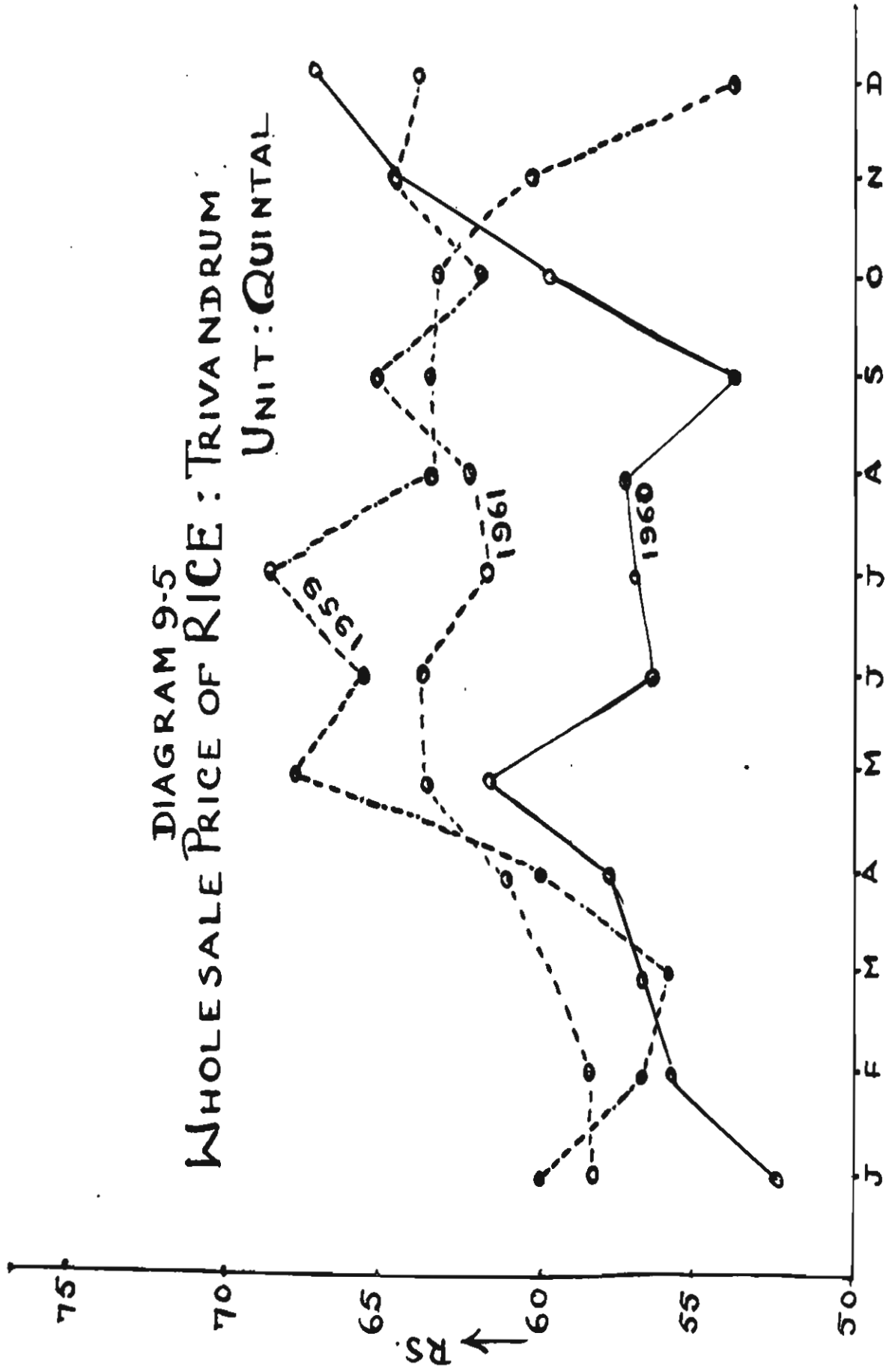


DIAGRAM 9-5
 WHOLESALE PRICE OF RICE : TRIVANDRUM

UNIT : QUINTAL



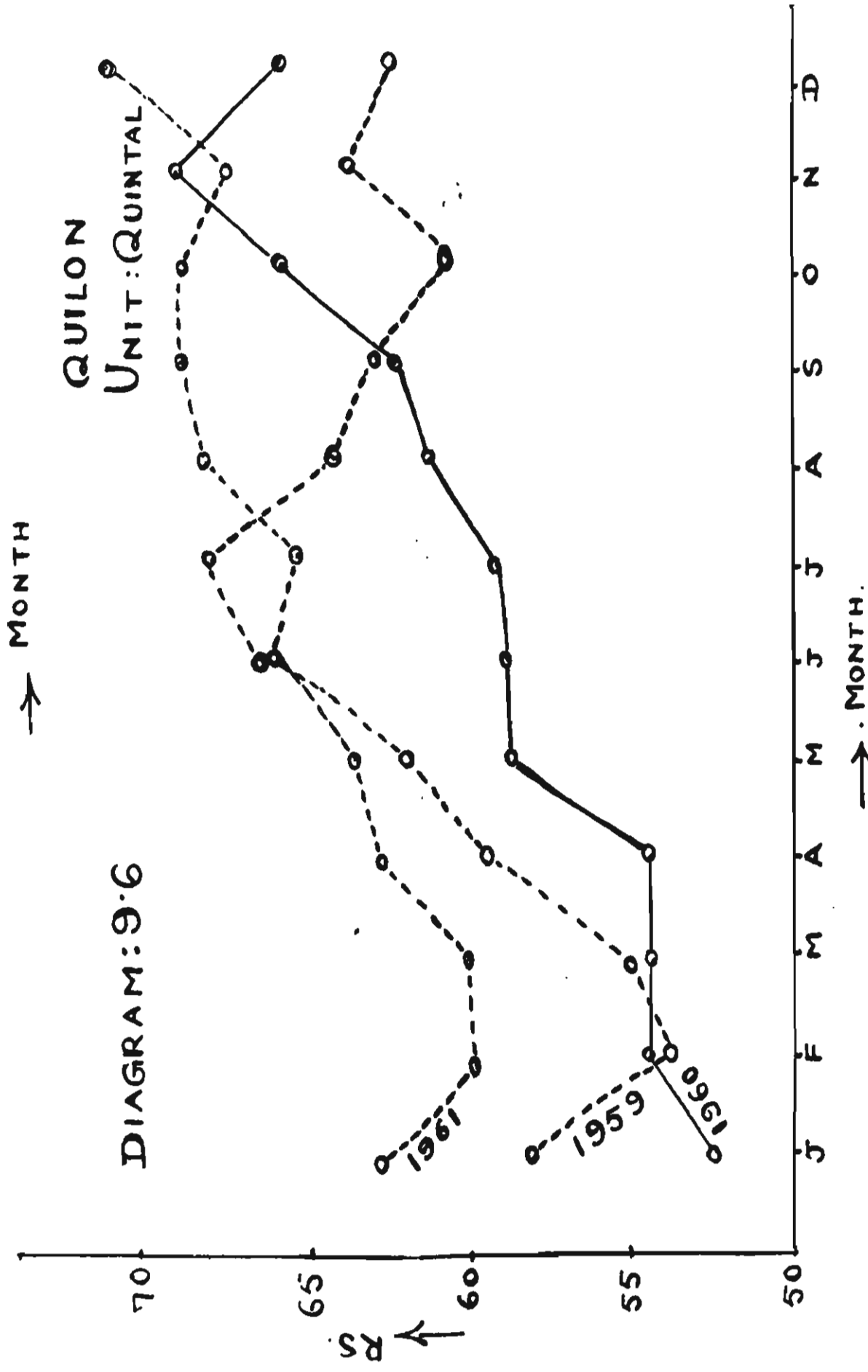
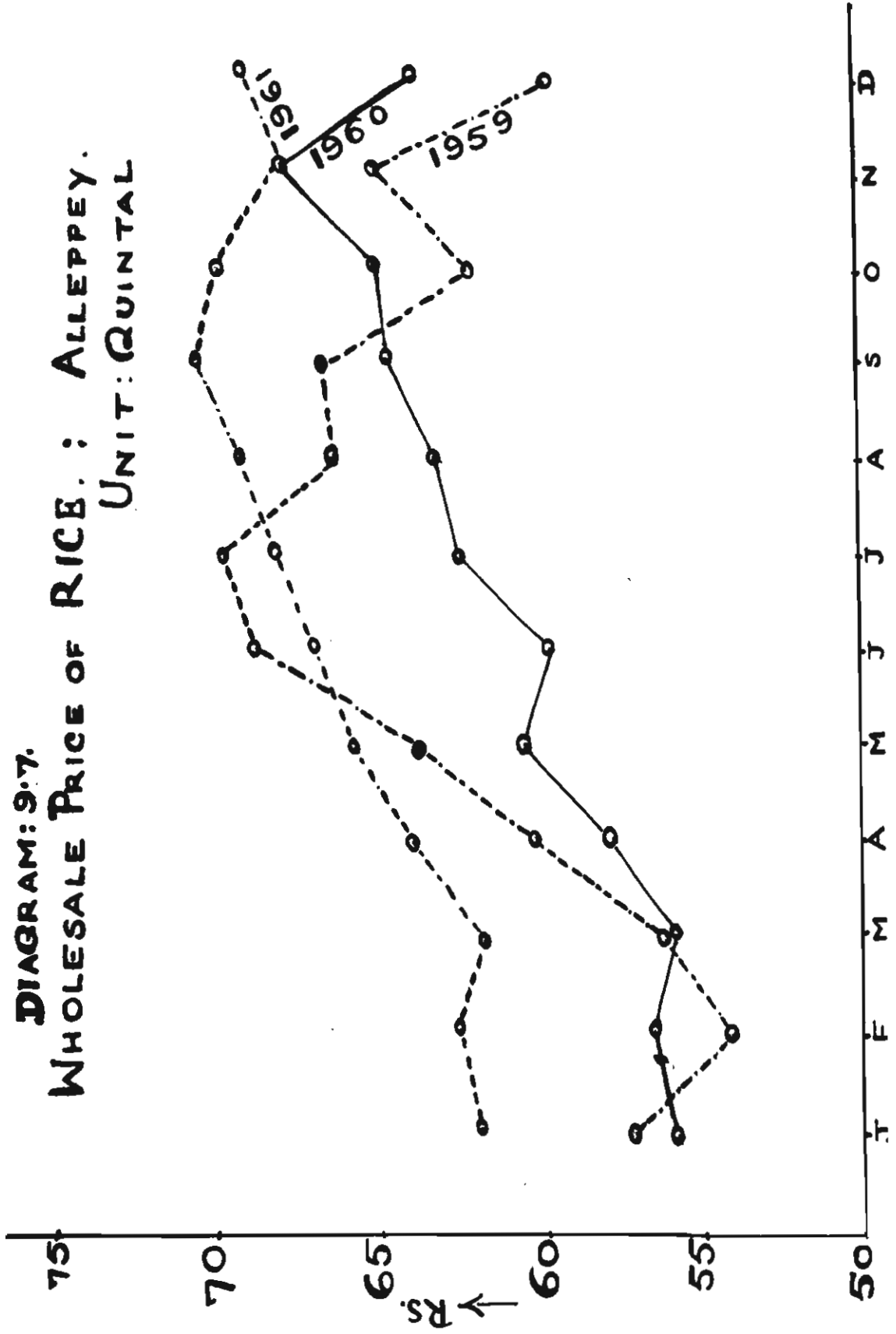


DIAGRAM: 9.7.
WHOLESALE PRICE OF RICE. : ALLEPPEY.
UNIT: QUINTAL



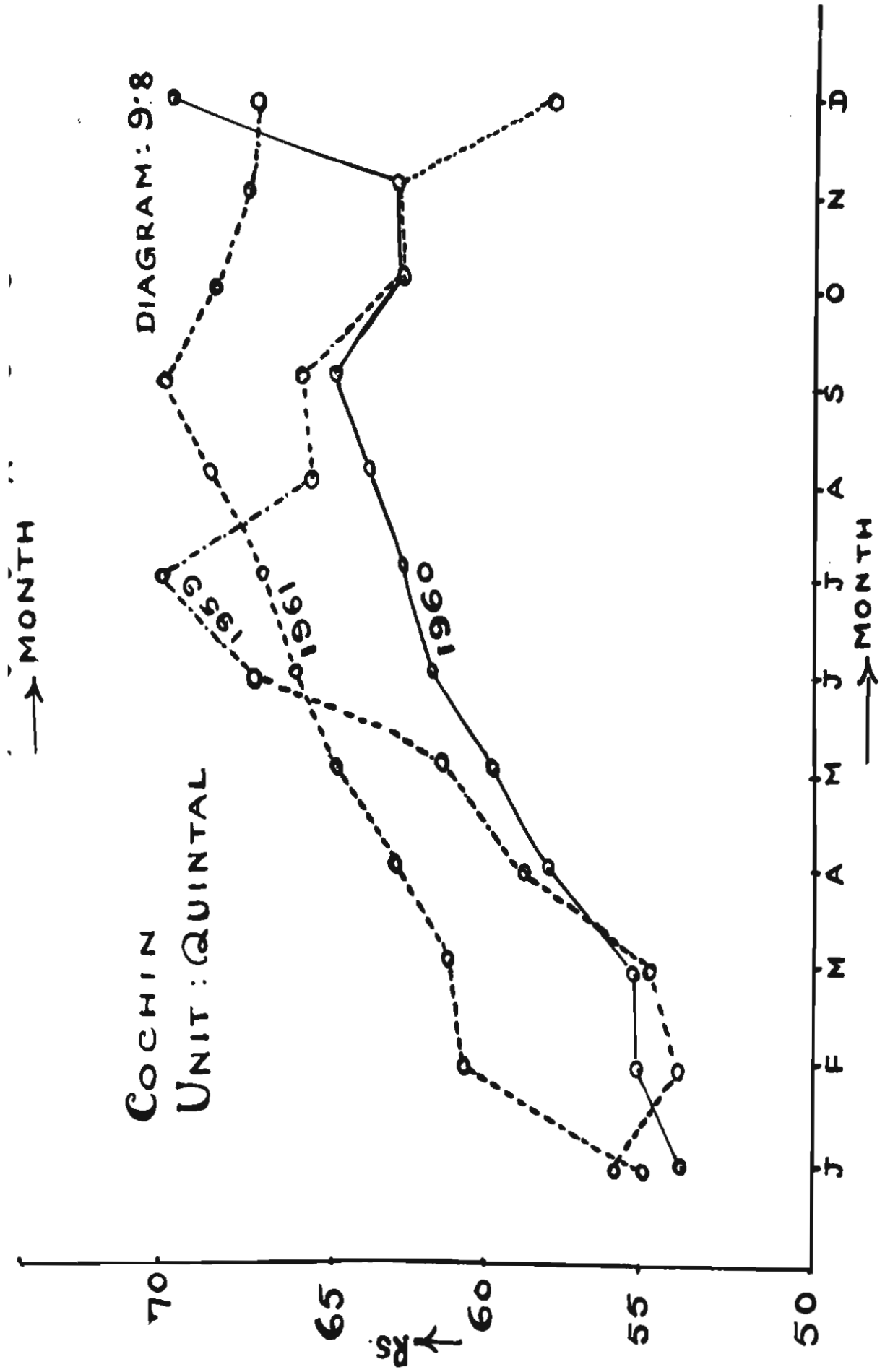
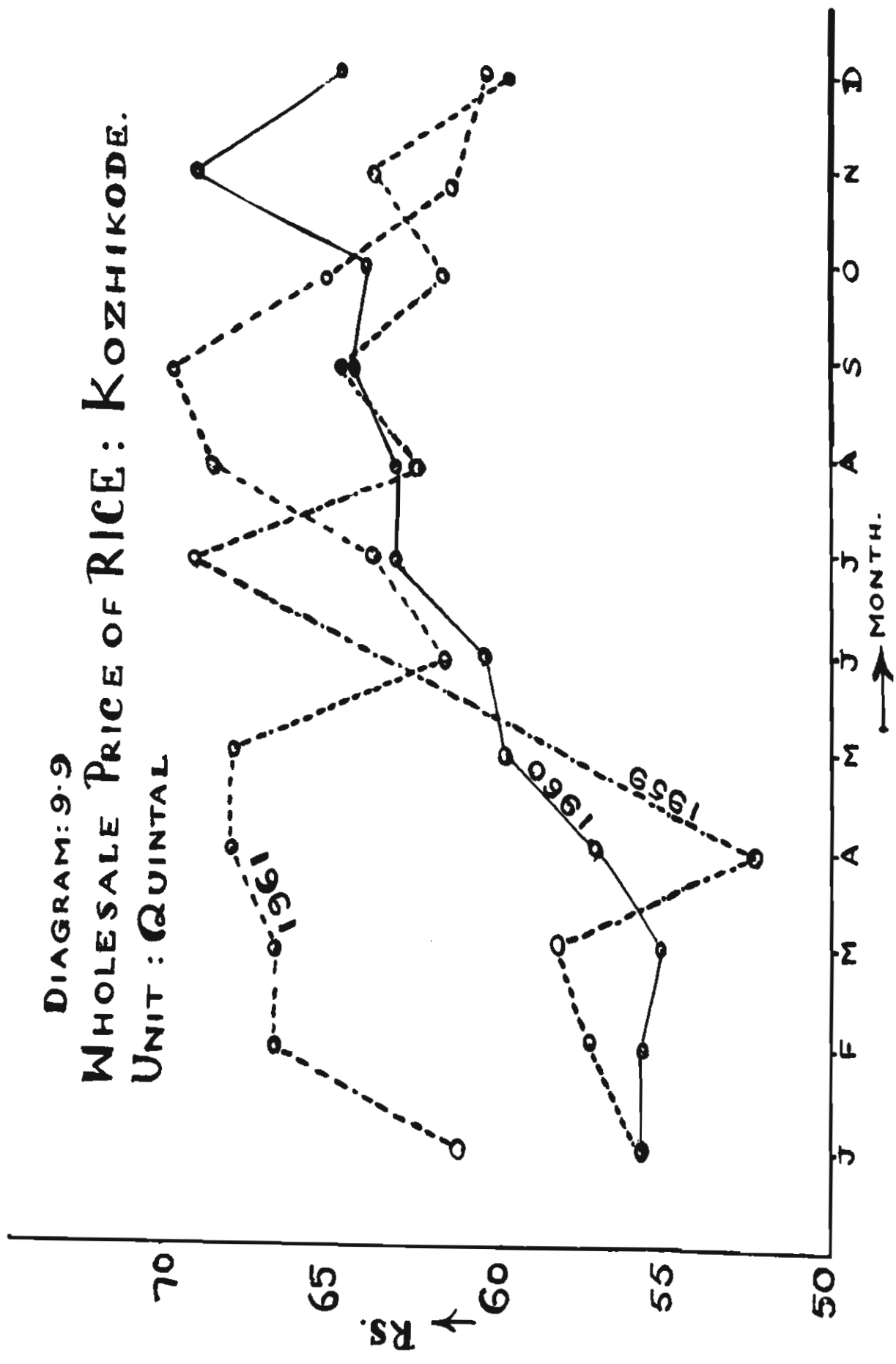
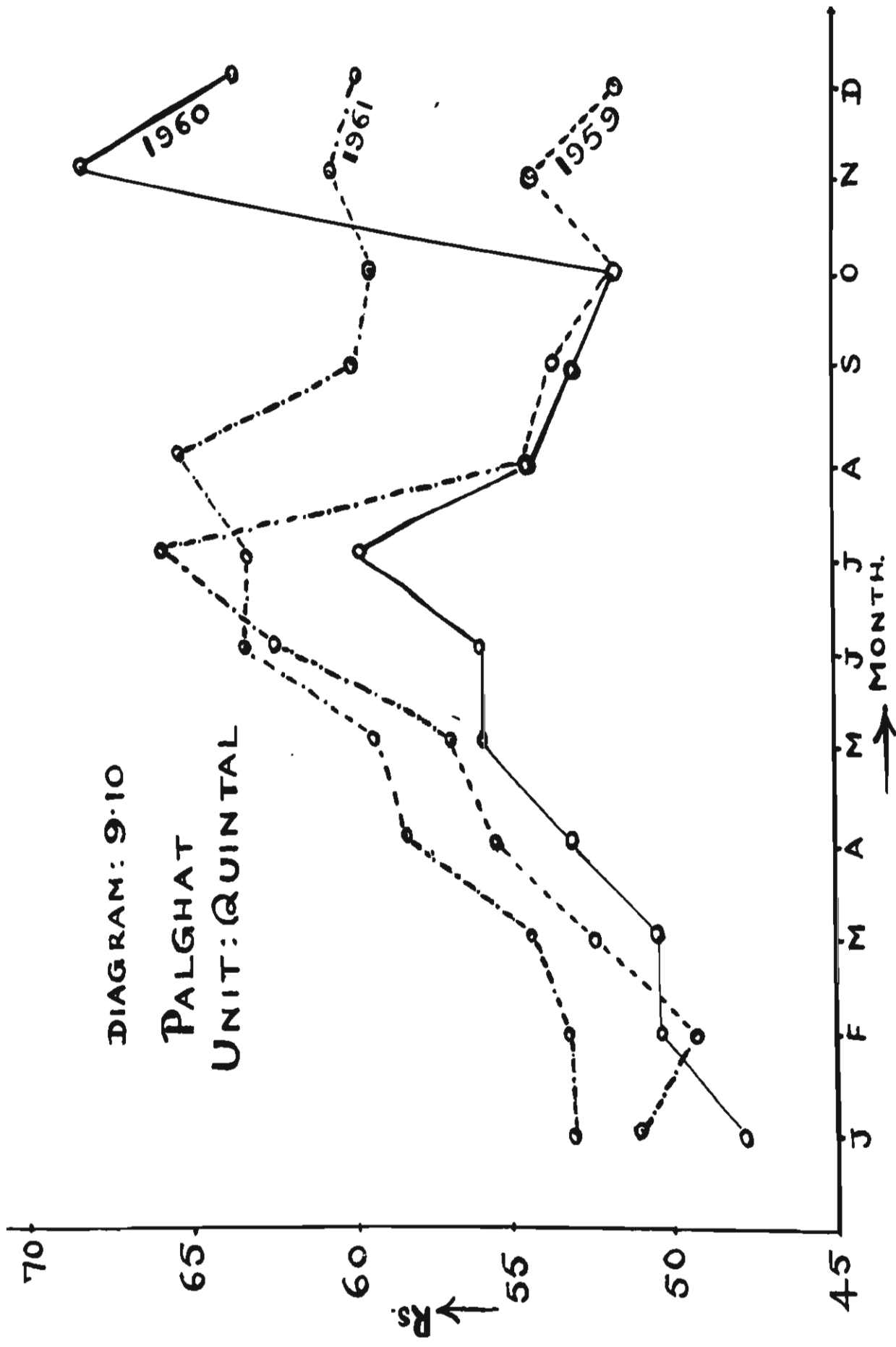


DIAGRAM: 9.9
 WHOLESAL PRICE OF RICE: KOZHIKODE.
 UNIT : QUINTAL





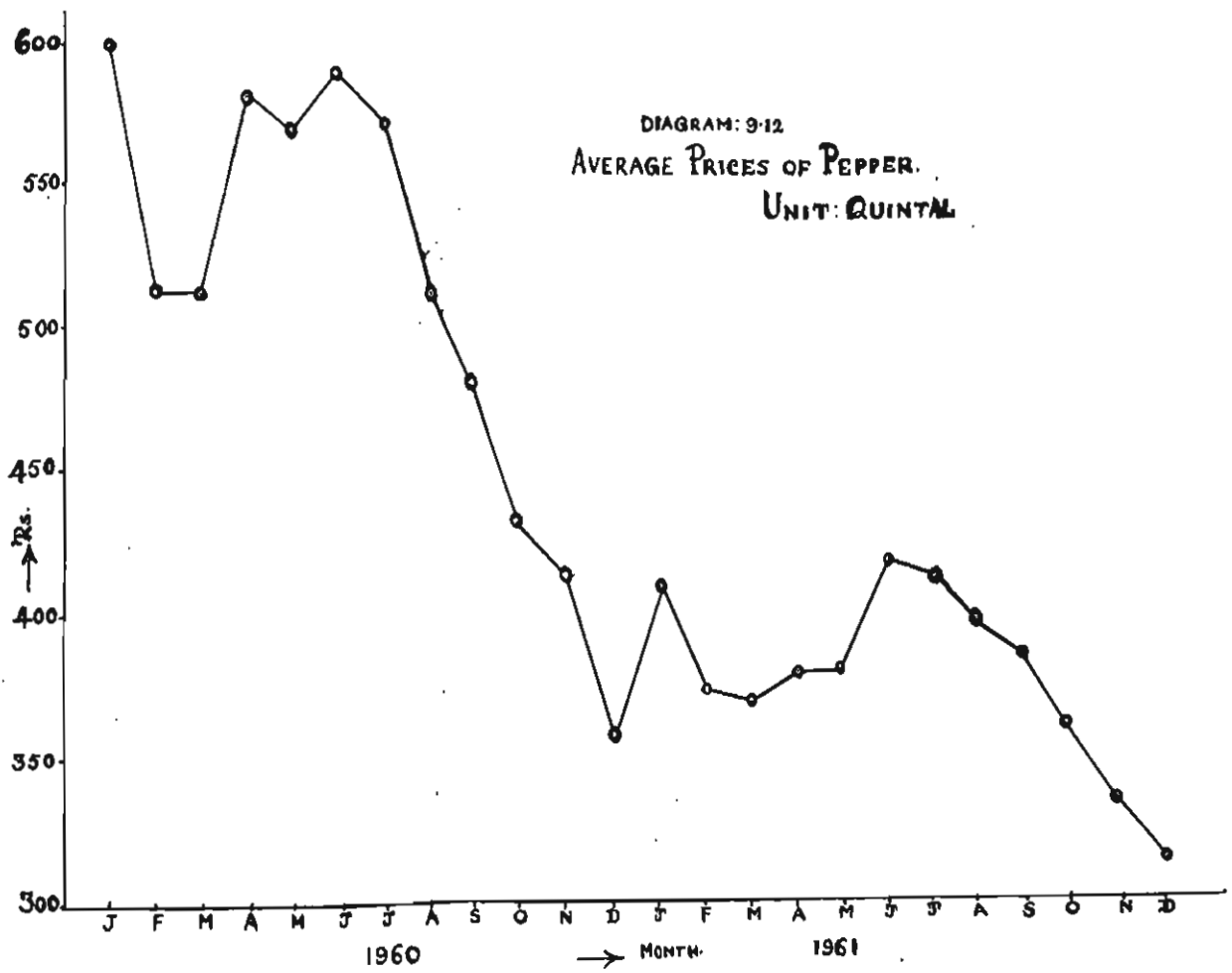


DIAGRAM: 9'13
AVERAGE PRICES OF GINGER
UNIT: QUINTAL

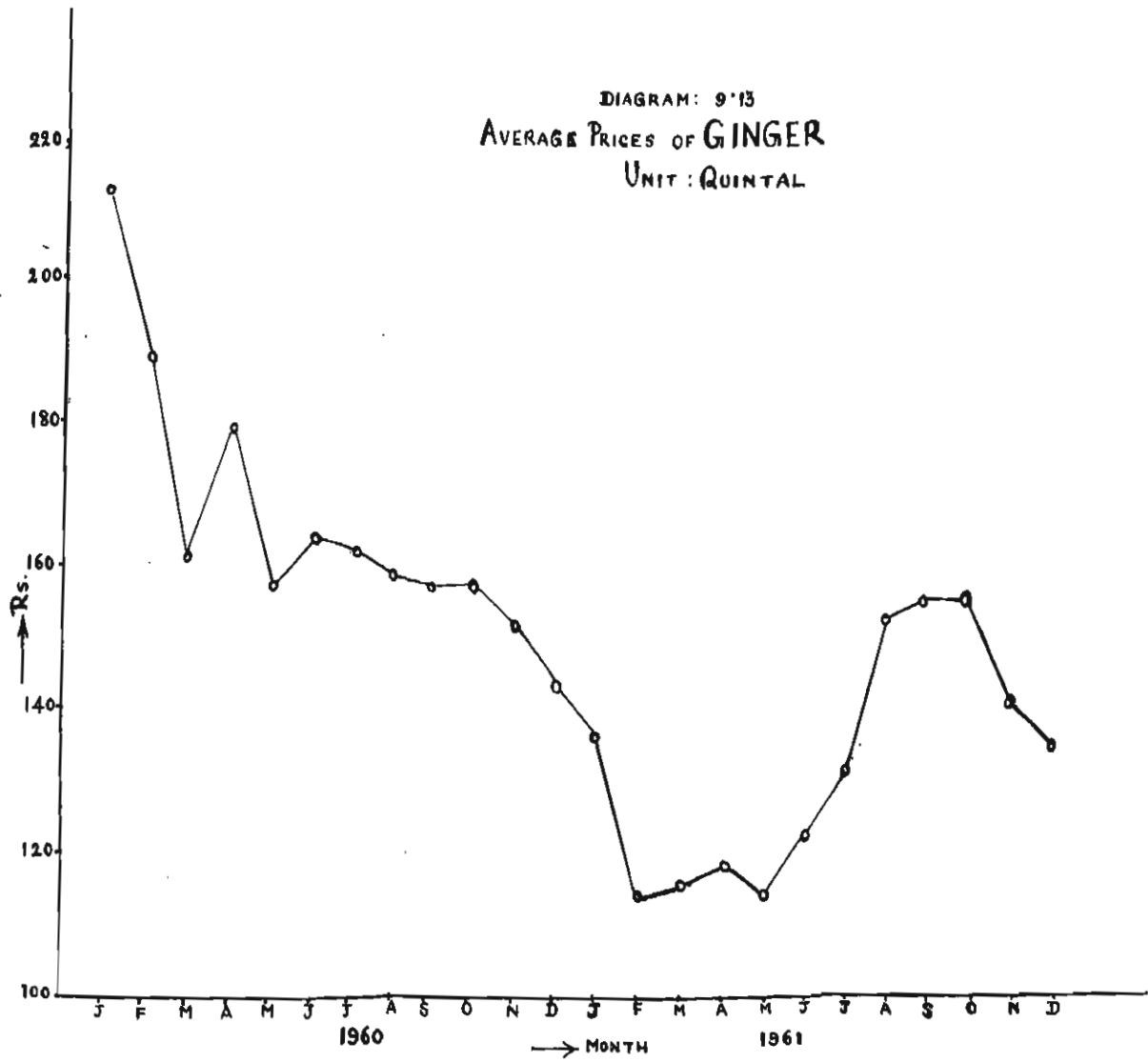
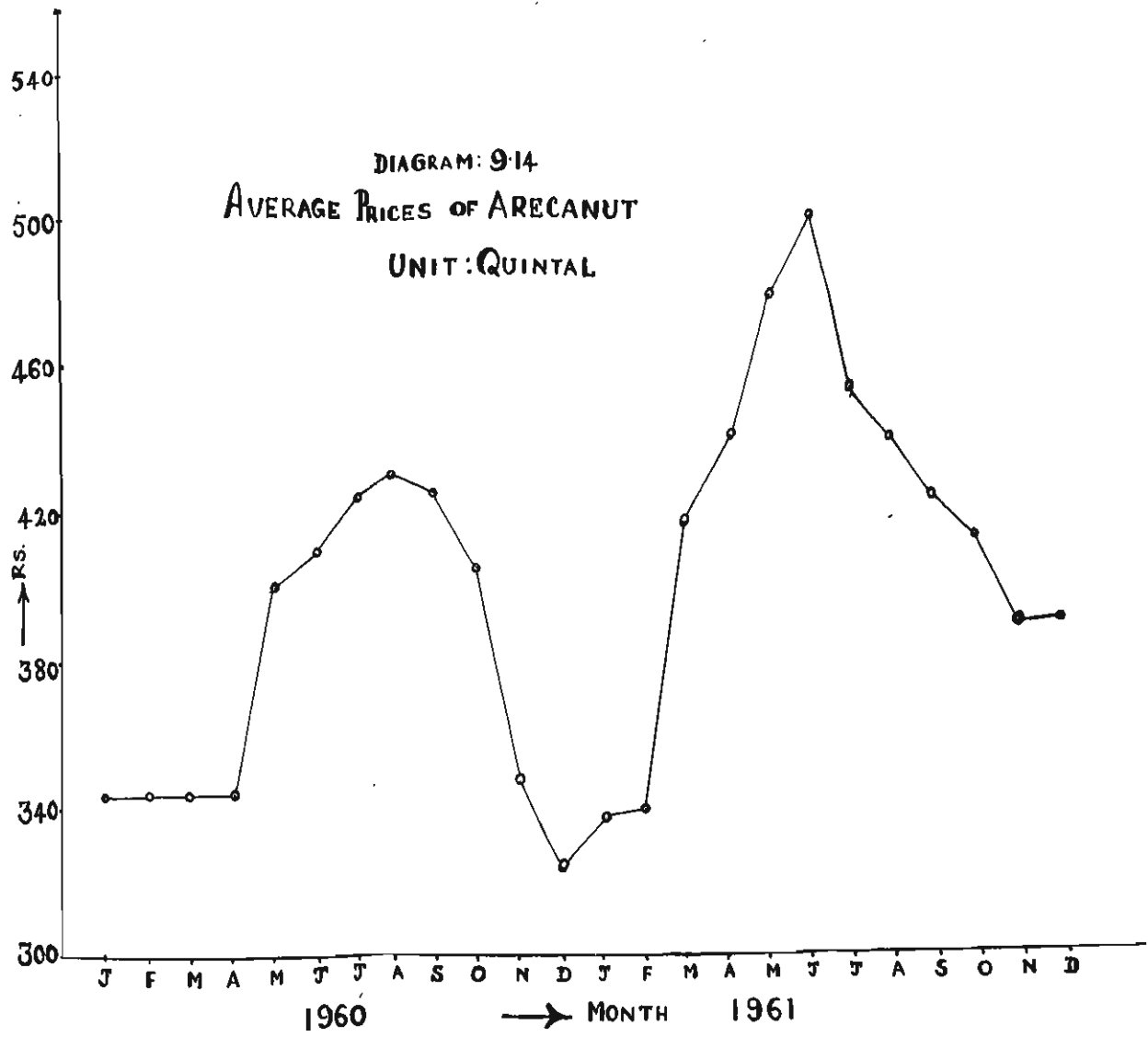
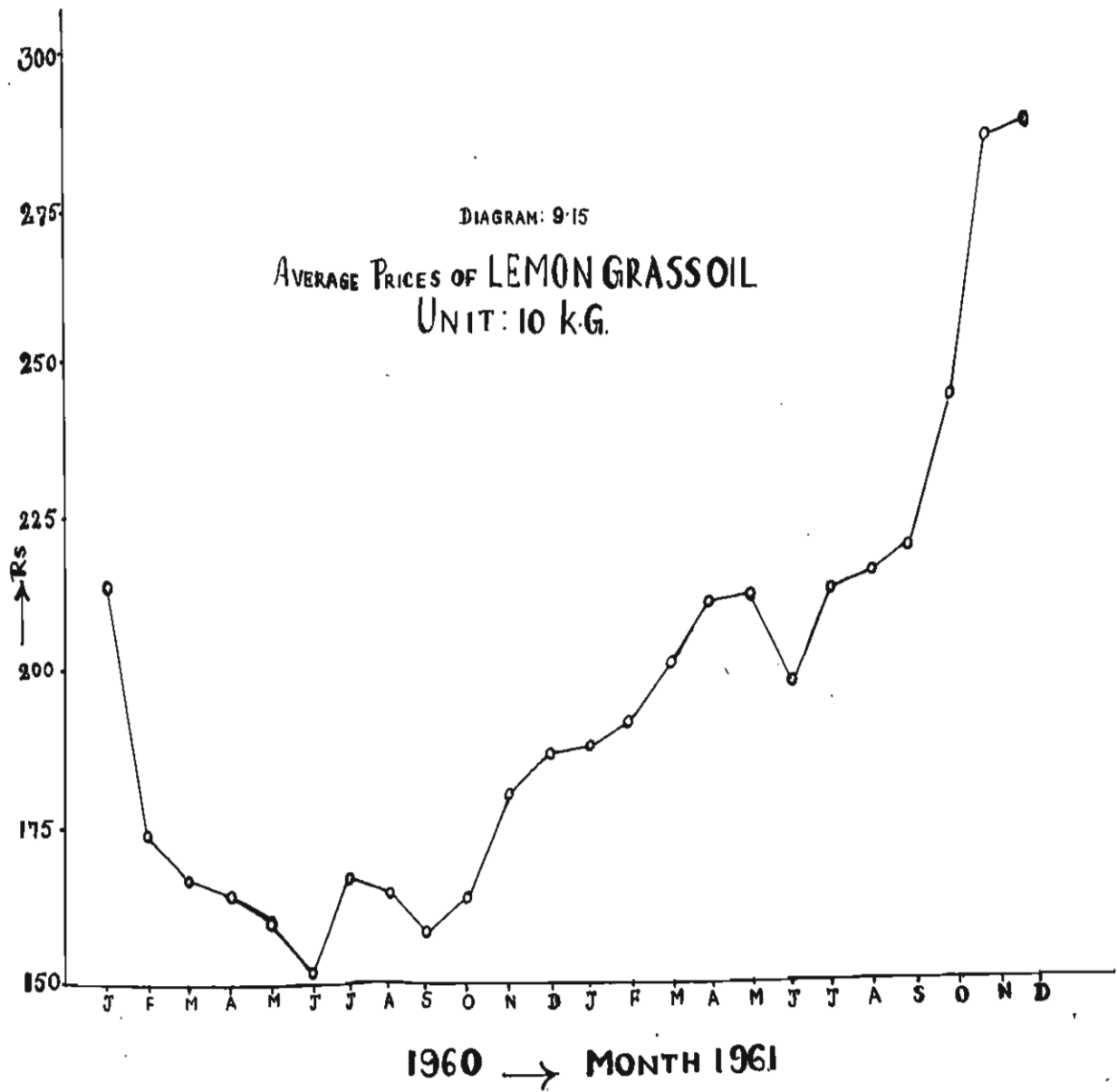
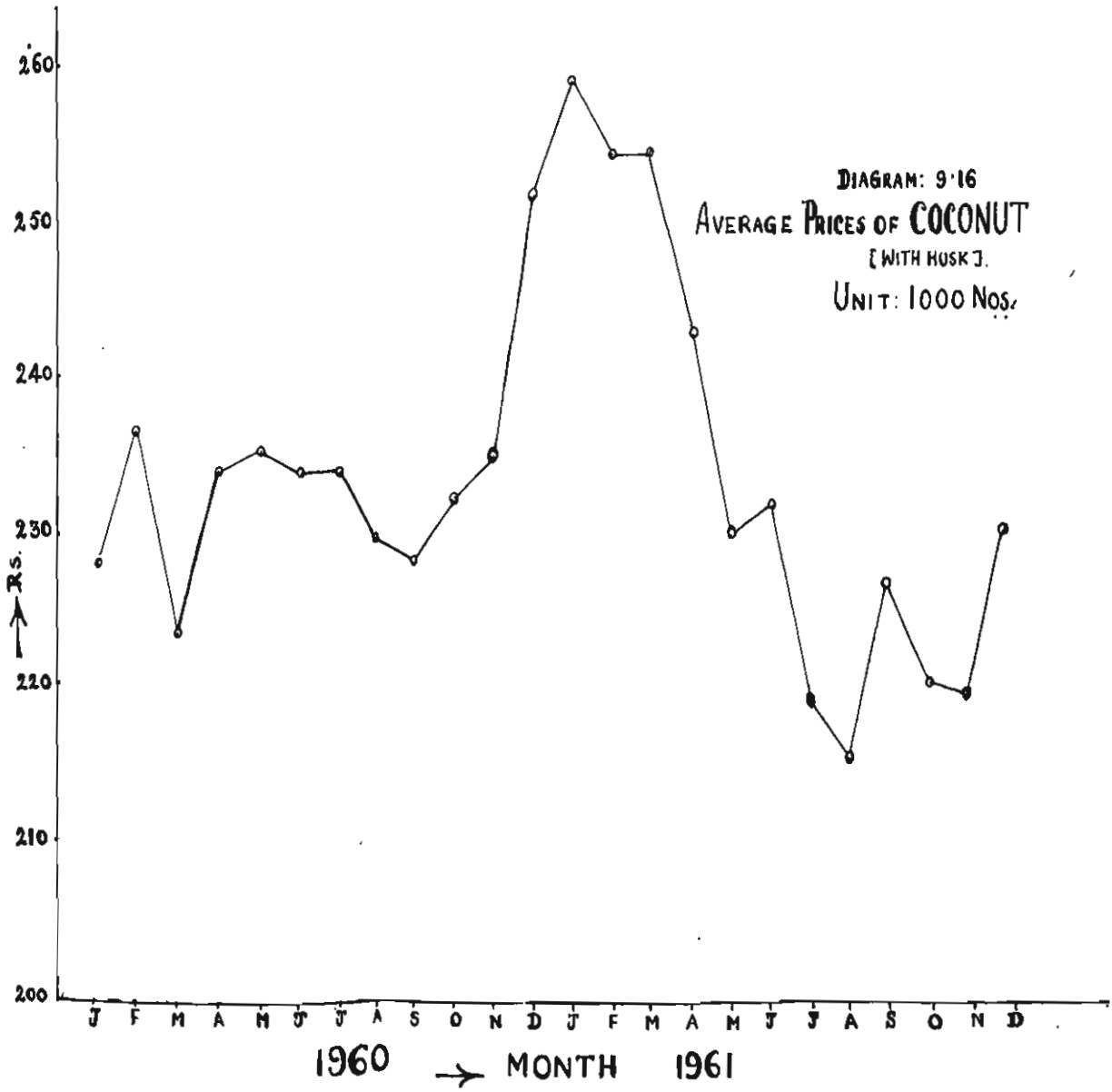


DIAGRAM: 9-14
AVERAGE PRICES OF ARECANUT
UNIT: QUINTAL







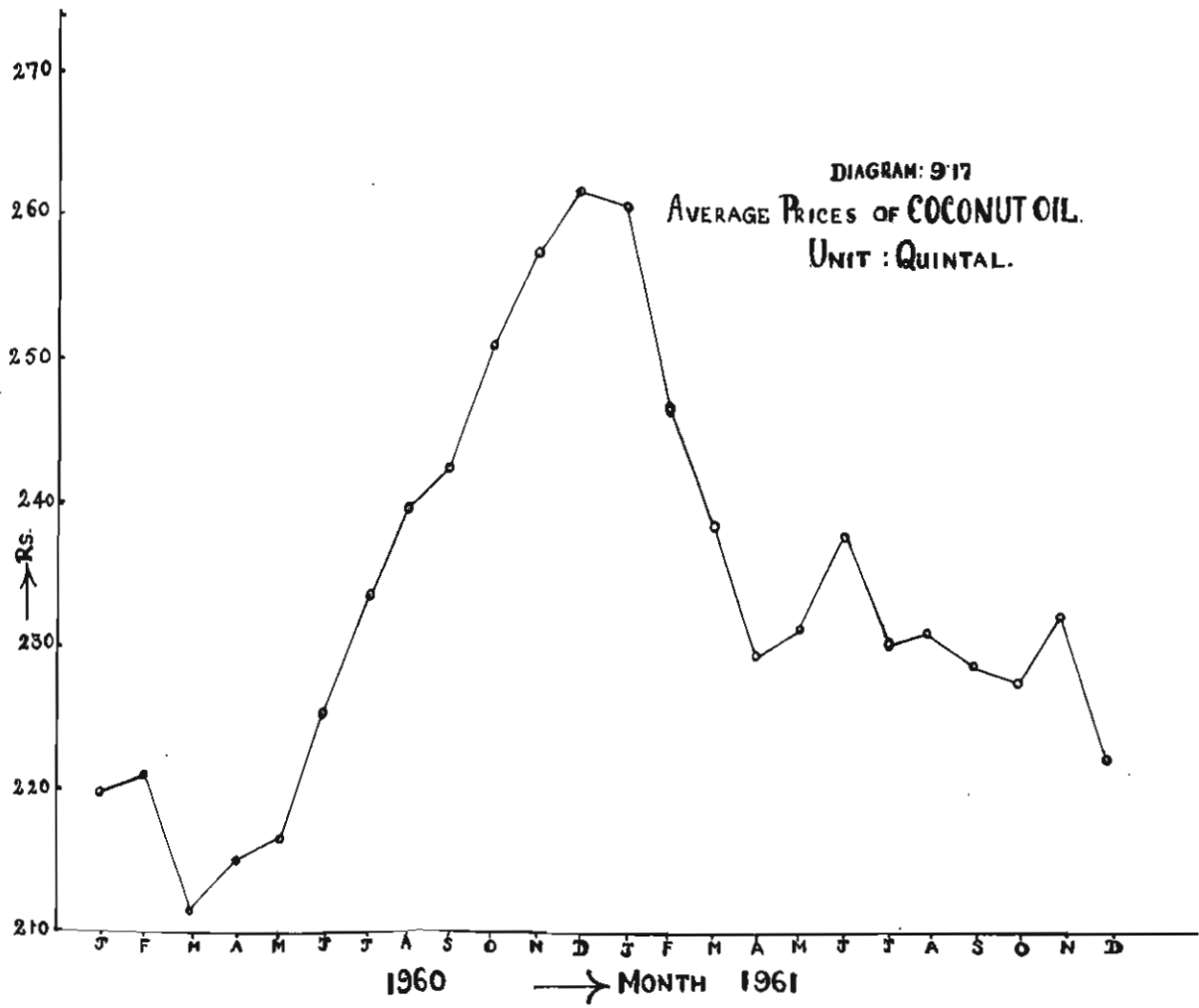


DIAGRAM: 9'18
AVERAGE PRICES OF COPRA
UNIT: QUINTAL

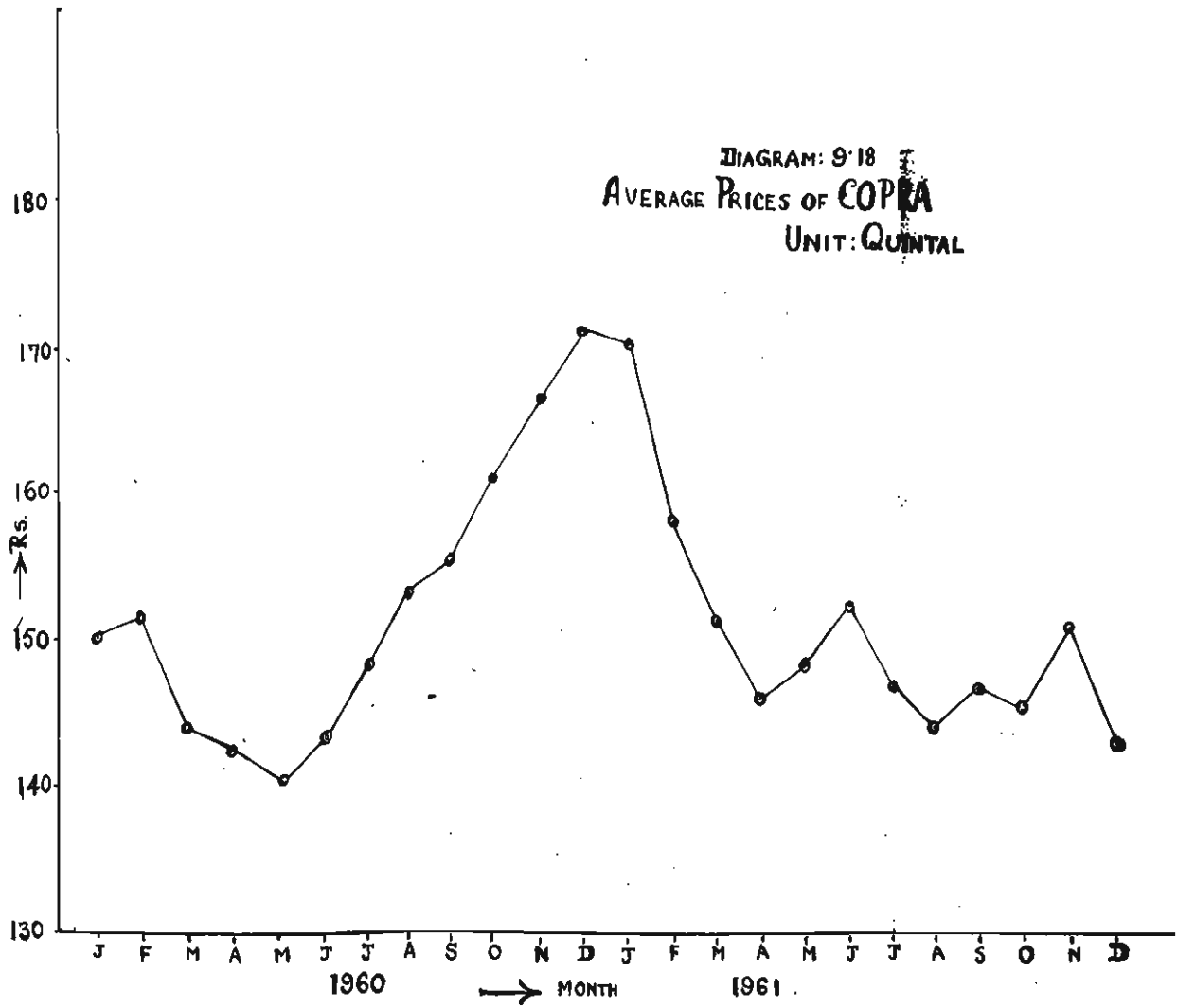


DIAGRAM: 9'1
 WORKING CLASS COST OF LIVING INDEX NUMBERS.
 TRIVANDRUM
 BASE 1939=100

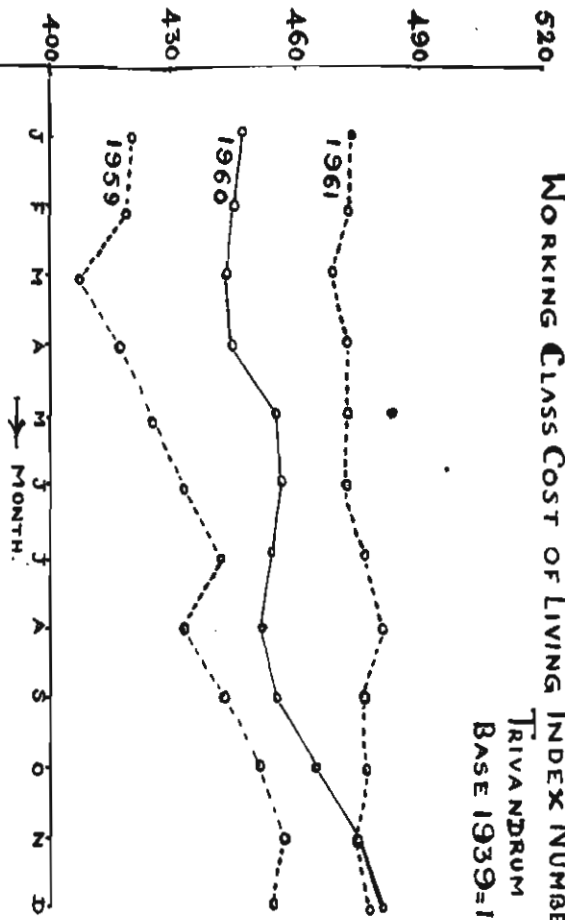


DIAGRAM: 9'2
 QUILTON
 BASE 1939=100

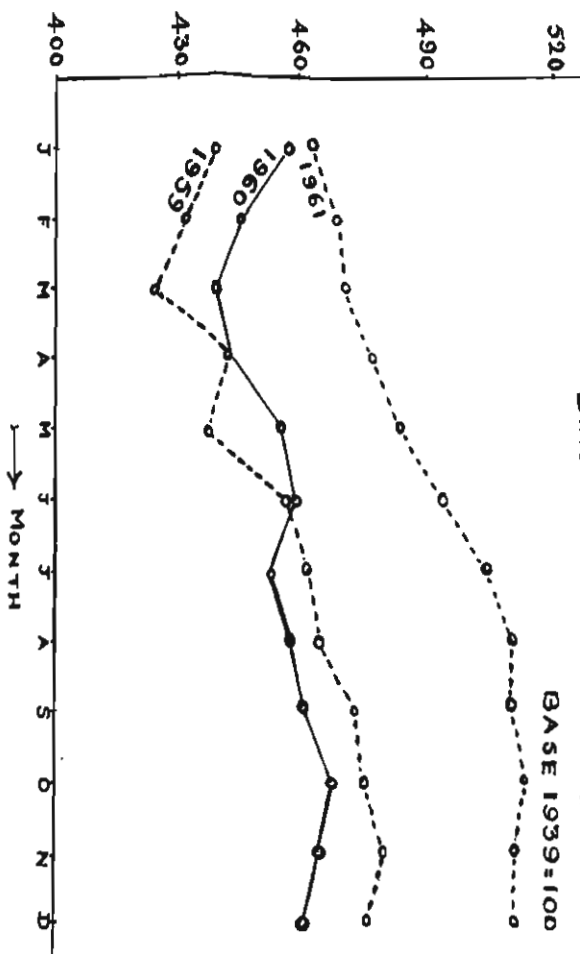
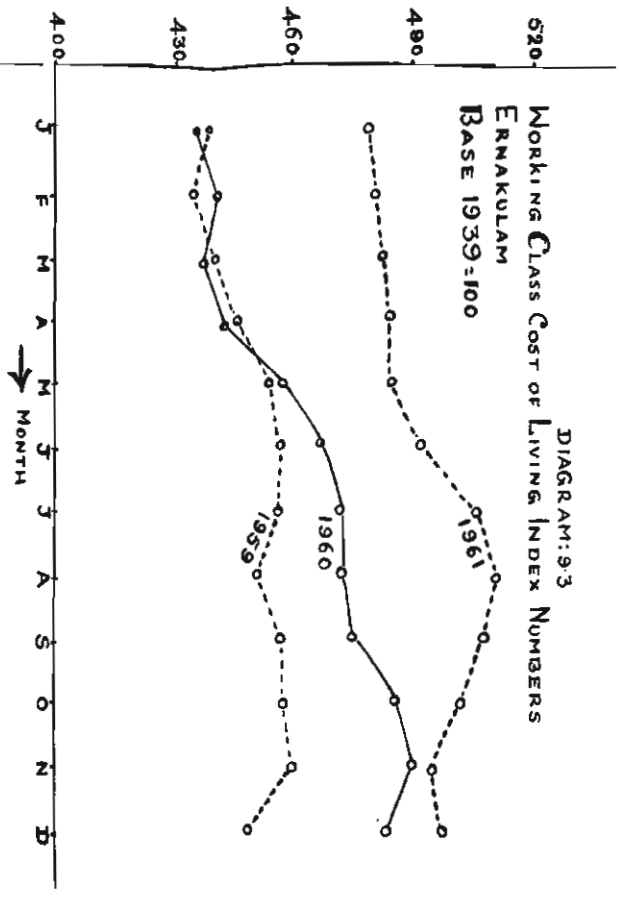


DIAGRAM: 93
 WORKING CLASS COST OF LIVING INDEX NUMBERS
 ERNAKULAM
 BASE 1939=100



KOZHIKODE
 BASE 1936=100

DIAGRAM: 94

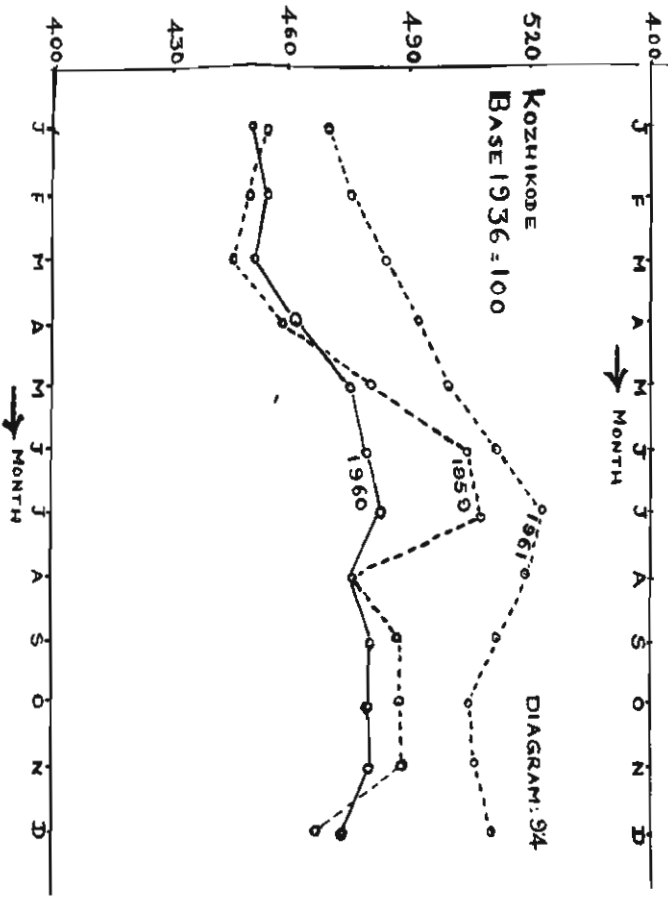


TABLE 9.6
Wholesale price of rice in selected centres in Kerala*
(Rs. per quintal)

Sl. No.	Centres	1960							1961				
		Janu- ary	April	July	Octo- ber	Nov- ember	Dec- ember	Janu- ary	April	July	Octo- ber	Nov- ember	Dec- ember
1	Trivandrum	52.44	57.77	57.11	59.78	64.61	67.10	58.44	61.09	61.76	61.75	64.64	64.00
2	Quilon	52.40	54.44	59.20	65.99	69.00	65.99	63.00	63.02	65.48	68.91	67.53	70.99
3	Alleppey	55.80	57.84	62.61	65.33	68.05	63.95	61.92	63.96	68.05	70.08	68.04	69.40
4	Changanacherry	55.12	N.Q.	N.Q.	57.20	62.02	60.65	58.23	62.70	67.53	67.53	66.84	68.00
5	Cochin	53.76	57.84	62.61	62.57	62.61	69.19	55.12	62.88	66.80	68.04	67.02	66.68
6	Palghat	47.64	53.08	59.88	51.72	68.53	63.74	53.08	58.52	63.28	59.25	60.63	59.94
7	Kozhikode	55.80	57.16	63.29	63.95	69.41	64.65	61.24	68.05	63.96	65.32	61.58	60.56

N. Q. Not quoted.

* Prices relate to the average for the third week in each month.

TABLE 9.7
Wholesale price of rice at Vijayavada and Kumbakonam

Centres	(Rs. per maund)												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Janu- ary	Febr- uary	March	April	May	June	July	Aug- ust	Sept- ember	Octo- ber	Nov- ember	Dece- mber	
Vijayavada (Andhra)	1960	18.50	19.58	20.00	19.92	20.25	20.75	21.58	22.00	22.00	22.25	..	..
	1961	18.87	19.37	20.26	20.75	21.46	21.89	22.50	22.82	22.98	22.79	22.72	21.22
Kumbakonam (Madras)	1960	N.Q.	N.Q.	19.50	19.00	20.25	21.50	21.50	22.50	23.00	22.00	..	..
	1961	20.50	21.38	21.50	21.88	22.31	22.90	23.52	24.19	24.33	23.88	23.00	23.40

N. Q. Not quoted.

9.14. Arrival of rice by rail and road and Central Government allotment to the State were significantly higher in 1961 (see tables 2.12 and 2.13 in Chapter II). Distribution through fair-price shops was also satisfactory. In spite of all these, rice prices had remained at a higher level during the year under review.

9.15. The high level of rice prices in early 1961 was caused mainly by the smaller arrivals in all centres, increase in demand and rise in prices in the producing areas. This price rise continued and witnessed the highest point ever reached since the last five years. The crop was damaged by the floods and supply position weakened. But a mild easing of this situation was observed in some centres during the last quarter of the year, which may partly be attributed to the arrival of new crop in the market.

9.16. The price situation of rice in Kerala is, to a very large extent, determined by the price levels in the two important markets of Andhra and Madras, from where Kerala purchases rice. So the high level of prices in these centres may have caused price rise in Kerala (see Table 9.7). This factor coupled with the lesser rate of increase in rice production in Kerala during 1961 was one of the main causes of higher level of rice prices in Kerala.

TABLE 9.8

Area and production of rice in Kerala

<i>Year</i>	<i>Area (million acres)</i>	<i>Production (million tons)</i>	<i>Average yield per acre (tons)</i>
1959-'60	1.90	1.02	0.54
1960-'61*	1.91	1.04	0.54

* Final forecast.

TABLE 9.9

Area and production of rice in India

<i>Year</i>	<i>Area (million acres)</i>	<i>Production (million tons)</i>	<i>Average yield per acre (tons)</i>
1959-'60 (a)	82.83	30.96	0.37
1960-'61 (b)	83.34	33.70	0.40

(a) Revised estimates.

(b) Final estimates.

TABLE 9.10
Wholesale price index of Rice in Kerala

Year	Janu- ary	Febru- ary	March	April	May	June	July	Aug- ust	Sep- tember	Octo- ber	Nov- ember	Dec- ember
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1959	116	110	112	120	125	135	141	130	131	125	127	121
1960	111	113	113	117	123	124	124	128	128	128	131	129
1961	124	124	124	126	128	133	135	137	138	135	N.A.	N.A.

Base—1952-53=100. N. A. Not available.

TABLE 9.11
All India price index for Rice

Sl. No.	Year	Janu- ary	Febru- ary	March	April	May	June	July	Aug- ust	Sep- tember	Octo- ber	Nov- ember	Dec- ember
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	1959	92	91	92	97	99	104	112	111	111	111	105	98
2	1960	104	105	106	110	114	114	115	115	113	109	106	N.A.
3	1961	99	100	101	101	103	106	108	110	110	108	106	N.A.

Base—1952-53=100. N. A. Not available.

Though all-India production of rice, which accounts for about 42% of the total foodgrains produced in India, has recorded a rise of 8.8% in 1960-61 over 1959-60, that of Kerala has risen only by 2% during the same period. It is evident that production has not been able to keep pace with the increasing demand.

9.17. The price situation of rice can also be explained in terms of index numbers of wholesale prices. In Table 9.10 the index numbers of wholesale prices of rice in Kerala during the last three years are shown. The price indices which remained steady during the first quarter of the year showed gradual increases from April onwards and reached the maximum in September, having thus recorded a rise of 11.29%. The percentage increase was lesser in 1961 when compared to the previous year; but on the whole rice prices in the year under review were much higher than in 1960.

9.18. A comparison of the price level of rice in Kerala with that of all-India will be of interest. Table 9.11 gives the all-India price index numbers of rice during the last three years. It is found that the price situation of rice in India as a whole in 1961 was entirely different from what was observed in Kerala. Unlike in Kerala, all-India price indices in 1961 were lower than in 1960, although the trend within the year was more or less the same in both cases. As in Kerala, prices in India showed an upward trend, the rate of increase being a little lesser (11.11%) than in Kerala. Rice prices in Kerala were significantly higher in 1961 when compared to the all-India level (see diagram 9.11)

9.19. Another essential consumer article, which deserves attention when analysing the price situation in Kerala is Sugar. The grave deterioration of sugar situation in 1959 was brought under control in 1960. The year 1961 witnessed the sugar problem in a much different form. In contrast to what has happened in 1959, 1961 has been confronted with the problem of over-production and underconsumption. Increased production accompanied by lower consumption in 1959-60 had already forced the industry to carry forward a surplus stock of 0.55 million tons at the beginning of the 1960-61 season. With a further increase of over 23% in output accompanied by only a marginal increase of 3.5% in off-take in 1960-61, the gap between production and consumption widened further, and the year ended with an unprecedented carryover of about 1.15 million tons. Production of Sugar in India has shown a record figure of 3 million tons in 1960-61. Since the rate of sugar despatches failed to keep pace with production and in view of the previous season's huge carryover, the industry carried with it an unmanageable stock which entailed a heavy strain on its financial resources and storage accommodation. In the following table is given the all India production and despatches of sugar during the last two years.

TABLE 9.12
Sugar production and despatches
(In million tons)

<i>Sl. No.</i>	<i>Year</i>	<i>Production</i>	<i>Despatches</i>
1	1959-'60	2.44	2.02
2	1960-'61	2.98	2.35

9.20. While production showed an increase of 22.13% in 1961, despatches increased only by 11.39%. Conditions in the sugar market remained generally depressed during the major part of the year. Sugar stocks became a drag in the market. The export outlook for the commodity also continued to be uncertain in view of the excessive world production of sugar. The stocks in India would have been still larger, but for some limited success in exporting part of the surplus. Efforts are continuing both at the International Sugar Council and with the United States authorities for higher export quotas in future years. The same situation was reflected in Kerala also. During the middle of the year, there was an excess stock of sugar worth Rs. 90 lakhs in our State. Prices remained more or less uniform for the whole of 1961, except for a slight set-back observed towards the end of the year.

9.21. The complex situation arising out of accumulating sugar stocks caused anxiety to the Central Government. It compelled the Government to reverse the policy of incentives adopted in the last two years. Restrictions on interstate movement have been withdrawn. The system of controlled releases, however, continues with a view to regulating the prices in the interest of the cane growers on the one hand and the consumers on the other. Along with this the Government has provided for a compulsory curtailment of production which seems to be a step in the right direction for bringing a balance between supply and demand. But the more lasting solution lies in stimulating the internal consumption of sugar.

9.22. Index numbers of wholesale prices of agricultural commodities in Kerala and India during the last five years are given in table 9.13.

TABLE 9.13
Index numbers of wholsale prices of agricultural commodities.

<i>Year</i>	<i>Kerala</i>	<i>India</i>
1956-57	99	105
1957-58	103	107
1958-59	110	114
1959-60	119	117
1960-61	125	124

Base: 1952-53—100.

9.23. Both in Kerala and India the index has shown steady increases during the last five years. The rise was more sharp in Kerala when compared to all-India level. In 1956-57, the index numbers in Kerala (99) was much lower than the all-India level (105) but by 1960-61 it has exceeded the all-India index. Kerala has recorded a rise of 26.3% over these years while in India it was only 18.1%.

9.24. Prices of essential commodities like coriander and chillies showed a declining tendency while those of tapioca, jaggery, firewood, mundu etc. which remained almost steady during the first half of 1961 showed an upward trend during the latter part of the year. Tapioca prices have shown considerable rise during the year. Price rise of firewood was more striking during the year under review. Prices of coconut oil did not show any abnormal feature. On the whole, prices of all essential commodities were on the increase in 1961. Table 9.14 gives the retail prices of some important commodities of Kerala in selected centres during 1960 and 1961.

9.25. Table 9.15 gives the price trends of some selected commodities of Kerala during 1961. Many of the commodities are good foreign exchange earners of the country. On the whole prices showed an upward trend in 1961; but a clear analysis of each item will indicate that a significant fall has occurred over the year in the prices of pepper as well as coconut and allied products. Pepper prices did not show any abnormal variation during the early part of the year, but came down drastically during the second half of the year, the main reason for this being the dullness in foreign markets (see diagram 9.12). Monthly average prices of ginger (see diagram 9.13) and cardamom showed an irregular trend during the year under review. Turmeric prices showed a declining tendency during the first half of the year and went up during the later half while arecanut prices followed the opposite trend (see diagram 9.14). Monthly average prices of plantation articles moved irregularly during the year under review. Lemongrass oil prices were steadily rising in 1961 except for a slight fall observed in June (see diagram 9.15). Of the three varieties of Coir Yarn, Mangadan variety remained almost steady while prices of Anjengo and Beypore varieties were irregular during the year. Monthly average prices of coconut and all the allied products showed a downward trend during the year under review (see diagrams 9.16 to 9.18). The falling tendency of tapioca prices in the early part of the year was averted during the second half and by December it had reached a level very much higher than the January prices.

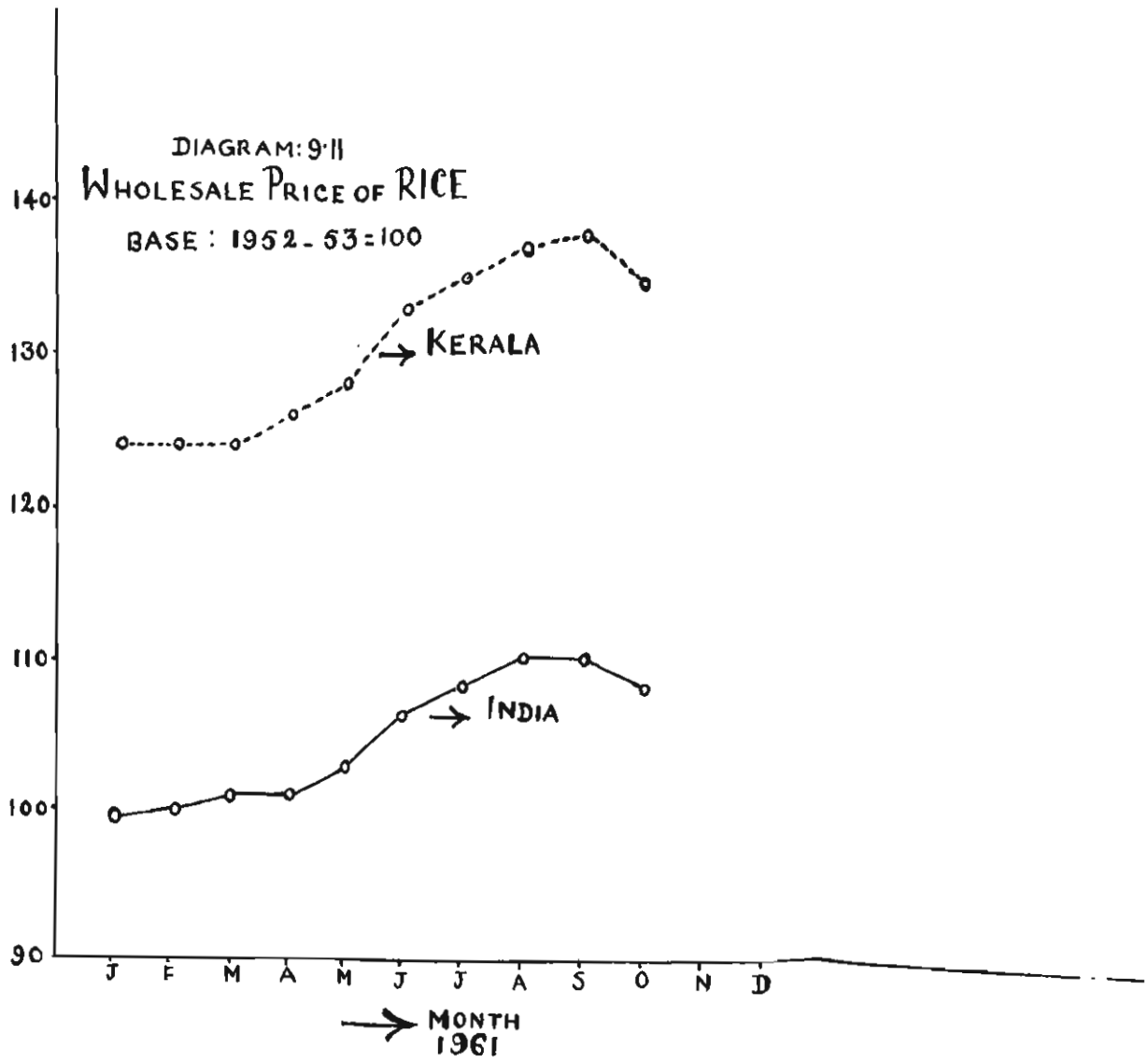
9.26. Thus it can be concluded that prices and cost of living have risen in 1961 when compared to 1960. Price situation in Kerala was in no way satisfactory when compared to the all-India level. As in 1960, the rise was more pronounced during the second half of the year in 1961 also. But price fluctuations in general during 1961 were not so striking as in 1960.

TABLE 9.14

Retail prices of some important commodities of Kerala in selected centres during 1960 and 1961

Sl. No.	Commodity	Unit	Trivandrum		Quilon		'Kottayam		Ernakulam		Trichur		Kozhikode	
			1960	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960	1961
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1	Tapioca	1 K. g.	0.09	0.11	0.15	0.14	0.20	0.14	0.18	0.12	0.13	0.12	0.18	0.14
2	Sugar	"	1.22	1.21	1.59	1.24	1.64	1.22	1.70	1.26	1.33	1.23	1.61	1.26
3	Coconut Oil	*Edangazhi	3.55	2.68	2.90	2.31	2.99	2.28	2.86	2.25	3.05	2.36	2.98	2.22
4	Fish	1. K. g.	0.86	1.09	0.55	0.49	1.10	0.89	0.97	0.55	0.97	0.36	0.93	0.63
5	Areca nut	100 Nos.	3.91	3.31	3.68	3.47	3.36	3.44	2.56	3.05	2.73	3.49	2.31	2.68
6	Firewood	Quintal	4.63	4.95	4.79	4.92	3.27	2.93	6.13	5.76	4.59	4.59	5.08	4.47
7	Mundu	No.	2.89	2.97	2.97	3.12	2.90	3.13	2.87	2.91	2.67	2.84	2.69	2.80

* In 1961 the unit is litre.



9.23. Both in Kerala and India the index has shown steady increases during the last five years. The rise was more sharp in Kerala when compared to all-India level. In 1956-57, the index numbers in Kerala (99) was much lower than the all-India level (105) but by 1960-61 it has exceeded the all-India index. Kerala has recorded a rise of 26.3% over these years while in India it was only 18.1%.

9.24. Prices of essential commodities like coriander and chillies showed a declining tendency while those of tapioca, jaggery, firewood, mundu etc. which remained almost steady during the first half of 1961 showed an upward trend during the latter part of the year. Tapioca prices have shown considerable rise during the year. Price rise of firewood was more striking during the year under review. Prices of coconut oil did not show any abnormal feature. On the whole, prices of all essential commodities were on the increase in 1961. Table 9.14 gives the retail prices of some important commodities of Kerala in selected centres during 1960 and 1961.

9.25. Table 9.15 gives the price trends of some selected commodities of Kerala during 1961. Many of the commodities are good foreign exchange earners of the country. On the whole prices showed an upward trend in 1961; but a clear analysis of each item will indicate that a significant fall has occurred over the year in the prices of pepper as well as coconut and allied products. Pepper prices did not show any abnormal variation during the early part of the year, but came down drastically during the second half of the year, the main reason for this being the dullness in foreign markets (see diagram 9.12). Monthly average prices of ginger (see diagram 9.13) and cardamom showed an irregular trend during the year under review. Turmeric prices showed a declining tendency during the first half of the year and went up during the later half while arecanut prices followed the opposite trend (see diagram 9.14). Monthly average prices of plantation articles moved irregularly during the year under review. Lemongrass oil prices were steadily rising in 1961 except for a slight fall observed in June (see diagram 9.15). Of the three varieties of Coir Yarn, Mangadan variety remained almost steady while prices of Anjengo and Beypore varieties were irregular during the year. Monthly average prices of coconut and all the allied products showed a downward trend during the year under review (see diagrams 9.16 to 9.18). The falling tendency of tapioca prices in the early part of the year was averted during the second half and by December it had reached a level very much higher than the January prices.

9.26. Thus it can be concluded that prices and cost of living have risen in 1961 when compared to 1960. Price situation in Kerala was in no way satisfactory when compared to the all-India level. As in 1960, the rise was more pronounced during the second half of the year in 1961 also. But price fluctuations in general during 1961 were not so striking as in 1960.

TABLE 9.14
Retail prices of some important commodities of Kerala in selected centres during 1960 and 1961

Sl. No.	Commodity	Unit	Trivandrum		Quilon		Kottayam		Ernakulam		Trichur		Kozhikode	
			1960	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960	1961
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1	Tapioca	1 K. g.	0.09	0.11	0.15	0.14	0.20	0.14	0.18	0.12	0.13	0.12	0.18	0.14
2	Sugar	"	1.22	1.21	1.59	1.24	1.64	1.22	1.70	1.26	1.33	1.23	1.61	1.26
3	Coconut Oil	*Edangazhi	3.55	2.68	2.90	2.31	2.99	2.28	2.86	2.25	3.05	2.36	2.98	2.22
4	Fish	1. K. g.	0.86	1.09	0.55	0.49	1.10	0.89	0.97	0.55	0.97	0.36	0.93	0.63
5	Areca nut	100 Nos.	3.91	3.31	3.68	3.47	3.36	3.44	2.56	3.05	2.73	3.49	2.31	2.68
6	Firewood	Quintal	4.63	4.95	4.79	4.92	3.27	2.93	6.13	5.76	4.59	4.59	5.08	4.47
7	Mundu	No.	2.89	2.97	2.97	3.12	2.90	3.13	2.87	2.91	2.67	2.84	2.69	2.80

* In 1961 the unit is litre.

TABLE 9.15°
Statement showing the price trends of some selected commodities of Kerala for the year 1961
(In Rupees)

Sl. No.	Commodity	Unit	Centre	January	February	March	April	May	June
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Pepper	Quintal	Cochin	407.52	373.32	370.16	378.57	379.26	418.05
2	Ginger (dry)	"	"	136.46	113.08	114.87	118.17	114.35	121.67
3	Turneric	"	Kozhikode	112.50	104.00	102.50	102.50	104.06	109.75
4	Cardamom	1 k. g.	"	11.50	11.50	11.50	12.75	15.47	13.20
5	Arecanut	Quintal	"	336.66	340.00	417.46	442.42	479.88	500.61
6	Coffee	50 k. g.	"	165.00	165.00	169.00	171.00	169.28	165.70
7	Tea	1 k. g.	Cochin	5.17	5.33	5.03	4.76	4.81	4.75
8	Rubber	"	Kottayam	3.28	3.29	3.33	3.23	3.28	3.28
9	Lemongrass Oil	10 k. g.	Cochin	188.03	191.94	202.03	212.09	212.77	198.73
10	Coir Yarn:								
	Anjengo	Candy	Alleppey	318.75	348.33	395.00	368.34	340.00	353.00
	Mangadan	"	Cochin	265.00	265.00	265.00	265.00	265.00	265.00
	Beypore	"	Kozhikode	236.25	258.75	278.07	285.50	281.25	256.67
11	Coconut (with husks)	1000 nos.	Cochin	259.79	255.00	255.27	243.27	230.31	232.40
12	Coconut (without husks)	"	"	234.79	232.00	230.00	219.48	205.31	207.40
13	Copra	Quintal	"	170.41	158.36	151.69	146.12	148.26	152.79
14	Coconut oil	"	"	260.89	246.93	238.43	229.44	231.23	237.90
15	Coconut oil cake	"	"	51.19	43.56	36.68	37.54	39.97	40.41
16	Tapioca	"	Kozhikode	16.40	14.88	14.53	16.68	18.37	20.90
17	Cashew (Raw)	"	"	N.Q.	N.Q.	72.06	59.11	71.80	N.Q.

N. Q. Not quoted.

TABLE 9.15—(Contd.)

S.I. No.	Commodity	Unit	Centre	July	August	September	October	November	December
(1)	(2)	(3)	(4)	(11)	(12)	(13)	(14)	(15)	(16)
1	Pepper	Quintal	Cochin	412.05	395.53	384.64	359.45	334.19	314.23
2	Ginger (dry)	"	"	130.69	153.17	155.93	156.25	141.33	135.03
3	Turmeric	"	Kozhikode	122.50	122.50	122.50	123.75	127.50	127.50
4	Cardamom	1 k. g.	"	12.76	12.10	12.01	11.50	11.50	11.50
5	Arecanut	Quintal	"	455.00	441.25	423.86	414.06	390.00	390.33
6	Coffee	50 k.g.	"	166.79	165.00	165.00	165.00	171.67	175.00
7	Tea	1 k. g.	Cochin	4.94	5.24	5.28	5.10	4.80	4.49
8	Rubber	"	Kottayam	3.24	3.21	3.13	3.12	3.11	3.06
9	Lemongrass Oil	10 k.g.	Cochin	214.37	217.38	221.06	245.05	287.21	289.35
10	Coir Yarn:								
	Anjengo	Candy	Alleppey	376.62	407.67	421.42	397.71	422.94	409.25
	Mangadan	"	Cochin	265.00	265.00	265.00	265.00	390.00*	379.50*
	Beyapore	"	Kozhikode	250.00	252.17	258.27	271.88	279.75	273.00
11	Coconut	1000 nos.	Cochin	219.79	216.00	227.09	220.83	220.13	230.78
	(with husks)	"	"						
12	Coconut	"	"	194.79	191.00	202.09	195.83	195.13	205.78
	(without husks)	"	"						
13	Copra	Quintal	"	147.16	144.27	147.04	145.69	151.13	143.41
14	Coconut Oil	"	"	230.58	231.08	228.99	227.88	232.38	222.22
15	Coconut oil cake	"	"	37.52	36.59	39.53	41.47	45.94	42.39
16	Tapioca	"	Kozhikode	21.45	22.00	23.98	24.90	22.00	22.43
17	Cashew (Raw)	"	"	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.

* From November onwards the unit is 3 quintals N. Q. Not quoted.

CHAPTER X

SOCIAL SERVICES

In a planned economy within the democratic frame-work-programmes for social services require the highest priority for a visible and identifiable improvement in the social and economic conditions particularly of the least privileged and most handicapped sections of the community. The economic development of a country is measured not only by means of the increase in the national and per capita incomes but also by the degree of social amenities that it can muster like the availability of the minimum educational facilities and health standards. By far the most important objective of developmental planning is the eventual creation of a welfare State. This requires a reconsideration of the importance of human factor in economic growth. Improvement in the field of social services is a precondition for altering structurally those socio-economic factors which are militating against the economic and social development in the State. The success achieved in the fields of education and health in the State in the last few years is reviewed in the following paragraphs.

Education

10.2. Kerala is the most advanced State in India in the field of literacy. Literacy which was 40.7% in 1951 reached 46.2% in 1961. The corresponding figures for all-India are 16.6% and 23.7%. But a closer examination of the educational system in Kerala will reveal certain peculiarities. The predominance of general education and the lack of technical education are the twin aspects of the educational system in Kerala. This system of education has resulted in educated unemployment on the one hand and the shortage of technical personnel on the other. This dearth of technical personnel resulting from the lack of technical education, is one of the main bottlenecks in economic development of the State. This feature of the educational system is not encouraging.

10.3. A good system of education should aim at training people to acquire the fruits of modern science and technology to accelerate the process of economic and social development of the country. The present system of education should be moulded so as to give it the necessary technical bias.

TABLE 10.1

Literacy—Statewise

<i>Sl. No.</i>	<i>State</i>	<i>(Percentage)</i>	
		1951	1961
1	Andhra Pradesh	13.1	20.8
2	Assam	18.1	25.8
3	Bihar	12.2	18.2
4	Gujarat	21.7	30.3
5	Jammu and Kashmir	N.A.	10.7
6	Kerala	40.7	46.2
7	Madhya Pradesh	9.8	16.9
8	Madras	20.9	30.2
9	Maharashtra	21.7	29.7
10	Mysore	19.3	25.3
11	Orissa	15.8	21.5
12	Punjab	15.2	23.7
13	Rajasthan	8.9	14.7
14	Uttar Pradesh	10.8	17.5
15	West Bengal	24.0	29.1
	India	16.6	23.7

TABLE 10.2

Literacy in Kerala—Districtwise*(Percentage)*

<i>Sl. No.</i>	<i>Districts</i>	<i>Males</i>	<i>Females</i>	<i>Total</i>
1	Trivandrum	52.8	37.9	44.9
2	Quilon	57.0	42.5	49.8
3	Alleppey	63.1	49.4	56.2
4	Kottayam	61.9	50.1	56.2
5	Ernakulam	57.0	42.7	49.9
6	Trichur	54.6	41.9	48.0
7	Palghat	41.5	26.2	33.6
8	Kozhikode	49.6	29.6	39.6
9	Cannanore	51.2	30.6	40.7
	Kerala	54.2	38.4	46.2

TABLE 10.3

<i>Sl. No.</i>	<i>Institution</i>	<i>Males</i>	<i>Females</i>	<i>Total</i>
1	Arts, Science and Oriental Studies	25,978	11,740	37,718
2	Oriental Titles	198	91	289
3	Professional	5,097	1,205	6,302
	Total	31,273	13,036	44,309

N. A. Not available.

TABLE 10.4

**Number of Institutions Offering Courses in
Engineering and Technology**

<i>State</i>	<i>Degree Number of institutions</i>	<i>Diploma Number of institutions</i>
Southern Region :		
Andhra Pradesh	8	22
Kerala	5	13
Madras	10	24
Mysore	11	27
	<hr/> 34	<hr/> 86
Western Region :		
Maharashtra	10	17
Gujarat	6	12
Madhya Pradesh	7	12
	<hr/> 23	<hr/> 41
Northern Region :		
Uttar Pradesh	11	16
Punjab	6	10
Rajasthan	3	5
Delhi	3	1
Himachal Pradesh	..	1
Jammu and Kashmir	1	2
	<hr/> 24	<hr/> 35
Eastern Region :		
West Bengal	12	20
Bihar	7	11
Orissa	2	6
Assam	2	4
Manipur	..	1
Tripura	..	1
	<hr/> 23	<hr/> 43
Total	<hr/> 104	<hr/> 205

TABLE 10.5

Strength of Students in Educational Institutions (General and Professional)

<i>Sl. No.</i>	<i>General</i>	<i>Number of Students</i>	<i>Professional</i>	<i>Number of Students</i>
1	Pre-university	15,311	Pre-Professional (Engineering)	335
2	Pre-Professional	721	Faculty of Law	480
3	Faculty of Arts	4,639	Faculty of Education	2,017
4	Faculty of Science	14,340	Faculty of Engineering	1,548
5	Faculty of Oriental Studies	925	Faculty of Medicine	1,182
6	Faculty of Fine Arts	28	Faculty of Ayurveda	166
7	Faculty of Commerce	1,944	Faculty of Agriculture	215
8	Diploma in Social Service	99	Faculty of Veterinary Science	359
Total		38,007		6,302

TABLE 10.6

Statement showing the Pattern of Distribution of the Professional Educational Institutions (Colleges)

Districts	Number of institutions		Number of students				
	Population in million	Number of institutions per million people	1959-60	1960-61	Total Number of students	Total Number of students per million people	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Trivandrum	1.74	8	4.6	2389	1373	2611	1501
Quilon	1.93	3	1.6	351	182	694	360
Alleppey	1.81	3	1.7	200	110	298	165
Kottayam	1.73	4	2.3	450	260	450	260
Ernakulam	1.86	3	1.6	295	159	446	240
Trichur	1.63	3	1.8	790	485	921	565
Palghat	1.78	2	1.1	N.A.	N.A.	261	147
Kozhikode	2.62	2	0.8	374	143	522	199
Cannanore	1.78	1	0.6	99	56	99	56
Total	16.88	29	1.7	4948	293	6302	373

10.4. The number of students attending general educational institutions viz., arts, science, oriental studies and oriental titles is six times greater than the number attending the professional institutions. In a country where under-employment and unemployment, particularly of the white collar type, are rampant and where technical personnel and entrepreneurial skill are in short supply, lack of professional education is a limiting factor to economic development. The number of students attending the professional colleges was only 6,302 whereas the number attending the general education colleges was 38,007 in 1960-61. This ratio requires a change. This situation is explained by the lack of professional educational institutions in the State. Table 10.4 highlights the poverty of the State in the provision of technical educational facilities compared to other States in India.

10.5. Kerala has only 5 technical institutions offering degree courses and 13 institutions offering diploma courses. Kerala is the most backward State in the Southern region in respect of the number of technical educational institutions. Madras has 10 degree institutions and 24 diploma institutions. Andhra and Mysore have sufficiently greater number of both degree and diploma institutions. The facilities for technical education and the degree of technological advance are indicators of the tempo of industrial activity and economic development. The gap between general education and technical education emanating from the lopsided development of education in the State will have to be closed in order to place the economy on the road to development.

10.6. Faculty-wise distribution of students both in general and professional educational colleges in the State can be seen from Table 10.5.

10.7. The largest number of students belonged to the faculty of science. Out of the 38,007 students attending the general education colleges 14,340 came under the category of faculty of science. In the professional colleges out of 6,302 students 1,548 belonged to the faculty of engineering and 1,182 to the faculty of medicine. It is clear from Table 10.5, though Kerala is backward in technical education as compared to other States in India, the importance of modern science and technology has been taken into account in moulding the educational system in the State. This is symptomatic of the desired change that is underway.

10.8. In addition to this a study of the progress of education in the State requires an analysis of the trend and pattern of distribution particularly of the technical educational facilities among the different districts. The lack of professional educational institutions is a hurdle in economic development and a cause for white-collar unemployment in the

country. Table 10.6 shows the district-wise distribution of professional educational colleges in the State.

10.9. Table 10.7 shows the distribution of general education institutions.

10.10. There are at present 4 Engineering colleges, 2 under the government and 2 in the private sector, 2 Medical colleges, 1 Ayurveda college, 1 Agricultural college and 1 Veterinary college in the State. Apart from this, 2 Law colleges and 18 Training colleges have also been functioning in Kerala. There are 46 colleges for Arts, Science and Commerce and 7 Colleges for Oriental studies in the State. Along with this 2 Colleges for physical education and 3 Music Academies are also working in Kerala.

10.11. There were 966 Secondary Schools, 1,902 Upper Primary Schools, 6,702 Lower Primary Schools, 67 Basic Training Schools and 101 Special Schools in Kerala in 1959-'60. The District-wise distribution of these five categories of schools is shown in Table 10.8.

10.12. In respect of these schools Kerala is ahead of all other States in India. As a result of the expansion of educational facilities, literacy has reached as high as 46.2% in 1961. The various categories of educational institutions upto the Secondary level have been distributed more or less on an even basis. The inadequacy in the distribution of educational facilities in some districts in Malabar area may be made good in due course. Table 10.9 shows the strength of students in these various categories of schools.

10.13. The annual output of S.S.L.C. holders is of the order of 47,000. Table 10.10 shows the number of S.S.L.C. candidates appeared for and passed in the examinations held in March 1961 and September 1961.

TABLE 10.7
Statement showing the Pattern of Distribution of the General Educational Institutions (Colleges).

Districts	Number of institutions		Number of students				
	Population in millions	Number of institutions	1959-60	1960-61			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Number of institutions per million people	Total Number of students	Number of students per million people	Total Number of students	Number of students per million people
Trivandrum	1.74	7	4.0	5728	3292	6486	3728
Quilon	1.93	5	2.6	4027	2110	4908	2540
Alleppey	1.81	4	2.2	3002	1658	3416	1888
Kottayam	1.73	7	4.0	5348	3091	6171	3567
Ernakulam	1.86	9	4.8	6245	3358	6792	3652
Trichur	1.63	6	3.7	3583	2198	3885	2384
Palghat	1.78	2	1.1	1324	744	1452	816
Kozhikode	2.62	10	3.8	2906	1109	3430	1309
Cannanore	1.78	3	1.7	1130	635	1472	827
Total	16.88	53	3.1	33338	1974	38007	2251

TABLE 10.8
District-wise distribution of schools (1959-60)

(Nos.)

Type of School	Trivandrum		Quilon		Alleppey		Kottayam		Ernakulam						
	Gov- ernment	Private	Gov- ernment	Private	Gov- ernment	Private	Gov- ernment	Private	Gov- ernment	Private					
* Secondary	27	53	80	20	78	98	24	100	124	18	95	113	21	103	124
† Upper Primary	55	61	116	50	133	183	62	115	177	55	116	171	42	116	158
‡ Lower Primary	352	146	498	361	271	632	287	334	621	226	313	539	252	283	535
Basic Training	3	6	9	2	8	10	4	12	16	3	5	8	2	1	3
Special Schools	3	3	6	2	4	6	5	6	11	..	..	..	2	8	10

*High Schools and Post Basic Schools

† Upper Primary Schools and Senior Basic Schools

‡ Lower Primary Schools and Junior Basic Schools

Trivandrum : Only Trivandrum Education District.

Quilon : Quilon Education District and Pathanamthitta Education District.

Alleppey : Alleppey and Tiruvalla Education Districts

Kottayam : Kottayam and Palai Education Districts.

Ernakulam : Ernakulam and Moovattupuzha Education Districts.

TABLE 10.9

(1959-60)

Sl. No.	Type of Institution	Number of Institutions			Number of Students		
		Government	Private	Total	Boys	Girls	Total
1	High School	245	634	879	403363	277959	681322
2	Upper Primary	517	1374	1891	430786	351416	782202
3	Lower Primary	2752	3974	6726	896143	772855	1668998
4	Basic Training	30	49	79	4773	3647	8420
5	Special Schools	66	41	107	11176	9066	20242

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TABLE 10.10
Number of S. S. L. C. Students appeared and passed in 1961

Examinations	Appeared			Passed		
	Boys	Girls	Total	Boys	Girls	Total
March 1961	53451	33172	86623	19796	10907	30703
September 1961	24442	15147	39589	10209	6353	16562
Total (1961)	77893	48319	126212	30005	17260	47265

TABLE 10.8

District-wise distribution of Schools (1959-60)

(Nos.)

Type of Schools	Trichur		Palghat		Kozhikode		Cannanore		Total				
	Gov- ernment	Private	Gov- ernment	Private	Gov- ernment	Private	Gov- ernment	Private					
*Secondary	33	76	109	32	45	77	37	48	85	30	126	156	966
†Upper Primary	14	131	145	59	166	225	99	261	360	90	277	367	1902
‡Lower Primary	110	390	500	289	534	823	522	921	1443	329	782	1111	6702
Basic Training	2	3	5	3	3	6	2	1	3	4	1	5	67
Special Schools	13	1	14	8	4	12	16	2	18	16	8	24	101

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* High Schools and Post Basic Schools

Trichur : Trichur and Irinjalakuda Education Districts.

† Upper Primary Schools and Senior Basic Schools

Palghat : Ottappalam Education District.

‡ Lower Primary Schools and Junior Basic Schools

Kozhikode : Malappuram Education District.

Cannanore : Tellicherry and Kasargod Education Districts

The number of students appeared for and passed in the S.S.L.C. examination in March and September 1961 has gone up considerably. The percentage of passes out of the total number of candidates presented, however, remained at 37 as in the year 1960. Additional facilities for meeting the educational needs of the country have also been created.

10.14. During 1961-62 about 80,000 additional children were enrolled in Primary classes and the target fixed for 1962-63 is 1 lakh. Mid-day meals are being given to over 14 lakh children in Primary Schools.

Health

10.15. Kerala is not backward when compared to other States in India in regard to the availability of medical and public health facilities. Table 10.11 shows the number of hospitals and beds in different States in India for 1958.

10.16. Though the number of hospitals and dispensaries was only 66 and 184 respectively they provided for 11,419 beds whereas West Bengal had only 25,484 beds with 638 hospitals and 1,059 dispensaries. Madras with 266 hospitals and 428 dispensaries could provide for only 12,816 beds as against 11,419 beds in Kerala. Increase in the number of hospitals, dispensaries and beds in 1960 in Kerala can be seen in table 10.12.

10.17. There has been a continuous increase in the number of both medical institutions and beds in the State as is evident from the Table 10.12. The per capita facilities available to the people in Kerala in terms of hospitals and beds are greater than those available in most other States in India. In 1957 there were 692 beds per million people which has increased to 882 in 1960. The number of medical institutions per million people also increased from 22 in 1957 to 24 in 1960.

10.18. The average number of doctors per unit of population in Kerala is lower as compared to India as a whole according to the figures available for 1958. This is attributable to the lack of medical education and the preponderance of general education. In order to compensate for the deficiency in medical education earnest attempts have been made to increase the out-turn of doctors from the existing two medical colleges in the State.

10.19. Table 10.13 gives the rate of death in Kerala for the last four years, according to age group. The total number of deaths occurred in Kerala in 1960 in the various age groups is 1,09,243 as against 1,43,229 in 1957. A decrease in the total number of deaths is seen for the year 1960. The various causes of death and the number of deaths that has occurred in Kerala over the period 1957 to 1960 are given in the table 10.14.

TABLE—10.11
Number of Hospitals, Dispensaries, Beds and Patients in 1958

<i>States</i>	<i>Number of hospitals</i>	<i>Number of dispensaries</i>	<i>Number of beds</i>	<i>Number of patients treated</i>	
				<i>Indoor</i>	<i>Out-door</i>
Andhra Pradesh	243	219	13,376	1,158,682	15,902,710
Assam	N A	N A	N A	N A	N A
Bihar	222	507	6,289	653,474	4,315,282
Bombay	286	840	22,294	945,035	7,647,578
Jammu and Kashmir	N A	N A	N A	N A	N A
Kerala	66	184	11,419	460,282	10,831,358
Madhya Pradesh	275	447	8,790	662,872	5,070,325
Madras	266	428	12,816	814,708	10,572,532
Mysore	173	701	12,124	358,858	13,752,490
Orissa	161	222	4,064	161,944	5,822,704
Punjab	252	548	12,005	453,450	9,304,696
Rajasthan	335	292	9,281	188,189	9,938,705
Uttar Pradesh	410	870	18,652	542,485	18,453,146
West Bengal	638	1,059	25,484	N A	N A

TABLE 10.12

Sl. No.	Medical Institutions	1957		1960	
		Medical Institutions (3)	Beds (4)	Medical Institutions (5)	Beds (6)
1	Hospitals	62	8016	67	10,574
2	Secondary Health Centres	4	710	10	612
3	Primary Health Centres	58		82	760
4	Dispensaries	153	631	196	1,017
5	Grant-in-aid institutions	31	1,115	21	978
6	Subsidised rural dispensaries	23	..	12	..
	Total	331	10,472	388	13,941

TABLE 10.13

Deaths according to age group

Age	1957		1958		1959		1960	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
0-1	21,781	15.21	18,514	16.03	20,214	16.73	14,987	13.72
1-4	28,270	19.74	21,182	18.34	21,995	18.21	16,823	15.40
5-9			6,808	5.89	5,599	4.64	5,293	4.85
10-14		7.49	2,940	2.55	2,388	1.99	2,435	2.23
15-19			2,489	2.15	1,931	1.56	1,872	1.71
20-29	17,841	12.46	6,236	5.40	6,067	5.02	5,108	4.68
30-39			6,892	5.97	6,995	5.79	6,173	5.65
40-49	20,320	14.18	7,121	6.16	7,394	6.13	7,114	6.51
50-59			8,712	7.54	9,301	7.70	9,333	8.54
60 and above	44,291	30.92	34,625	29.97	38,931	32.23	40,105	36.71
Total	1,43,229	100.00	1,15,519	100.00	1,20,815	100.00	1,09,243	100.00

TABLE 10.14

Causes of Death and Number of Deaths in Kerala

Causes of Death	1957		1958		1959		1960	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
1. Cholera	..	..	27	0.02	..	..	..	..
2. Small Pox	601	0.42	1,082	0.94	2,389	1.98	587	0.54
3. Plague	..	..	..	..	..	..	..	..
4. Fevers	15,967	11.15	13,417	11.62	13,131	10.87	10,682	9.78
5. Dysentery and Diarrhoea	9,768	6.82	6,993	6.06	7,588	6.28	6,216	5.69
6. Respiratory causes	14,126	9.86	8,828	7.64	13,187	10.91	13,169	12.05
7. All other causes	102,787*	71.75	85,172*	73.72	84,520*	69.96	78,589*	71.94
Total	143,249	100.00	115,519	100.00	120,815	100.00	109,243	100.00

* Include injuries.

TABLE 10.15

<i>Sl. No.</i>	<i>*Hospitals (No.)</i>	<i>Dispensary (No.)</i>	<i>Patients treated (No.)</i>	
1	Trivandrum	3	15	169716
2	Quilon	3	21	233981
3	Alleppey	4	24	172232
4	Kottayam	4	12	188119
5	Ernakulam	7	23	21357
6	Trichur	6	45	5800
7	Palghat	4	18	52969
8	Kozhikode	2	14	54865
9	Cannanore	3	12	37847
Total		36	184	936886

*Including Vishavaidyasalas.

10.20. The percentage of deaths due to fevers, dysentery and diarrhoea has marked a decline in 1960 over 1957. The fall in the number of deaths due to epidemics is the result of the effective services rendered by the Health Service Department of the State. The total number of deaths due to respiratory causes has marked slight increase of 2.29% in 1960 over 1957.

10.21. Apart from the Health Service Department a Department of Indigenous Medicine has also been functioning in the State. Of late rapid development in this department is noticeable. Ayurveda hospitals and dispensaries including Visha Vaidyasalas and dispensaries grants-in-aid hospitals and dispensaries have been functioning efficiently all over the State. Table 10.15 shows the number of indigenous medical institutions, their district-wise distribution, bed strength, patients treated etc., as at the end of March 1961.

10.22. At present 36 Ayurveda hospitals and 184 dispensaries are functioning in the State. Ernakulam and Trichur Districts have got the largest number of Ayurveda hospitals in the State. During the period under review 9,36,886 patients have been treated in these 36 Ayurveda hospitals and 184 Dispensaries. Apart from this 281 grants-in-aid dispensaries including one house dispensary are also working in the State. A total of 46,07,633 patients (5,741 inpatients and 46,01,892 outpatients) have been treated in all these indigenous medical institutions in the State over the year 1960-61. The S.K.V. Ayurveda Co-operative Pharmacy and Stores Ltd., No. 4318 Trichur, supplied the necessary indigenous medicines to all these institutions during the period under review.

CHAPTER XI

EMPLOYMENT SITUATION

Unemployment is considered to be the greatest menace in Kerala by one and all. There is no recent appraisal of the problem on the basis of a survey conducted to study the various aspects of employment. Whatever estimates that are available now are based on a few surveys conducted years ago and conditions have since changed very much. The rapid growth of population in the State creates further problems such as increase in labour force and change in the pattern of occupation of the labour force which render proper estimates from previous surveys quite difficult. Thus it is a difficult task even to size up the present employment situation in any real terms.

11.2. The only reliable official data pertaining to employment are those furnished by the Employment Exchanges but these reflect only a partial picture for they cover only the urban centres. In Kerala the urban population is proportionately less than that for all India, but the trends in the last decade show that the urban population is growing at a rapid rate. But the unemployment problem has to be solved in the villages in which the largest percentage of population lives. Opening of a number of Employment Exchanges in the rural parts is a development in the right direction and there are schemes for the same in the Third Five Year Plan. The following paragraphs give an insight into the employment situation as gauged from the Employment Exchange data.

TABLE 11.1

Employment Exchange Data on Placings and Registrations

	1959	1960	1961
Number of placings	9487	11631	14526
Average number of employers using the exchanges	233	198	238
Number of registrations	106790	105775	105885

11.3. The employment exchange figures indicate that the opportunities for employment were higher in 1960 than in 1959. They were still higher in 1961 than in 1960. The number of placings were higher for eight months of 1961

than for the corresponding months of 1960. The average number of employers using the exchanges have also gone up in 1961. These indicators together with the growing trend in the public sector employment (see Table 11.3) point to a higher level of employment opportunities in 1961 than in 1960. This comparatively better employment situation is merely due to the increase in the absolute number of jobs created in the two years compared. The annual increase in the labour force is of the order of 1.8 lakhs and no reference whatsoever is made to the labour force added year by year because the employment opportunities provided by the Exchanges form only a negligible portion of the total employment generated in one year which again forms only a fraction of the addition to the labour force.

TABLE 11.2

Occupational Distribution of the Live Register

Sl. No	Occupational Division	September 1960		September 1961	
		Number	per cent	Number	per cent
1	Professional, technical and related workers	10,358	6.8	11,100	7.4
2	Administrative executive, and managerial workers	1,887	1.3	164	0.11
3	Clerical and related workers	7,439	4.9	10,754	7.1
4	Sales workers	3,209	2.1	42	0.0
5	Farmers, fishermen, hunters, loggers and related workers	1,515	1.0	1,473	1.0
6	Miners, quarrymen and related workers	299	0.20	100	0.1
7	Workers in transport and communications occupations	2,786	1.9	3,070	2.1
8	Craftsman, production process workers and labourers not elsewhere classified	29,717	19.6	21,476	14.3
9	Service, sports and recreation workers	8,626	5.7	8,054	5.4
10	Workers not classified by occupation	85,552	56.5	93,889	62.6
	Total	151,388	100.0	150,062	100.0

11.4. The live register in September 1961 (Table 11.2) shows a figure slightly above 1.5 lakhs. It is more or less maintained at this level during the last year. Professional and technical workers seeking employment form a very low percentage viz., 7.4 of the total number of employment seekers in 1961. This may be mainly due to the poverty of technical skill in Kerala, but this is also due to the fact that there is no compulsory registration of technically skilled personnel who remain without work for a temporary period. The number of registered persons seeking clerical and related occupations together with those persons who are unclassified account for 70% of the total registrants in 1961 as against 61% in 1960. This indicates the growth of unemployment among those who have only general education as compared to that among those who seek any specialised occupation.

11.5. The quarterly indices of public sector employment also indicate the fact that opportunities of employment in the public sector are rising. The indices for the past four years are given below:

TABLE 11.3

<i>Quarter ending</i>	<i>Index of Public sector employment</i>
31—3—1958	100.0
31—3—1959	108.8
31—3—1960	115.3
31—3—1961	124.2

CONCLUSION

The year under review has set in motion certain positive and negative trends in the Kerala economy. Production in agriculture and industry continued to maintain its growing trend which was evident for the last few years. The market for our export products has been generally good. To the producer, therefore, the year has been good.

The consumer, on the other hand, had to face another year of rising prices. There has been a substantial rise in the prices of rice and cloth. The terms of trade have continued to work against the non-ownership classes. In 1961, there were more employment opportunities, created than in 1960 if Employment Exchange placings are any indication. Developments in the economy have generally vindicated those who advocated a bigger plan. Resources are growing out of past investments and there is no reason why the State should not take full advantage of what had been achieved in the past decade of planning.
